

ORDER PAPER

AUDIT AND RISK COMMITTEE MEETING

Date: Thursday, 9 September 2021

Time: 9.30 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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Notice is hereby given that an Audit and Risk Committee Meeting of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Thursday, 9 September 2021 at 9.30 am.

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AGENDA

1 Welcome / Prayer

2 Apologies

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 Administrator

1. Reason for Report

- 1.1 The minutes from the Audit and Risk Committee meeting held on 27 May 2021 are attached.

Attachments

1. **Audit and Risk Committee Meeting - 27 May 2021**

Recommendation

That the minutes of the Audit and Risk Committee meeting held on 27 May 2021, **[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

UNCONFIRMED: AUDIT/RISK COMMITTEE MEETING

Date: Thursday, 27 May 2021

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
Cr Dave Wilson
His Worship the Mayor, Andy Watson

In attendance: Mr Peter Beggs, Chief Executive
Mr Arno Benadie, Group Manager – Assets and Infrastructure
Mr Dave Tombs, Group Manager – Corporate Services
Mrs Sharon Grant, Group Manager – People and Culture
Ms Gaylene Prince, Group Manager – Community Services
Mr Ash Garstang, Governance Administrator
Cr Fi Dalgety
Cr Gill Duncan
Mr Chris Webby – Audit NZ

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1 Welcome / Prayer

Mr O'Connell opened the meeting at 9.06am and read the Council prayer.

2 Apologies

There were no apologies.

3 Public Forum

There was no public forum.

4 Conflict of Interest Declarations

Members were 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

The Mayor suggested that some of the reports in the Public Excluded agenda, listed under justification of section s7(2)(f)(i) (free and frank expression of opinions...) of the Local Government Official Information and Meetings Act 1987, would be better placed in the Ordinary agenda for the purposes of increasing public transparency.

Mr O'Connell agreed with the Mayor's sentiment and advised that a non-excluded status should be the default status.

A late item (1.8 'Audit NZ Comments on the Long Term Plan') was included within the Public Excluded portion of this meeting and presented by Mr Webby from Audit NZ.

6 Confirmation of Minutes

Resolved minute number 21/ARK/024

That the minutes of the Audit/Risk meeting held on 25 March 2021, without amendment, be taken as read and verified as an accurate and correct record of the meeting.

HWTM/Cr Wilson. Carried

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Audit and Risk Meetings

Mr O'Connell re-iterated his comments from the Follow-up Actions Register and advised that communication break downs are often attributable to a disconnect in expectations between various parties. A statement of intent is an important document that can help to prevent these types of issues.

Resolved minute number 21/ARK/025

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

Cr Belsham/Cr Gordon. Carried

8 Chair's Report

8.1 Chair's Report - May 2021

The Committee provided positive feedback on their participation in the Insurance workshop that was held on 20 May 2021. Several of the elected members commented that they now had a better understanding of how insurance was affecting assets in the district.

One important issue of concern that arose was the unwillingness of insurance companies to insure certain properties around the western Taihape slip zone. The Mayor stated that some property owners may be forced to look overseas for insurance coverage, at exorbitant costs.

In response to a query, Mr O'Connell advised that local government actions in accommodating risk across their districts can have positive effects on the willingness of insurance companies to provide coverage.

Mr O'Connell will source the slides and two Horizons videos from the Insurance workshop on 20th May 21 and forward these to all elected members.

Resolved minute number 21/ARK/026

That the verbal 'Chair's Report – May 2021' be received.

Mr O'Connell/HWTM. Carried

9 Reports for Decision

9.1 Audit and Risk Committee Work Programme

The Committee agreed that the report was a valuable addition to the Order Paper and that they would like it included in future meetings as a standing item.

Resolved minute number 21/ARK/027

That the report on Audit and Risk Committee Workplan be received.

