



Te Kaunihera-ā-Rohe o Taratahi

CARTERTON
DISTRICT COUNCIL

AGENDA

Risk and Assurance Committee meeting

Date: Wednesday, 21 February 2024

Time: 9:30 am

**Location: Carterton Events Centre
50 Holloway St
Carterton**

P Jones (Chair)

Deputy Mayor D Williams (Deputy
Chair)

Mayor R Mark

Cr S Cretney

Cr G Ayling

M Sebire - Hurunui-o-Rangi Marae
representative

**Notice is hereby given that a Risk and Assurance Committee meeting of the
Carterton District Council will be held in the Carterton Events Centre, 50 Holloway
St, Carterton on:**

Wednesday, 21 February 2024 at 9:30 am

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1 KARAKIA TIMATANGA

Mai i te pae maunga, raro ki te tai

Mai i te awa tonga, raro ki te awa raki

Tēnei te hapori awhi ai e Taratahi.

Whano whano, haramai te toki

Haumi ē, hui ē, tāiki ē!

2 APOLOGIES

3 CONFLICTS OF INTERESTS DECLARATION

4 PUBLIC FORUM

5 CONFIRMATION OF THE MINUTES



5.1 MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING HELD ON 15 NOVEMBER 2023

1. RECOMMENDATION

1. That the Minutes of the Risk and Assurance Committee Meeting held on 15 November 2023 are true and correct.

File Number: 372913

Author: Robyn Blue, Democratic Services Officer

Attachments: 1. Minutes of the Risk and Assurance Committee Meeting held on 15 November 2023

**MINUTES OF CARTERTON DISTRICT COUNCIL
RISK AND ASSURANCE COMMITTEE MEETING
HELD AT THE CARTERTON EVENTS CENTRE, 50 HOLLOWAY ST, CARTERTON
ON WEDNESDAY, 15 NOVEMBER 2023 AT 9:30 AM**

PRESENT: Philip Jones (Chair), Deputy Mayor Dale Williams (Deputy Chair), Mayor Ron Mark, Cr Steve Cretney, Cr Grace Ayling, Marty Sebire (Hurunui-o-Rangi Marae representative)

IN ATTENDANCE: Elected members

Cr B Deller, Cr Steve Laurence, Cr Steve Gallon

Staff

Geoff Hamilton (Chief Executive), Kelly Vatselias (Corporate Services Manager), Geri Brooking (People and Wellbeing Manager), Glenda Seville (Community Services and Facilities Manager), Solitaire Robertson (Planning and Regulatory Services Manager), Johannes Ferreira (Infrastructure Services Manager), Jane Mills (Senior Emergency Management Advisor, WREMO), Jody Dalziel (Health, Safety and Wellbeing Advisor), Elisa Brown (Communications and Engagement Manager), Robyn Blue (Democratic Services Officer)

1 KARAKIA TIMATANGA

The meeting opened with a karakia by Marty Sebire.

2 APOLOGIES

There were no apologies received.

3 CONFLICTS OF INTERESTS DECLARATION

There were no conflicts of interest declared.

4 PUBLIC FORUM

There was no public forum.

5 CONFIRMATION OF THE MINUTES

5.1 MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING HELD ON 23 AUGUST 2023

MOVED

1. That the minutes of the Risk and Assurance Committee Meeting held on 23 August 2023 are true and correct.

Deputy Mayor D Williams / Cr S Cretney

CARRIED

5.2 MINUTES OF THE EXTRAORDINARY RISK AND ASSURANCE COMMITTEE MEETING HELD ON 28 SEPTEMBER 2023

MOVED

1. That the Minutes of the Extraordinary Risk and Assurance Committee Meeting held on 28 September 2023 are true and correct.

Cr G Ayling / Cr S Cretney

CARRIED

6 REPORTS

6.1 STRATEGIC RISK REVIEWS

1. PURPOSE

For the Committee to regularly review Council's strategic risks.

MOVED

That the Committee:

1. **Receives** the report.
2. **Endorses** that the following be recommended to Council as the top 5 strategic risks:
 - Strategic partnerships
 - Health, Safety and Wellbeing
 - Climate change
 - Delivery of critical services
 - Adequate financial controls

Deputy Mayor D Williams / Marty Sebire

CARRIED

6.2 TOP TEN STRATEGIC RISKS

1. PURPOSE

For the Committee to review one of Council's Top 10 Strategic Risks.

MOVED

That the Committee:

1. **Receives** the report.
2. **Endorses** the changes as recommended.

P Jones / Cr S Cretney

CARRIED

6.3 HEALTH, SAFETY AND WELLBEING UPDATE

1. PURPOSE

This report updates the Audit and Risk Committee on recent health, safety and wellbeing activities.

MOVED

That the Committee:

1. **Receives** the report.

P Jones / Deputy Mayor D Williams

CARRIED

6.4 TREASURY UPDATE REPORT

1. PURPOSE

To provide the Committee with an update on Council's current Treasury position.

MOVED

That the Committee:

1. **Receives** the report.
2. **Notes** the current Treasury position and compliance with policy limits.

Cr S Cretney / Cr G Ayling

CARRIED

6.5 UPDATE ON 2024-34 LONG-TERM PLAN**1. PURPOSE**

To update the Committee on progress and risks with the Long-Term Plan 2024-34 project.

MOVED

That the Committee:

1. **Receives** the report

Deputy Mayor D Williams / Marty Sebire

CARRIED**6.6 PROPOSED RISK AND ASSURANCE COMMITTEE SCHEDULE FOR 2024 YEAR****1. PURPOSE**

For the Committee to review and amend/make comment to the proposed work programme contained below.

MOVED

That the Committee:

1. **Receives** the report.

Deputy Mayor D Williams / Marty Sebire

CARRIED

7 EXCLUSION OF THE PUBLIC

RESOLUTION TO EXCLUDE THE PUBLIC

MOVED

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
0.0 - Confirmation of public-excluded minutes of the Risk and Assurance Committee meeting 23 August 2023	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

Deputy Mayor D Williams / Cr G Ayling

CARRIED

MOVED

That Council moves out of Closed Council into Open Council.

P Jones / Deputy Mayor D Williams

CARRIED

Kelly Vatselias was thanked for her important contributions since she had been at the council as the Corporate Services Manager.

8 KARAKIA WHAKAMUTUNGA

The meeting closed with a karakia by Marty Sebire.

The Meeting closed at 10.59

Minutes confirmed:

Date:

6 REPORTS



6.1 UPDATE ON 2024-34 LONG-TERM PLAN

1. PURPOSE

To update the Committee on progress and risks with the 2024-2034 Long-Term Plan (LTP) project and the Audit Engagement and Fees Letter.

2. BACKGROUND

Council is required to prepare and adopt a Long-Term Plan (LTP) under the LGA. The LTP sets out the activities, budgets, Financial Strategy, and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The LTP is required to be updated every three years, with the last LTP being approved in 2021.

Section 94 of the Local Government Act 2002 requires the LTP to be audited and contain a report from the Auditor-General. Details of these requirements have been outlined in previous reports to the Committee.

3. AUDIT OF THE LTP

Audit NZ has confirmed the draft Consultation Document and supporting information will be audited from 19 February to 8 March.

The final LTP audit will be from 4 to 14 June 2024.

Audit NZ's Engagement and Fees Proposal Letter is currently not available. Audit NZ is awaiting confirmation from the Office of the Auditor General (OAG). The OAG is not formally issuing Engagement Letters until the Three Water Reform has been repealed under urgency, this is expected to be on 26 February 2024.