Cr Belsham/HWTM. Carried

10 Reports for Information**10.1 Health, Safety and Wellbeing Update**

In response to a query, Mrs Grant advised that Council's health and safety obligations are managed individually with contractors, depending on the contractors level of involvement with Council and the size of their project. However, any incidents will feed back to Council staff for review and oversight.

In response to a query around the liability of councillors for workplace health and safety, Mrs Grant advised that elected members are classified as 'Officers' under the Health and Safety at Work Act 2015 and are required to exercise due diligence. However, elected members cannot be held personally liable for criminal proceedings.

The Committee requested that the Health, Safety and Wellbeing Update report and dashboard be included in future Audit and Risk meetings as a standing item. The dashboard alone (without the full report) will be included in future Council meetings, as a section within the Chief Executive's report.

Resolved minute number 21/ARK/028

That the 'Health, Safety and Wellbeing Update' report, together with attachments, be received.

Cr Wilson/Mr O'Connell. Carried

10.2 Strategic Risk Review

The report was taken as read.

Resolved minute number 21/ARK/029

That the 'Strategic Risk Review' report be received.

Cr Gordon/Cr Belsham. Carried

10.3 April Financial Report

Staff advised the Committee that this report is included in the 27 May 21 Finance/Performance meeting that is being held directly after the Audit and Risk meeting.

Resolved minute number 21/ARK/030

That the 'April Financial Report' be received.

Cr Belsham/Cr Wilson. Carried

11 Public Excluded

The meeting went into public excluded session 10.23am.

Resolution to Exclude the Public

RESOLVED MINUTE NUMBER 21/ARK/031

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

1. Audit and Risk Minutes (Public Excluded) - 25 March 2021
2. Follow-up Action Items from Audit and Risk Meetings (Public Excluded)
3. Protected Disclosures Update
4. Treasury Reporting
5. Fraud Register
6. Internal Audit Program
7. Insurable Risk Profile
8. Audit NZ Management Letter Points

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
1.1 Audit and Risk Minutes (Public Excluded) - 25 March 2021	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority. AND s7(2)(b)(i) – the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.	s48(1)(a)(i)
1.2 Follow-up Action Items from Audit and Risk Meetings (Public Excluded)	s7(2)(b)(i) – the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.	s48(1)(a)(i)

ITEM 6.1 ATTACHMENT 1

1.3 Protected Disclosures Update	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority.	s48(1)(a)(i)
1.4 Treasury Reporting	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority.	s48(1)(a)(i)
1.5 Fraud Register	s7(2)(b)(i) – the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.	s48(1)(a)(i)
1.6 Internal Audit Program	s7(2)(b)(i) – the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.	s48(1)(a)(i)
1.7 Insurable Risk Profile	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority.	s48(1)(a)(i)
1.8 Audit NZ Comments on the Long Term Plan (late item)	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority.	s48(1)(a)(i)
1.9 Audit NZ Management Letter Points	s7(2)(f)(i) – free and frank expression of opinions by or between or to members or officers or employees of any local authority.	s48(1)(a)(i)

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 Wilson/Cr Belsham. Carried

12 Open Meeting

The meeting went into open session at 10.56am.

Resolved minute number **21/ARK/041**

That the public excluded meeting move into an open meeting, and the following recommendations be confirmed in the open meeting.

21/ARK/032 – 21/ARK/040.

Cr Gordon/Cr Belsham. Carried

13 Future Items for the Agenda

Cybersecurity (a discussion item).

The Meeting closed at 10.56am.

The minutes of this meeting were confirmed at the Audit and Risk Committee held on 09 September 2021.