A copy of the draft Engagement Letter has been requested.

4. DISCUSSION

4.1 Timeframes

The timeline for the project centres on key dates for completion of the draft documents by early February, auditing from mid-February 2024, and consultation in April/May 2024, with adoption of the final LTP document in June 2024.

The table below provides a summary of key milestones and timelines for 2024.

Description	Start	Finish
Workshops with Elected Representatives	31 Jan 2024	30 Jun 2024
Consultation Document (CD) development and pre audit draft	Jan	Feb
External audit commences (three weeks) on CD and supporting documentation	19 Feb	8 Mar
Adoption of the final audited CD – Extraordinary Council meeting	20 Mar	20 Mar
Public Consultation commences (30 days)	3 Apr	3 May
QV issue new valuations, QV objections close 24 May	17 Apr	24 May
Submissions and hearings	15 May	16 May
External audit commences (two weeks) on final LTP document and full review	4 Jun	14 Jun
Audit NZ and OAG final review	17 Jun	19 Jun
Draft final LTP document	21 Jun	22 Jun
Adoption of final LTP	26 Jun	26 Jun

4.2 Key risks

A project risk register has been developed for the LTP and is reviewed at each project team meeting. The more significant risks identified to date include the following. Red font is where there are updates from the last report to the Risk & Assurance Committee.

Description of LTP risk	Actions/Mitigations
Central government reforms	<p>There is now even more uncertainty around the government reforms given the new government at the recent general election. In particular, the future of the Affordable Waters reform (previously 3 Waters) is very uncertain and has a significant effect on the LTP.</p> <p>At this stage we are now planning to include three waters activities in all years of the LTP. Although legislation is still in place which excludes 3 Waters from the LTP after the expected transition date (so for CDC this would have been from year 2), we expect it is likely the reforms will not go ahead in the current form. It is also more straightforward to include 3 Waters in budgets, and remove them later if needed, rather than not include them, then have to add them later.</p> <p>We are ensuring we stay up to date with current information on the reforms, and that we are ready to respond to any changes.</p> <p>It is expected the Affordable Waters reform will be repealed at the end of February 2024</p>

Failure to comply with all LTP statutory requirements	<p>External experts review legislative compliance of key documents and processes:</p> <ul style="list-style-type: none"> - Significance and engagement policy - Rates review as part of the Revenue & Financing Policy <p>Work on these areas has been completed.</p>
Project delivery deadlines not met	<p>Timelines for the project are tight given the complexity of the project. On top of BAU there's also a significant workload for staff related to the LTP.</p> <p>The project team is meeting regularly and has developed a timeline that ensures work will be completed within timeframes. We will monitor ourselves against the timeline regularly and escalate any issues to Council.</p> <p>Audit NZ has now confirmed audit dates for CD and final which are noted in the timetable above.</p> <p>These dates are extremely tight for completion of all documentation, and the project team will be closely monitoring progress over the next few months to raise any further risks and issues.</p> <p>The Consultation Document is now underway and due for completion early March.</p>
Quality of financial/non-financial information	<p>Quality assurance (QA) is a vital part of developing an LTP and needs to be incorporated formally into our process. It is an ongoing process, not a task that is only done at the end. QA processes include:</p> <ul style="list-style-type: none"> • Review of information by members of the project team for accuracy, consistency, completeness, and reasonableness. • Implementation of a rates modelling tool. • External resources for key pieces of work, including rates review and a legislative compliance review. • Review of AMPs by Audit NZ. • Review of the Consultation Document, underlying and supporting information, and LTP document by Audit NZ. • Quotable Value NZ (QV) has delayed the release of new valuations that were due Feb 2024 to ratepayers. This will now be April 2024. <p>All financial information will be calculated on the best information available.</p>

5. NEXT STEPS

We will continue with the LTP work programme and provide an update to the Risk and Assurance Committee at the next meeting in May 2024.

6. RECOMMENDATION

That the Committee:

1. **Receives** the report.

File Number: 385080

Author: Karon Ashforth, Corporate Services Manager

Attachments: Nil



6.2 AUDIT NEW ZEALAND REPORT ON THE 2022/23 ANNUAL REPORT

1. PURPOSE

To present the report prepared by Audit New Zealand on the 2022/23 Annual Report for the Committee's consideration.

2. SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3. REPORTING BY AUDIT NEW ZEALAND

After conclusion of the audit and release of an audit report Audit NZ prepares a detailed report on their audit of Council's Annual Report and the financial statement. The final report in **Attachment 1**.

Management can incorporate comment on the findings of Audit NZ regarding processes and control systems operated by Council. In this year's report, there are three new areas where comment was sought. The draft report was received 21 December and final report on 5 February, and management comments have since been added. We will continue to work through the recommendations and add further comments, which will be incorporated into the Update on Audit Recommendations report at the next Committee meeting. A review of these recommendations will be sought by management and Audit NZ before yearend to review the status of these recommendations.

While it is disappointing to have new issues identified, it's noted that none of these are classified as "Urgent" which is the classification for the most significant issues/risks. Most of the new recommendations relate to areas where we can look to review our internal policies and financial reporting.

We are pleased to note that Audit New Zealand has classified two of our previous recommendations as cleared and have commented on our progress against several other recommendations which they will review as part of the 2024 audit.

The additional recommendations have been incorporated into the standard report, Update on Audit Recommendations.

4. CONSIDERATIONS**4.1 Tāngata whenua**

There are no specific tāngata whenua considerations in relation to this report.

4.2 Financial impact

There are no financial impacts arising from this report.

4.3 Community Engagement requirements

There are no considerations as this relates to Council's internal management.

4.4 Risks

No other risks identified.

5. RECOMMENDATION

That the Committee:

1. **Receives** the draft report.

File Number: 385226

Author: Karon Ashforth, Corporate Services Manager

Attachments: 1. Audit NZ Open recommendations 2023 [↓](#)

Audit NZ OPEN recommendations and progress 2023 – updated February 2024

Audit NZ Recommendation	Audit NZ rating	First raised	Status (as per 2022 report)	Management comment on current status	Due by
Fraud policy review Fraud risks should be considered as part of the existing risk assessment process and the fraud policy should be reviewed and updated on a regular basis.	Necessary	2022/23	New	This policy will be reviewed and updated as part of the LTP 2024-2034 review	1 July 2024
Remuneration bands disclosure The District Council should include KiwiSaver in the disclosure of remuneration bands in its 2024 annual report to comply with the Act.	Necessary	2022/23	New	The error has been noted by Finance and will be correct for next Annual Report	30 June 2024
Inconsistencies between cost allocation model and long-term plan The District Council should review and update the cost allocation model so that it aligns with its long-term plan document.	Necessary	2022/23	New	We are currently reviewing the model to the LTP 2024-2034 and will review at year end.	30 June 2024

<p>Revaluation of Property, Plant and Equipment</p> <p>The independent valuer has raised recommendations for the District Council to work through for future valuations.</p> <p>These include that Council should:</p> <ul style="list-style-type: none"> • Continue to develop, and improve the asset component register. • Formalise a regular (periodic) audit process of asset registers to verify completeness and accuracy of the valuation. • Undertake more rigorous checking that additions and deletions are appropriately recorded in CDC databases. • Initiate on-going analysis of project costs to monitor trends and divergence of cost rates from the cost rates used in the current valuation. • Investigate an increased level of asset componentisation to more accurately capture and reflect the varying lives of assets. 	Necessary	2019/20	<p>In progress.</p> <p>We will review progress against this during our 2023 audit.</p>	<p>In progress</p> <p>We were due to have a roading valuation in 2023, (this was completed in 2021/22) however due to the significant increase in value expected resulting from cost increases, we instead had WSP complete a roading revaluation this year.</p> <p>The valuation report showed some improvements to data, and a previous recommendation about running future valuations within the RAMM asset register using the RAMM Valuation Module, has been addressed and is not included in this year's recommendations.</p> <p>There continue to be recommendations around maintenance</p>	<p>We will continue to make improvements as recommended by WSP.</p>
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<ul style="list-style-type: none"> Undertake a review of useful lives for pavement top-surface and subsurface assets. <p>These recommendations should be implemented and monitored to ensure the valuations remain appropriate.</p>				of data, ongoing analysis, and reviews.	
<p>Lack of formal/documented impairment assessments</p> <p>We recommend that management keeps records of its discussions with relevant individuals and documents its assessments in line with the requirements of the standards in a memo or similar substantiation file.</p>	Necessary	2021/22	<p>In progress.</p> <p>The District Council has set up some formal process documentation in this regard. Work is still required to collaborate with staff to improve understanding around impairment requirements.</p>	A formal process has now been implemented and will be reviewed at year end.	30 June 2024
<p>Inadequate supporting information for capital commitments</p> <p>We recommend that management implements appropriate processes and controls including appropriate record keeping relating to capital projects, including maintaining up to date re-forecasting measures on all existing and future projects.</p>	Necessary	2021/22	<p>In progress.</p> <p>Improvements are being made to the way the District Council manages its projects and maintains documentation. The finance team needs to work with the project owners to ensure capital commitments are better documented and includes supporting information. Some work on this was completed, but further</p>	We are reviewing the processes during the year and along with implementation of Project Accounting (Magiq)	30 June 2024

			work is required, including formalising the process.		
Errors in classification of expenditure in the General Ledger We recommend that management implements appropriate review controls to identify and correct incorrect classifications within the general ledger. Where excel uploads are used, we recommend that the AP officer performs a review of the imported information against both the upload file and supporting information to identify any errors.	Necessary	2021/22	Issue outstanding. Audit continues to identify misclassification between expense codes.	This is under review; processes being amended to minimise this impact.	
30 Jun Month-end reconciliations Both the preparer and reviewer sign and date the bank reconciliations to demonstrate independent review was carried out and reconciling items have been checked to supporting documentation.	Necessary	2018/19	In progress. We have reviewed progress against this during our 2022 audit and noted further examples of reconciliations with no evidence or date of review.	Cleared The finance team have implemented improvements in systems and processes, including around the preparation and sign-off of reconciliations.	Completed (expect Audit to review as part of 2023 audit)
Controls over journals <ul style="list-style-type: none"> A system generated list of all manual journals for the period is 	Necessary	2018/19	Outstanding. The District Council have implemented additional processes since the		Completed (expect Audit to review as part of 2023 audit).

<p>included with the journals for review.</p> <ul style="list-style-type: none"> The reviewer is someone who is unable to post journals but understands the concept of them. 			<p>previous financial year, however during the audit we noted insufficient evidence of regular review and some journals with inadequate support, which could be due to timing of implementation of changes.</p> <p>We will review that these are operating effectively as part of the 2023 audit before removing this issue.</p>		<p>All journals now posted in Magiq and reviewed independently and electronically.</p>
<p>Segregation of duties</p> <p>We recommended a review of access to all systems occurs to ensure that access is given only to those who need it and that reviewers have read only access where appropriate.</p> <p>Also where the process currently involves one staff member, another is added to the process to ensure appropriate segregation of duties.</p>	Necessary	2018/19	<p>In progress.</p> <p>The District Council have implemented additional processes since the previous financial year. As some of these improvements were implemented partway through the year, we will review that these are operating effectively as part of the 2023 audit before removing this issue.</p>	<p>In progress.</p> <p>We are in the process of reviewing access to systems, with some review having been completed.</p> <p>We will continue our review, and also consider where we can better implement improved segregation of duties.</p> <p>When implementing the new electronic purchase order system, we allocated</p>	<p>End of year.</p>

				access to staff with segregation of duties being one of the considerations. For example, the staff member involved in creditors does not have the ability to raise purchase orders.	
Project management – Wastewater treatment project The District Council: <ul style="list-style-type: none"> - reviews its approach to procurement and contract management documentation in order to ensure there are robust records for both practices for future projects (1). - establishes a detailed project plan for the remainder of this project. In addition to timescales, this should include costs. Responsibility for all actions should be clearly allocated (2). - should decide whether it has sufficient internal resources to manage the remainder of the project or whether additional 	Necessary	2021/22	In progress.	In progress. We have made progress in some of these areas. More specific to the wastewater treatment project, a structured plan and time chart is being developed to ensure that all activities, dependencies, and dates are sequenced properly and that responsibilities for all actions are assigned. We are also preparing reporting on the remainder of the	Changes to project management in last 18 months: <ol style="list-style-type: none"> 1. During pre-development stage, each project requires a Project Scope definition form – template available. 2. Project scope definition form – prompts officer to consider whole life cost, available budgets vs cost estimates, resources required, procurement requirements and risks. 3. Project scope is reviewed by Infrastructure team, to ensure a holistic consideration of affected parties and future operation.

<p>external resources should be commissioned (3).</p> <ul style="list-style-type: none"> - produces a press or public statement which provides a clear and concise account of what is expected for the remainder of the project and what the final cost will be (4). - following completion, prepares to undertake a post-implementation review in order to identify learning opportunities for the future (5). <p>In the longer term we recommend that the District Council:</p> <ul style="list-style-type: none"> - identifies a project planning methodology that can be applied to future projects (6); and - as part of the above, develops a more robust approach to project risk management (7). 				<p>project, including cost information.</p> <p>We have commissioned an independent review of the project (phases one and two), which is currently being undertaken, and will provide learning opportunities for the future.</p> <p>1. We reviewed the procurement processes and procedures as well as Contract management. We now put additional effort into procurement planning and defining of the scope of works. We consider project risk to inform the contract delivery model. High risk and complex contracts are now and will be delivered in future through NZS3910 or NZS3917 contracts</p>	<p>4. Projects will be prioritised using the CDC Risk Framework.</p> <p>5. No Project shall commence without an approved budget in the LTP/Annual plan</p> <p>6. No Project shall commence if the Estimate exceeds the approved budgets.</p> <p>7. Policy and Projects Committee or Council to be notified if estimates do not align approved budgets – If required request for unplanned expenditure or new budget as per Delegations Manual.</p> <p>8. All projects to be procured in line with Procurement policy and NZ government guidelines for procurement.</p> <p>9. All major procurement (requiring tender process) will place big</p>
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				<p>with dedicated Engineer to contract and Engineers Representative.</p> <p>2. We have a project programme with key milestones identified. We also monitor cost through financial forecasting project completion.</p> <p>3. Refer to earlier comment. We now make use of a professional services as Engineer to Contract to assist with demand on internal resources.</p> <p>4. We report to Council through the CE report as well as to the Policy and Projects Committee.</p> <p>5. The independent review identified a few learnings that we will incorporate into the Contract management guideline.</p>	<p>emphasis on quality procurement through either price/quality or quality evaluation models.</p> <p>10. Contracts are delivered through NZS suite of contracts.</p> <p>11. Council Staff to act as Principal representative only with independent professional service to be assigned as Engineer to contract as per the respective NZS contracts.</p> <p>12. Monthly project reporting include expenditure to date, forecasts and programme.</p> <p>13. In last 18 months 4 successful procurement procedures resulting in 2 x long term renewals contracts, 2 standalone projects. All 4 contracts performed well, reaching completion within budget and on time.</p>
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				6&7. The development of Contract management guideline in progress will address this recommendation.	14. As part of contract management, Contractors are held responsible to repair damage at their own cost to an acceptable quality. All the actions taken are common industry practice and in line with current policies. The documentation of the refined process is still in progress.
Lack of formal/documented process for work in progress (WIP) transfers We recommend that management considers implementing a formal process, such as a capitalisation request form, which clearly documents the date of completion of the asset and identifies who requested the capitalisation, when it was processed by finance and by whom.	Beneficial	2021/22	In progress. A new form is being developed, which project owners will need to complete at the end of the project in order for it to be capitalised. Finance will work with project owners to remind them of this requirement, and to ensure it is completed promptly.	Now complete.	30 June 2024.
Manuka crop Per PBE IPSAS 27, a biological asset shall be measured on initial recognition and at each reporting date at its fair value	Beneficial	2020/21	In progress. This issue remains outstanding as no progress has been made.	We consider this to be immaterial.	