.....
Chairperson

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Audit and Risk Meetings

Author: Ash Garstang, Governance Administrator

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

From Meeting Date	Details	Person Assigned	Status Comments	Status
27-May-21	At the request of Cr Dalgety, Mr O'Connell will source the slides and two Horizons videos from the Insurance workshop on 20th May 21 and forward these on to all elected members.	Craig O'Connell	Uploaded to Bigtincan (LG Hub) and shared with elected members.	Closed
25-Mar-21	Staff to follow up with the Chair of A&R, in order to get more information about the lessons learned from Electro (RE Health and Safety).	Sharon Grant	Contact has been made, and a variety of documentation has been provided for future reference.	Closed

8 Chair's Report

8.1 Chair's Report - September 2021

Author: Craig O'Connell, Chair

1. Verbal Update

- 1.1 Mr O'Connell will provide a verbal update.

Recommendation

That the verbal 'Chair's Report – September 2021' be received.

9 Reports for Decision

9.1 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 Context

- 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 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 for consideration of annual financial statements as required).

3.2 Current Audit and Risk Committee Work Programme:

ITEM 9.1

Item	Audit and Risk Committee Meeting
Governance	
Audit Committee Terms of Reference	March 2021; at least once every 3 years
Latest Management Accounts	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
Current Areas of Concern	Each meeting – see S3.3 below.
Statutory	
Draft Annual Financial Statements	September each year (deadline for 2020/21 financial statements has been deferred – the draft financial statements are not yet sufficiently advanced to be presented)
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
Fraud, Bribery and Corruption Policy	Annual Review: September (not sufficiently advanced – deferred until December)
Protected Disclosure “Whistle Blower” Policy	Annual Review: September
Staff Code of Conduct	Adopted by Council October 2019; ARC Review every 2 years; next review September 2021.
Health, Safety and Wellbeing Policy	ARC Review every 2 years; next September 2021.
Delegations Register	Last updated January 2018; next review December 2021
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	Last updated March 2014; next review 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
Finance and Infrastructure Policy; Revenue and Finance Policy	March each year
Risk	
Risk Management Policy	December each year
Strategic Risk Register	December each year

ITEM 9.1**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 1

That the report, Audit and Risk Committee Workplan, be received.

Recommendation 2

That the Audit and Risk Committee provide feedback regarding the proposed Audit and Risk Workplan.

9.2 Treasury Reporting**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1 Purpose of the report**

1. To provide Audit and Risk Committee with a report on Council's performance in relation to compliance with its Treasury Management Policy as at 30 June 2021.

2 Context

- 2.1 Note that some of the figures included in the following Analysis are estimates and subject to, relatively minor, change. This is not expected to change the outcomes of any of these.
- 2.2 Council's Liability Management Policy is contained within Council's Treasury Management Policy. The Liability Management Policy includes four borrowing covenants and Council must ensure that its borrowing arrangements do not contravene these covenants.

3 Analysis

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%

YTD figures (draft)

• Interest Expense	\$86k
• Interest Income	\$10k
• Net Interest	\$76k
• Total Revenue	\$40.5m
Net Interest/Total Revenue	<1%

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

• YTD Net Interest (from S3.2)	\$76k
--------------------------------	-------

ITEM 9.2

- Net Interest annualised (approximate) \$100k
- Rates Revenue full year budget \$23.3m
- Net Interest/Annual Rates Revenue <1%

3.4 Net Debt/Total Revenue must not exceed 175%

- Debt \$3m
- Bank/Deposits \$7.1m
- Net Debt NA
- Notional Full Year Revenue \$40.5m
- Net Debt/Total Revenue NA

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

- External Debt \$3m
- Bank/Deposits \$7.1m
- Available Finance \$10.1m
- Available Finance divided by External Debt 336%

3.6 Expected Debt Increase: next 6 months

- Expected increase to Council Debt: \$5m
- Number of Borrowing Covenants expected to be breached: nil

Recommendation 1

That the report on Treasury Reporting be received.

Recommendation 2

That the Audit and Risk Committee review the Treasury Reporting report.

9.3 Sensitive Expenditure Policy Annual Review**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 This report provides the Audit and Risk Committee the proposed amendments to Council's Sensitive Expenditure Policy (*Attachment 1*), in accordance with the Audit and Risk Committee Work Programme.