less costs to sell, except where the fair value cannot be measured reliably. The District Council should engage a valuer to value the Manuka plantation, this can be periodically while the plants are shrub size, to update the value reported in the annual financial statements.					
Annual leave balances Consider putting in place formal leave plans for staff with high annual leave balances.	Beneficial	2017/18	In progress. We understand some progress is being made, however some annual leave balances remain high in the current year.	Management continues to work to reduce excessive leave balances and implement leave plans where necessary.	
Contract Management Overall, our review found that the majority of expectations of contract management processes were met. We noted however that there was a lack of a District Council specific contract management policy and guidance available to contract managers. When management are next reviewing the suite of policies, if policy or guidance on contract management was considered useful, the MBIE website has resources at https://www.procurement.govt.nz/procurement/guideto-procurement/manage-	Beneficial	2019/20	In progress. The District Council updated its Procurement Policy and implemented the contract management module in Magiq, which will allow better recording, and management of contracts. We will review that these have been implemented and are operating effectively as part of the	In progress. We have finalised our updated Procurement Policy and are currently considering whether we will develop a separate Contract Management Policy. We are also implementing the contract management module in Magiq, which will allow better recording, and	Planning to have draft policy completed by end of the year. See above comments for Project Management- WWTP.

the-contract/ that could be used as a basis.			2023 audit before removing this issue.	management of our contracts. We are in the process of developing a CDC specific contract management policy and guidance for contract managers.	
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Audit NZ priority ratings:

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i>. These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.



6.3 TREASURY UPDATE REPORT

1. PURPOSE

To provide the Committee with an update on Council's current Treasury position.

2. SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3. BACKGROUND

CDC's Treasury position and management are reported at each Risk and Assurance Committee meeting. This covers the current debt position, forecast debt position, compliance with policy and covenants, and risks.

This report incorporates analysis undertaken by PwC who are engaged to advise on Council's Treasury management.

This report sets out the Treasury position on 31 December 2023 advising the current status of debt and compliance against the parameters outlined in the Council's Liability Management Policy.

An update on the position of investments is reported to the Investment Committee, however a section on Investments has been included in this report, with a particular focus on risk management.

4. CURRENT DEBT POSITION

The council's current debt position as at 31 December 2023 is:

LGFA	\$20,400,000
Internal borrowings	\$ 6,385,000
TOTAL	\$26,785,000

As well as external borrowing through LGFA, we also have internal borrowings of approximately \$6.4m. This can be a prudent way to manage debt as we effectively spend Council cash holdings on capital expenditure and reflect this use of equity as internal loans. However, it is not always visible in financial reporting, as only external debt is shown in the Statement of Financial Position. Our internal debt is shown in our Annual Report as part of our borrowings note disclosure.

The weighted average interest rate on our borrowings with LGFA is currently 3.1%.

Interest rates have responded to economic conditions arising from the pandemic, global supply issues, and the increases in OCR over the last couple of years. LGFA funding continues to be competitive compared to other lenders. Council is in a good

position with a low average interest rate. Currently, internal borrowings have mitigated the external interest expense. Should we choose to refinance these internal borrowings, it will increase the external interest expense.

The current interest rate has been achieved through borrowing from several different bonds, ranging from 6 months to eight years. In selecting the bonds, we along with our advisors PWC have considered interest rates and the timing of bonds to meet the requirements of the Council's funding policy.

Any borrowings to cover the loan funding of the 2023/24 capital programme, and a bond that will be refinanced in April 2024 are likely to increase this average rate.

5. LIABILITY MANAGEMENT COMPLIANCE

Council's Treasury Management Policy (which includes Liability Management Policy and Investment Policy) stipulates parameters relating to the prudent management of debt. For the purposes of this report, the key policies are each addressed separately, as relevant.

Borrowing limits

The policy specifies the following borrowing limits, and Council is currently within all of them:

Limit	Council Limit	LGFA Lending Policy Limit	Position on 31 December2023
Net external interest expense as a percentage of annual rates income	<15%	<25%	1.3%
Net interest expense as a percentage of total revenue	<15%	<20%	0.8%
Net external debt as a percentage of total revenue	<150%	<175%	75%
External debt plus available committed facilities plus liquid assets over existing external debt	Are maintained at or above 110%	Are maintained at or above 110%	151%

Liquidity Risk

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs. This anticipates that Council has a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall. The Policy calls for Council to maintain at least \$2m in bank, call and term deposits with a maturity date of no greater than 30 days.

On 31 December2023, liquid assets amounted to \$10.4m with the liquidity ratio being 151%, compared to the minimum limit of 110%.

Term deposits longer than 30 days or linked to debt prefunding activity are excluded from the liquidity calculations, whereas uncommitted bank facilities are included in liquidity and current ratio calculations.

Debt Funding Risk

The maturity profile of the total committed funding in respect to all external debt and committed bank facilities is to be controlled by the following system.

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

The current profile on 31 December 2023 was:

Funding summary

Bucket (years)	Maturing in period (\$)	Policy	Actual
0 - 3	\$9,000,000	15% - 60%	44%
3 - 7	\$10,400,000	25% - 85%	51%
7 - 15	\$1,000,000	0% - 60%	5%
Total	\$20,400,000		100%

As shown above, as at 31 December 2023 we are in compliance with policy.

Interest rate risk

Interest rate exposure refers to the impact that movements in interest rates have on the Council's financial performance. Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

Factors that influence interest rates for long and short-term securities are beyond the control of the Council. When deciding the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing it is prudent to be aware of where the interest rate cycles are.

Exposure to interest rate risk is managed and mitigated through fixed/floating interest rate risk control limits based on the period to maturity and a suitable fixed/floating mix for individual periods. A 10-year period would set a fixed/floating mix of 25:75.

However, currently we are not reflecting that mix as the 3 Waters funding approach using short-term bonds on fixed low interest rates has given an interest rate profile as follows.

Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 1	40%	90%	64%
2	1 - 12	40%	90%	45%
3	12 - 24	35%	85%	56%
4	24 - 36	30%	80%	52%
5	36 - 48	25%	75%	46%
6	48 - 60	20%	70%	25%
7	60 - 72	0%	65%	12%
8	72 - 84	0%	60%	5%
9	84 - 96	0%	50%	2%
10	96 - 108	0%	50%	0%

We have considered our interest rate exposure when drawing down borrowings and have structured our borrowings across bonds that end at different dates.

Council has a \$1.5m interest rate swap as a way to help manage interest rate risk. Swaps may be used to hedge against adverse interest rate movements. Interest rate swaps allow both counterparties to benefit from the interest payment exchange by obtaining better borrowing rates. This was done to mitigate the possible interest rate increase when term bonds are required to be repaid and drawn down as they become due.

Interest rates are starting to slow and are anticipated to start to fall in the not too distant future, we will continue to monitor interest rates and consider ways to manage our interest expense.

6. FORECAST POSITION

We have now completed year 2 of the Long-Term Plan (2022/23). We had forecast net debt to be \$19.7m on 30 June 2023 whereas at year-end net debt was \$14.8m. This reflects \$17.4 million gross debt less the repayment provision of \$2.6 million. This excludes \$6.3 million of internal borrowing.

Our forecast borrowings under the Annual Plan for 2023/24 (year 3 of the LTP) is an additional \$4.1 million, with a repayment provision of \$1.3 million. We have capital expenditure carried forward from 2022/23 of \$3 million, so any loan funding of these items will increase this number. In line with spend forecasts and the funding environment we will continue to assess the best time to drawdown these borrowings.

This level of borrowing is well within policy limits, as shown in the Borrowing Limits table above.

Currently we are still holding internal debt and will continue to assess whether it is more prudent to continue to hold this internally or transfer to external debt through the LGFA. There are a few considerations here, including interest expense, and the fact that most of the internal borrowings relate to 3 waters assets.

Counterparty Credit exposure

Credit risk is the risk that a party to a transaction will default on its contractual obligation. Council is exposed to credit risk when there is a deterioration of the credit rating:

- of an entity with which the Council places its investments.
- of a counterparty with whom the Council may transact financial derivative contracts.

To avoid such risk, investment is made in instruments that are issued by entities that fit within the following:

Counterparty / Issuer	Minimum S&P long term / short term credit rating	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited	None	Unlimited
Local Government Funding Agency (LGFA)	AA- / A-1	20.0	None	20.0
NZ Registered Bank	A- / A-1	10.0(1)	10.0	20.0

Currently counterparty relationships are established with BNZ, ANZ and Westpac. Involving others will be based on our requirements, and their credit rating.

7. INVESTMENTS

We have investments in managed funds, and we expect that these funds will be invested long term. When investing in managed funds we purchase units and we also regularly have distributions of addition units which increases our units. The value these units is expected to increase over time. There is always the risk that these units will decrease in value. To help mitigate this risk we have invested in multiple funds. We also use Eriksen's Global to provide advice over our managed fund portfolio. We provide a managed funds update to our Investment Committee, so the committee has oversight over these investments.

8. NEXT STEPS

Staff will continue to monitor and report on the Treasury position and compliance to the Risk and Assurance Committee. As new borrowings are drawn down, compliance with policy requirements will be considered, as well as advice from PwC.

9. CONSIDERATIONS**9.1 Climate change**

There are no specific climate change considerations.

9.2 Tāngata whenua

There are no specific tāngata whenua considerations.

9.3 Financial impact

There are no financial impacts resulting from the decisions in this report.

9.4 Community Engagement requirements

There are no community engagement requirements.

9.5 Risks

Key risks relate to Treasury management areas outlined above. As demonstrated, we comply with policy, and have significant headroom in terms of our borrowing capacity.

As borrowings increase, risk becomes higher. For example, changes in interest rates can have a significant impact. We continue to manage these risks and meet monthly with our external advisor PwC to assist in this.

Risks related to investments, and in particular managed funds, and the management of these risks, has been discussed in the report above.

10. RECOMMENDATION

That the Committee:

1. **Receives** the report.
2. **Notes** the current Treasury position and compliance with policy limits.

File Number: 385299

Author: Kyra Low, Finance Manager

Attachments: Nil



6.4 GOVERNMENT REFORM UPDATE

1. PURPOSE

To provide Council with a brief update on the Government Reforms.

2. SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3. AFFORDABLE WATERS REFORMS

The Coalition Government has proposed to pass a bill repealing the previous Government's water services legislation by 23 February 2024. This will confirm the requirement to include "three waters" in all ten years of our 2024-2034 Long-Term Plan, as Management have already done.

Legislation to implement the Coalition Governments' Local Water Done Well is expected to progress in two-stages.

The first bill, which will establish the framework and transitional arrangements for the new water services system, is expected to be passed by the middle of 2024. This is expected to include initial economic regulations of water services (was also part of the WSE legislation); streamline the requirements for establishing Council-Controlled Organisation's (CCO's); and specific support and advice on creating a financially sustainable model for Auckland's Watercare.

A second bill to provide for the long-term replacement regime is expected to be introduced by December 2024. The bill is expected to include longer-term requirements for financial sustainability; a range of new financing tools; a new class of financially independent CCO's; a review and further enhancements of the Water Service Regulator (Taumata Arowai); further, permanent economic regulation of water services and regulatory backstop powers to be used to ensure effective delivery of financially sustainable or safe water services.

The Minister also announced the establishment of a Technical Advisory Group to provide expert advice to the Department and the Minister on the implementation of Local Water Done Well. The members of the Technical Advisory Group include:

Andreas Heuser (Chair), Managing Director at Castalia Limited.
Raveen Jaduram, Director of the New Zealand Infrastructure Commission.
Wendy Walker, Chief Executive of Porirua City Council.
Mark Reese, Partner at Chapman Tripp.
Simon Weston, Chief Executive of Whangārei District Council.

More information about the Technical Advisory Group is available on the DIA website, [here](#).

The draft February 2024 legislation also includes two options available for Council to consider. These are:

1. Deferral of the 2024-34 Long-Term Plan adoption by 12 months.

This option enables Councils to prepare an 'enhanced' Annual Plan for the 2024/25 financial year and defer their Long-Term Plan by 12 months until next year.

If a Council chooses this option, it will be required to include additional information (about groups of activities and capital expenditure) in the 2024/25 Annual Plan, as well as to consult on the plan. To take up this option Council is required to pass a resolution by 30 April 2024, or if authorised to do so by an Order in Council, after that date.

2. Transitional provisions deferring the review of water services bylaws

The proposed legislation will also include transitional provisions that enable Councils who have water services bylaws to defer these. This does not affect Carterton District Council.

The removal of three waters legislation reduces a lot of additional workload of the organisation – not just in the Waters Operations team, but also in Finance, IT, People and Wellbeing, Assets, Communications and the Executive Leadership Team.

Management is not recommending Council defer the adoption of our Long-Term Plan.

Practically speaking, the removal of three waters legislation will see little or no change to the team's day-to-day operations. We will continue with an in-house Water Operations team, and our investments as outlined in our LTP.

Some Wellington Councils however are in more challenging situations. They are continuing conversations about setting up an asset owning CCO to take over water services delivery for a number of Wellington Councils. There is a desire for this to be unlike the current Wellington Water model. It makes sense to keep all our options open at this stage, so management will continue to remain part of these conversations and will bring them to Council as appropriate. One option may include looking further north to Hawke's Bay for viable water services CCO partners.

4. RESOURCE MANAGEMENT ACT

The Coalition Government repealed the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 on 20 December 2023. This means that the legislation has reverted to the Resource Management Act 1991. This was the "first phase" of changes.

Fast Tracking Consent Process

The second phase is expected to introduce a permanent fast-track consenting process for locally, regionally and nationally significant infrastructure and developments. This was part of the coalition agreements and is expected to be introduced before 7 March 2024.