2. Discussion and Options Considered

- 2.1 The proposed amendments have been reviewed by the Executive Leadership Team.
- 2.2 The attached document used to show the changes to the draft Policy has been downloaded from a pdf and has automatically inserted some page breaks that cannot be removed. These page breaks will be removed in the final version.

3. Decision Making Process

- 3.1 Officers provide the draft Sensitive Expenditure Policy for review by the Audit and Risk Committee.

Attachments

1. Draft Sensitive Expenditure Policy

Recommendation 1

That the report, Sensitive Expenditure Policy Annual Review, be received.

Recommendation 2

That the Audit and Risk Committee provide feedback regarding the Sensitive Expenditure Policy.

Policy:

Sensitive Expenditure

This policy sets out the principles and guidance for Council staff incurring Sensitive Expenditure.

Sensitive Expenditure is expenditure by the Council that could be seen as giving some private benefit to an individual staff member that is either:

- Either is additional to the business benefit to the Council; or
- Or which could be considered unusual for the Council's purpose and/or functions

Travel, accommodation, gifts/koha and hospitality spending are examples. Such expenditure will is required to be moderate, conservative and related to Council's roles and functions.

Approved:	30/09/2019
Approved by:	The <u>Executive Leadership Management</u> Team
Updated:	
Next review:	30/09/2022
Version number:	1.2
Who is responsible:	<u>Finance & Business Support</u> Group Manager <u>Corporate Services</u>

Sensitive Expenditure Policy

Why we have this policy

We are committed to maintaining an ethical workplace where everyone who works here upholds the principles of honesty, integrity and impartiality, and respects the organisation's values.

A key reputational risk for all public entities is where staff or contractors receive a material benefit, real or perceived, from official expenditure.

This policy applies to all our employees and contractors. For the purposes of this Policy, all references to 'staff' includes 'contractors'.

What our policy is

Roles and responsibilities

All staff ~~and contractors~~ are responsible for ensuring their compliance with this policy.

~~Staff need to ensure they are not engaging in any activities that could be seen as receiving benefits in addition to what Council provides.~~

~~What benefits are~~ Sensitive Expenditure is provided by Council

The following are the most common types of Council's Sensitive Expenditure. This list is not comprehensive and staff must seek clarification from their manager/supervisor where they suspect an item of expenditure may be regarded as 'sensitive'.

Generally, if an item of expenditure could be perceived as providing a staff member, either directly or indirectly, a benefit it will be regarded as 'sensitive expenditure'.

Travel:

Council will pay actual and reasonable travel costs where a justifiable business purpose exists – i.e. scheduled domestic travel, at economy class (where this is provided).

Bookings should be made as early as ~~possible~~ practicable to secure the ~~lowest possible price~~ most favourable terms. For international travel, discounted economy or economy class is to be used when the uninterrupted flight duration is up to at least five hours. Business class may be used for longer journeys only when the distance travelled, work schedule on arrival, personal health, safety or security reasons readily justify that.

Staff who include stop overs in any travel plans must be able to clearly demonstrate the business benefit of any such stop over.

Staff must clearly advise their supervisor where they intend to either:

- extend a business trip to include/allow some private time; or
- have a family member accompany them on the trip.

Such private time/accompaniment cannot result in additional costs being charged to Council.

Any request by a staff member to have Council pay for an airline club membership requires prior explicit approval from the Chief Executive Officer.

Where a staff member accrues airline points from Council funded travel they are expected to use these points on future Council related travel.

The Chief Executive's approval is required for any proposed international travel and associated expenses involving staff, except where that travel is by the Chief Executive, in which case Council's prior approval is required.