It is anticipated the new fast-track consenting legislation will draw on the previous fast-track regimes including:

- The new fast-track process will be contained in a standalone Act with its own purpose statement.

- Locally, regionally and nationally significant infrastructure and development projects will be prioritised.
- A process for the responsible minister to refer projects for acceptance into the fast-track process.
- A list of projects that will be first to have their approvals granted.
- Referred projects will go to an Expert Panel which will have limited ability to decline a project once referred, and can apply any necessary conditions to ensure adverse effects of the project are managed.
- Specific protections for Treaty settlements and other Treaty related arrangements and commitments.
- Setting out a 'one-stop shop' process for approvals under a range of legislation, including the RMA.

The aim is to have the Bill introduced into Parliament by 8 March 2024.

The third phase of the Coalition Government reform seeks to replace the Resource Management Act 1991 (RMA) entirely. This is anticipated to require a significant amount of work, given the amount of case law surrounding the existing RMA, property rights and National Policy Statements. No time frame has been provided for this proposed legislation.

National Policy Statement for Freshwater Management

The Coalition Government has also proposed to review and replace the National Policy Statement for Freshwater Management (NPS-FM). This will be done through the existing RMA process for developing and amending National direction.

It is expected this will take some time to complete. Given this the Government has extended the statutory deadline for Councils [in our case GWRC] to notify freshwater planning instruments to implement the NPS-FM by three years.

In the interim the Government intends to make changes to the "*hierarchy of obligations*" contained in Te Mana o te Wai provisions of the NPS-FM, and their application to consent applications and consent decisions. The current hierarchy of obligations in Te Mana o te Wai prioritises:

First - the health and well-being of water bodies and freshwater ecosystems

Second - the health needs of people (such as drinking water)

Third - the ability of people and communities to provide for their social, economic, and cultural well-being, now and in the future.

Management is keeping a close eye on the regulatory changes in this space as things are moving at a fast pace indeed.

5. RECOMMENDATION

That the Council:

1. **Receives** the report.

File Number: 385097

Author: Geoff Hamilton, Chief Executive

Attachments: Nil



6.5 HEALTH, SAFETY AND WELLBEING UPDATE

1. PURPOSE

This report updates the Audit and Risk Committee on recent health, safety and wellbeing (HS&W) activities.

2. SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3. BACKGROUND

Quarterly HS&W reporting provides assurance to the Committee that relevant risks identified in Council's Risk Register are being appropriately managed.

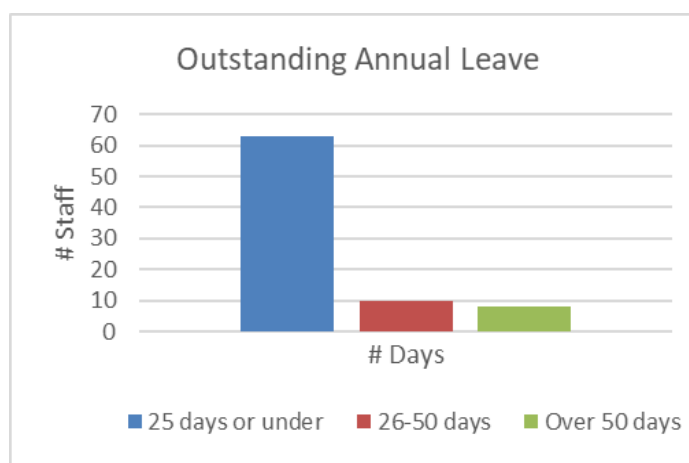
4. FOCUS OF ACTIVITIES

The main focus for the reporting period, December 2023 – February 2024, has been on ensuring staff take sufficient leave over the holiday period, and staff recruitment.

4.1 STAFF ANNUAL LEAVE

Managers are required to monitor staff annual leave levels to ensure staff are taking appropriate rest from work, and to manage the council's financial liability. While acknowledging some staff were required to work through the Christmas holiday period to provide essential or emergency services, most of our teams were able to take the opportunity to have a well-deserved break.

Staff taking a considerable period of leave also significantly reduces annual leave balances. The outstanding leave balances to 23 Jan 2024 were as follows:



Note: The number of hours in a 'day' varies from 3hrs to 9hrs

- 79% of staff have balances within one year's leave entitlement of 25 days
- 10% of staff have balances over two year's leave entitlement of 50 days, noting that two of these staff members only work 3 hour days.

4.2 RECRUITMENT

Over the reporting period, we had 6 permanent staff members leave the council, and 4 new staff members commence:

- 2 permanent staff members (Roding, Corporate Services)
- 2 casual or fixed term staff members (Parks & Reserves, Library)

We are currently recruiting for 5 vacancies across Parks & Reserves, Waters, and Corporate Services.

5. GENERAL RISK MONITORING

5.1 HEALTH AND SAFETY INCIDENTS

For the reporting period, we received the following incident reports:

- 4 near miss reports.
- 4 reports of damage
- 1 quality issue

Two of the near miss reports related to members of the public causing disturbance to our staff. One in the front reception area of the Council office, and one in the Operations yard. Adverse public behaviour is one of our 'Five Biggest Risks'.

Follow up actions

Incident reporting provides the opportunity to review practices to prevent further incidents and/or minimise harm. Below are two examples of learnings from recent reports.

1. Quality issue incident:

A fixed workstation is causing discomfort for some staff, and a number of long cords and wires from the workstation are causing a trip hazard. Action being taken includes:

- Investigation of options for an adjustable monitor stand on the desktop
- The loose cords and wires will be addressed with the implementation of the new phone system.

2. Damage incident:

A staff member incorrectly attached a trailer to a council vehicle and subsequently the trailer detached causing damage to the lighting cords. Action taken includes;

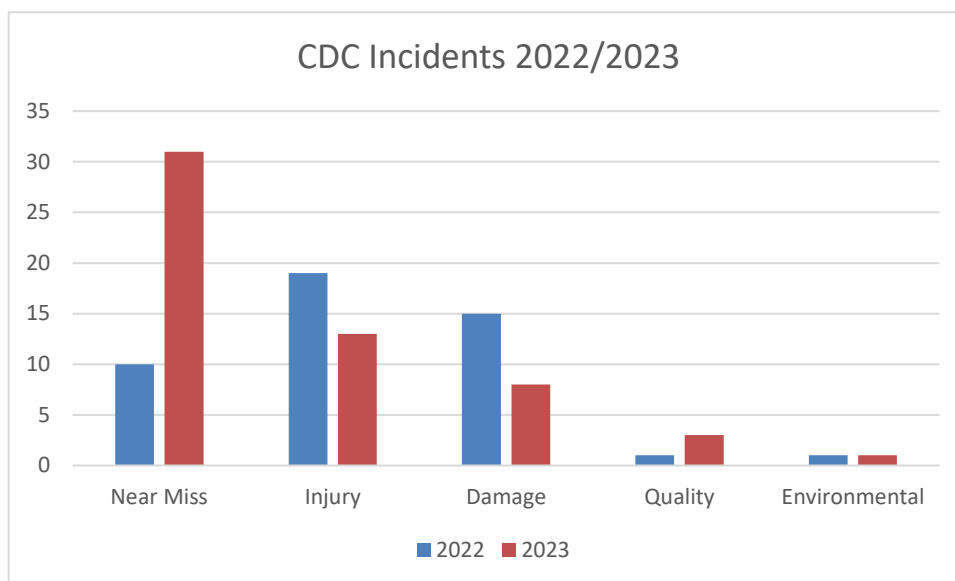
- "D" locks have been brought in a range of sizes to fit all CDC vehicles
- A new standard operating procedure (SOP) is being written for attaching trailers to vehicles
- Training will be provided to ensure safe use towing trailers.