Accommodation:

Council will pay actual and reasonable accommodation costs (including meals) incurred by a staff member. The exception is where an approved conference registration includes a conference dinner and/or entertainment ~~and does not permit opting out for a lower fee.~~ 'Reasonable' accommodation costs means non-premium hotel/motel rooms and moderate meals. The exceptions are where security/safety issues necessitate a higher standard of accommodation or where it is the venue for a conference for which registration has been approved. In other cases, a staff member may elect to pay the difference for a higher standard of travel or accommodation, provided this is clearly documented.

As a general guide, the following meal amounts up to the following levels will be considered reasonable in New Zealand (unless such meals are offered as part of an organised event in which case, unless exceptional circumstance exist, the staff member is not entitled to separate reimbursement of a substitute meal):

	<u>City Centres</u>	<u>Other</u>
<u>Breakfast</u>	<u>\$30</u>	<u>\$25</u>
<u>Lunch</u>	<u>\$30</u>	<u>\$25</u>
<u>Dinner</u>	<u>\$40</u>	<u>\$35</u>

Rental car/Taxi:

Council will pay the costs of a rental car, provided it is being used for Council [business](#). The car must be [the most an](#) economical type and size, having regard to the number of passengers and distance to be travelled.

Council will pay the cost for the use of taxis or equivalent (for example Uber) provided it is moderate, conservative and cost-effective.

Tips:

Council will pay for tips during international travel only in places where tipping is local practice and where it is documented as part of the transaction.

Staff functions:

Council may subsidise the costs of a staff celebration, retirement function, entertainment or staff sponsorship, but only with prior approval of a Group Manager and where the Council contribution does not exceed \$250 (or [\\$86](#) per person expected). Any other expenditure for entertainment requires prior approval from the Chief Executive.

Koha/Gifts

Koha or gifts made [by staff](#) to external parties need to be approved in advance by the Chief Executive on the form prescribed by Finance, and recorded in the [gGifts Made](#) register.

[The gifting of koha is an integral part of showing appreciation to others. Koha is a gift where the recipient has not stipulated that it be given, and that there is no expectation of receiving it.](#)

The size of the koha or gift will have regard for the significance of the organisation and/event being supported. When a koha is \$500 or more, it will be reported to the next available meeting of the Finance and Performance Committee.

Koha or gifts can be one or more of the following:

- [cash; or](#)
- [vouchers, flowers, food or similar; or](#)
- [the provision of Council assistance through resources of staff and/or facilities; or](#)
- [a payment to external person\(s\) or non-profit community groups who provide support, or undertake a one-off activity and expect non-payment for such activity or support in return.](#)

Koha / Gifts should:

- [not be given in lieu of salary or as a payment for service\(s\) provided; and](#)
- [be provided in line with Council's Sensitive Expenditure Policy.](#)

[If appropriate, the person gifting koha may consult the Strategic Advisor for Mana Whenua on an alternative gift.](#)

[Guidelines for giving of Koha is included in Appendix One.](#)

Hospitality

[Hospitality can cover a wide range of different type of expenditure. The general rule is that all such expenditure must:](#)

- have a justifiable business purpose; and
- be moderate and conservative; and
- be supported by appropriate documentation that includes, as far as practicable, names of teams/parties entertained and the reasons for the entertainment

~~All gifts received by external parties, need to be recorded in the Gift Register located in SharePoint. Gifts above \$50 in value, need to be approval by your Group Manager or Chief Executive.~~

Communications technology

~~Council will reimburse any use of its communications technology for personal purposes, provided it is moderate, legal, and does not jeopardise the integrity and security of Council's systems.~~

Home Office Costs/Use of a Staff Member's Assets

Council will pay a staff member's home office/domestic type costs or reimburse a staff member for the use of their assets (eg vehicle, specialist IT equipment etc) only on approval from a Group Manager or the Chief Executive Officer. Such approval should be obtained in advance of the costs being incurred.