The HS&W Committee and HS&W Advisor have reviewed all incidents and are satisfied that the responsible managers and team leaders are taking appropriate actions in each case. None of the accidents have highlighted major systemic failings.

Reporting of incidents by staff, including near miss reporting, continues to be consistent across all departments. Staff are reminded regularly of our various ways to report incidents and near misses through our staff newsletter, digital noticeboard and posters in staff lunchrooms. The HS&W Committee continues to work actively and be leaders in HS&W for the Council.

2022 vs 2023 Reported Incidents

A comparison between the 2022 and 2023 reporting years shows a significant increase in 'Near Miss' reporting and a notable decrease in 'Injury' reporting. This is very pleasing to see and reflects the pro-active and positive work of the HS&W Advisor and Committee to encourage staff reporting and support of a 'no-blame culture'.



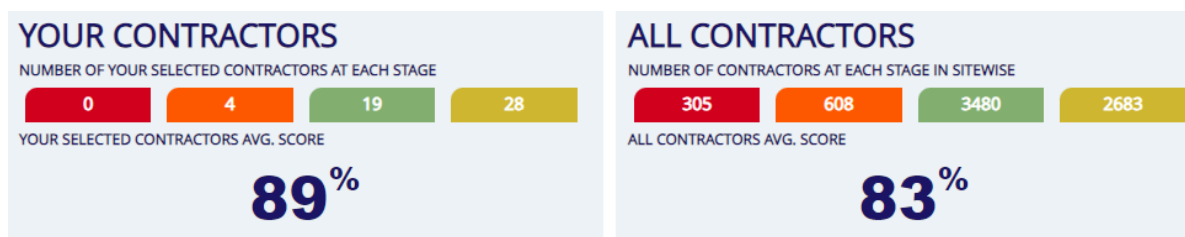
5.2 CONTRACTORS

Contractors are one of our 'Five Biggest Risks'.

Contractor Management

47 of our 51 contractors have been fully assessed in the SiteWise management system and hold green or gold status. This indicates a score above the expected competency level of 75%. The average score of all contractors assessed is 89% - above the national average of 83%. Of additional note, is that 55% of our contractors hold gold status compared with the national comparison of 38%.

By continuing to work with our lower scoring contractors the number of contractors in red (scores of 0-50%) is 0, and we only have 4 sitting in orange (scores of 51-74%).



Contractor Audits

Each Committee meeting, the number of contractor audits conducted by staff are reported to provide assurance that the contractor, and staff, are managing H&S risks appropriately. Two of the audits are reported in detail.

The number of audits undertaken for the reporting period was **2**.

Contractor 1

- Contractor is registered and pre-qualified with Totika. They have a status of "Performing" with a score of 100%. Their certificate expires in May 2024.

- Hazard and warning signs were clearly visible and well displayed.
- H&S documents ie incident reports, contact names and phone numbers, etc were stored with easy access for staff.
- Proof of training for staff was sighted.
- Current and complete first aid kits and fire extinguishers were sighted.
- Current Safety Data Sheets (SDS) were sighted and are kept close to the relevant chemicals.
- Incident and near miss reporting process was discussed and the process was agreed by both parties.
- Two potential hazards had been previously identified and the contractor was working with the relevant CDC staff to remedy.



Contractor 2

- CDC requested that the contractor join SiteWise as per our pre-qualification process as they were not pre-qualified with any other pre-qual company.
- Contractor registered with SiteWise in November 2023 and submitted their first assessment in February 2024.
- Contractor received a positive first assessment score of 61%. It was pleasing to see that their high score results were around hazardous and high-risk work.
- Contractor has three opportunities to improve their score to the required minimum 75% score. SiteWise and CDC will continue to work with the Contractor.

5.3 STAFF POLICIES

The following policies have been reviewed:

- Infectious Disease and Pandemic Policy
- Sun Protection Policy

Policies currently under review:

- Complaints Policy
- Harassment Policy
- Staff Training Policy
- Business Continuity Plan

5.4 TRAINING AND DEVELOPMENT

- Customer Service and De-escalation training will be undertaken by staff to provide confidence in providing great customer service and managing adverse public behaviour (as outlined in the Five Biggest Risk mitigations).
- Management of an Intoxicated Person is being provided for staff that are required to work at Events involving alcohol. This includes early identification and management of intoxicated persons, and what to do should a situation occur such as having to remove a person from an event.
- First Aid training continues to ensure staff certification is current.

5.5 EMERGENCY MANAGEMENT

Staff are establishing the council's Emergency Management Control Room ensuring there is a main stock of resources held in one central location, and that CDC is ready to support an activation in the event of a local emergency event. Training is currently underway to upskill key staff in the coordination of radio and other communications located in the room. This training is concurrent with other development and training staff are engaged in for council's Business Continuity Plan, and the Wairarapa Emergency Operations Centre (EOC).

Recruitment is currently underway for a new EOC Primary Controller. In the interim, the responsibilities are being covered by the EOC Welfare Manager supported by the Alternate Controllers. We expect the new appointment to be made as soon as possible.

5.6 GENERAL ACTIVITIES

- A review of the Workshop Safe Operating Procedures (SOPs) was undertaken with the CDC mechanic. These SOPs are reviewed and updated every 3 years.
- A task safety observation was undertaken with the Community Development team while they were setting up for the Whānau Day in Carrington Park:
 - The team showed a high level of safety awareness for themselves and the public attending
 - As shelter from the sun was limited, sunblock and cold water were on offer
 - Fire extinguishers and first aid kits were both available if they were required.



6. ENGAGING WITH OUR PEOPLE

6.1 HEALTH, SAFETY AND WELLBEING (HS&W) COMMITTEE

The Committee meet bi-monthly to report on HS&W issues and review incidents, near misses and hazards. The Committee remains well engaged and committed to leading HS&W across the Council. There are 9 members representing all teams across the council and supported by the HS&W Advisor.

The current focus for the Committee is:

- Collating the feedback from staff to be included in the Staff Wellbeing Strategy review. The recommendations will assist the development of the Strategy and Action Plan for adoption by the Executive Leadership Team in April.
- Commencing a review of the Health & Safety Policy.

6.2 2022 - 2025 HEALTH & SAFETY (H&S) STRATEGY

The H&S Strategy and Action Plan support the compliance and achievement of the aims of the H&S Policy.

The Action Plan activity for this quarter is to engage with staff to identify the three biggest risks in their role. This will ensure these hazards are identified and assist in creating a training programme to minimise or eliminate risks to our people in their day-to-day role.

6.3 STAFF WELLBEING

Staff Wellbeing is another of our 'Five Biggest Risks'.

The Wellbeing Strategy and Action Plan was developed through consultation with staff, and details objectives and outcomes that are important to their wellbeing. Initiatives and activities contribute to the four segments of the Staff Wellbeing Strategy: 'Healthy Lifestyle', 'Good Working Relationships', 'Job Satisfaction' and 'Positive Culture'.

Wellbeing Initiatives and Activities

Action Plan activities for upcoming quarter are:

- Complete Wellbeing Strategy review and send report to ELT.
- All of Council Staff meeting
- New Staff Induction Workshop
- Aotearoa Bike Challenge

- Moving March
- Te Reo beginner and intermediate classes
- Waiata classes



6.4 EMPLOYEE ASSISTANCE PROGRAMME

The Employee Assistance Programme (EAP) is a workplace wellness programme designed to boost staff performance by proactively helping them resolve personal and work issues. The programme offers confidential and short-term support that assists with a variety of issues, including financial, legal, physical and mental health. EAPs are an essential part of supporting the health and wellbeing of Council staff, increasing productivity and encouraging a positive work environment.

EAP services have been accessed six times between November and February.

7. FIVE BIGGEST HEALTH AND SAFETY RISKS

The Five Biggest H&S Risks are identified and actively monitored to ensure control and reduction measures are in place.

Currently the Five Biggest Risks we are focusing on are:

1. Contractors
2. Working alone and remotely
3. Under reporting
4. Behaviour
5. Staff wellbeing

Risk	Controls and reduction measures	Actions
Contractors Council hires contractors because it doesn't always have the expertise or capacity to undertake the activities. Contractors pose a risk principally because we have little control over their staff and	<ul style="list-style-type: none"> • SiteWise contractor management system • Contractor briefing and induction processes • Site safety checklists 	<ul style="list-style-type: none"> • All CDC contractors are being moved to SiteWise, an online contractor management platform. H&S information is provided and assessed. An assessment score of 75% or over indicates competency.

<p>their work standards while they are on the job. It is not possible for us to supervise them at a micro level. We are reliant on them to employ staff who are trained and competent to undertake the work assigned while at all times observing safe practices and their obligations under the Health and Safety at Work Act.</p>	<ul style="list-style-type: none"> • H&S plans included in procurement process • Regular contractor audits 	<p>At present 89% of CDC contractors are at competency level. We are working with contractors that have not yet achieved the 75% assessment mark. ONGOING.</p> <ul style="list-style-type: none"> • Managers and team leaders will be receiving training on the reviewed contractor processes for Sitewise. COMPLETE.
<p>Working Alone and Remotely</p> <p>Being such a small organisation, it is often impossible for staff to work in teams or even in pairs. Staff are often required to work alone and remotely, where in some cases poor cell phone coverage is an additional factor.</p> <p>With the introduction of flexible working arrangements due to COVID-19, we have staff working from home more than we have had in the past.</p>	<ul style="list-style-type: none"> • Staff policies: <ul style="list-style-type: none"> ○ Working From Home Policy ○ Remote Working Guidelines • Appropriate communication devices and body cameras • Sign in/sign out systems • Leadership support 	<ul style="list-style-type: none"> • Garmin refresher training, and Working Alone refresher training will be co-ordinated in house with those staff that work alone. IN PROGRESS. • Working Alone policies and associated Standard Operating Procedures (SOPs) reviewed. COMPLETE. • Hazard Register category – Working alone and working remotely updated. COMPLETE.
<p>Under Reporting</p> <p>While there is a good level of reporting any physical accidents, the risk of under-reporting of near misses needs to be constantly monitored.</p> <p>This is due to a combination of staff thinking “nothing happened so why report it,” and the perceived amount of time required to make a report.</p>	<ul style="list-style-type: none"> • Staff policies: <ul style="list-style-type: none"> ○ H&S Policy • Employment Agreement and Job Description obligations • H&S induction process • H&S communications through posters, T.V. screen notices, and staff newsletters • Staff notebooks • “Sh!t That Was Close” Campaign • H&S Committee • Staff meeting, and Leaders Roopu, agenda item • ELT reporting 	<ul style="list-style-type: none"> • Encouragement of reporting. ONGOING. • Site inspections. ONGOING.

	<ul style="list-style-type: none"> • Site inspections 	
<p>Behaviour</p> <p>An unintended consequence of changes in our environment has seen Carterton District Council having to manage situations where people's behaviours pose a risk of somebody threatening or assaulting them, possibly with a weapon with potential of a fatality.</p> <p>Introduction of a range of services and experiences such as Wi-Fi, together with external environmental factors such as transition of mental health patients into the community, troublesome youth, drug and alcohol abuse have potential to result in an increase in problematic individuals frequenting CDC premises and dealing with CDC staff in the community.</p> <p>Cash held on premises also presents potential for robbery.</p>	<ul style="list-style-type: none"> • Staff policies: <ul style="list-style-type: none"> ○ Robbery Policy ○ H&S Policy • Staff training: <ul style="list-style-type: none"> ○ De-escalation ○ Personal safety ○ Customer service ○ Cash handling and robbery • Appropriate physical office design and security measures including cameras and communication devices • Electronic payment mechanisms • Community engagement and risk awareness • Leadership support 	<ul style="list-style-type: none"> • Refresher training to be delivered in February 2024. <p>IN PROGRESS.</p>
<p>Staff Wellbeing</p> <p>Being a small organisation and having departments under-staffed is placing some teams under pressure and the need to work long hours. Staff under pressure pose a risk to themselves, the organisation, and customers. Staff under pressure can lead to burnout, stress, fatigue, all leading to both mental/physical and social affects, contributing to lower performance levels.</p> <p>Working long hours under pressure can lead to poorer mental health including stressful feelings, an increase in anxiety, depression and lower quality sleep patterns. This will contribute to a higher number of accidents occurring, bad decisions being made, irritability</p>	<ul style="list-style-type: none"> • Staff policies: <ul style="list-style-type: none"> ○ Staff Wellbeing Strategy ○ Hours of Work and Fatigue Policy ○ Leave Policy • Wellbeing communications through posters, T.V. screen notices, and staff newsletters • Early recognition of stress, fatigue and burnout symptoms • Managers support a safe environment to talk • EAP Services available • Clearly defined position descriptions and resourcing 	<ul style="list-style-type: none"> • Filling of vacant roles. <p>ONGOING.</p> <ul style="list-style-type: none"> • Address lack of work-space issues through physical relocation, working from home flexibility where appropriate. <p>ONGOING.</p> <ul style="list-style-type: none"> • Undertake office accommodation assessment. <p>COMPLETE.</p> <ul style="list-style-type: none"> • Support staff uncertainty caused by Three Waters, RMA, and local government reforms. ONGOING. • Provide change management training for staff. <p>COMPLETE.</p> <ul style="list-style-type: none"> • People leaders to highlight the issue of negative social

<p>and concentration/memory issues.</p> <p>Employees physical health can be compromised with the increased risk of a stroke, heart problems, high cholesterol and high blood pressure.</p> <p>Combined stressors of busy workloads, staff vacancies and absences, local government reforms, and COVID-19 can impact staff wellbeing.</p> <p>Negative social media comments can cause stress and anxiety for staff. While we have communications specialists that can mitigate and manage these issues on the council page, many comments are made on private and community pages.</p>	<ul style="list-style-type: none"> • Relieving staff available from councils • Staff training to manage negative social media impacts 	<p>media behaviour at Team meetings and provide helpful tips and resources including ensuring staff raise specific issues to managers when they occur.</p> <p>COMPLETE.</p>
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8. CONSIDERATIONS

8.1 Climate change

None of the issues reported in this paper are considered to have climate change implications.

8.2 Tāngata whenua

There are no decision implications for tāngata whenua.

8.3 Financial impact

All work undertaken is within planned budgets.

8.4 Community Engagement requirements

No community engagement is required.

8.5 Risks

There are no risk considerations related to decisions required in this report.

8.6 Community Wellbeing

There are no community wellbeing considerations related to decisions required in this report.

9. RECOMMENDATION

That the Committee:

1. **Receives** the report.

File Number: 383240

Author: Geri Brooking, People and Wellbeing Manager

Attachments: Nil

7 EXCLUSION OF THE PUBLIC

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Waste Water Reservoir Project Update	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

8 KARAKIA WHAKAMUTUNGA