What costs are not covered by Council

Council will not cover the following costs:

- Cash advances to individual staff members travelling overseas.
- Costs of alcohol or entertainment (including movie downloads or other pay-per-view options)
- Tipping in New Zealand.
- Rental cars used for private purposes.
- Parking or traffic offences.
- Additional costs, for a partner or other family to travel with a staff member and be accommodated in the same venue.
- Any personal goods or services purchased via the Purchase Order system. Even if there is the intention to reimburse the Council for so doing.

What the process is

Approval of all sensitive expenditure must be by a person senior to the person requesting approval. They need to be satisfied that the expenditure is justified, and act within their delegated authority. Prior approval of the expenditure should be sought, where practical. ~~(When this is not practical, retrospective approval must be documented.)~~

Expenditure by the Chief Executive [Officer](#) requires approval from the Mayor or ~~(in the absence of the Mayor)~~ the Chair of the Audit/Risk Committee.

Valid original GST compliant invoices/receipts or other supporting documentation (where receipts are not available, stating date, amount, description and purpose of the expenditure) must be submitted within a month for all sensitive expenditure. EFTPOS receipts are not sufficient.

The general rule is that corporate credit cards are not to be used to take out cash advances for any type of sensitive, or other, expenditure. Any exception to this must be endorsed by the Chief Executive Officer. Any request by the Chief Executive Officer for such a cash advance must be approved by the Mayor.

The Group Manager, ~~Finance & Business Support~~Corporate Services will monitor sensitive expenditure transactions and ~~report anomalies to the Chief Executive~~provide a summary every six months to the Executive Leadership Team and Audit/Risk Committee.

Any exemption from this policy on sensitive expenditure must be approved by the Chief Executive, who will document the reasons for granting the exemption and inform the next available meeting of the Audit/Risk Committee.

Other

Council may make payments to meet its 'good employer' obligations. Where such costs are moderate, consistent with organisational development, promote staff wellbeing and are offered/available to all staff they do not need to be regarded as sensitive expenditure.

Council may offer surplus assets to staff. In such cases Council must ensure that the amounts paid by staff are equal to the net amounts Council could obtain via alternative means of disposal. Calculation of 'net amounts' may include consideration of non-financial benefits.

Staff should not use Council assets/property for private use. Generally, where private use of Council assets does occur the costs of this should be recovered unless it is impractical or uneconomic to do so. Any use of Council assets for private business purposes requires specific prior approval from the Chief Executive Officer.

Appendix One – Koha Guidelines

Council recognises the need to give appropriate koha or gifts from time to time. These guidelines provide guidance ONLY to staff and Elected Members to meet the obligations associated with payment or giving a koha to organisations and/or individuals.

Occasionally, these guidelines may apply to others representing Council ie. Iwi members, Samoan Leaders / Samoan Ministers etc

Table 1: Guideline ONLY for an amount of koha to be given for specific occasions

<u>Engagements that require a powhiri, whakatau or welcome</u>	<u>\$200</u>
<u>Marae visit/Tangi Funeral</u>	<u>\$250</u>
<u>Special occasion eg Ratana 25th etc</u>	<u>\$350 to \$500</u>

\$200 for Individuals representing Council in Council matters:

Kai-kōrero / Waiata

Kai-karanga / Waiata

Openings / Blessings

Citizenship

Language Translator

9.4 Gifts and Hospitality Policy - Annual Review**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 This Report provides Audit and Risk Committee with a draft Gifts and Hospitality Policy for review and feedback. See Attachment 1.

2. Context

- 2.1 Council does not currently have a Gifts and Hospitality Policy.
- 2.2 The Executive Leadership Team agrees that a Gifts and Hospitality Policy should be introduced and invites comment from the Audit and Risk Committee on the draft Policy.

3. Decision Making Process

- 3.1 Officers provide the draft Gifts and Hospitality Policy for review by the Audit and Risk Committee.

Attachments

- 1. Draft Gifts and Hospitality Policy

Recommendation 1

That the Gifts and Hospitality Policy - Annual Review, be received.

Recommendation 2

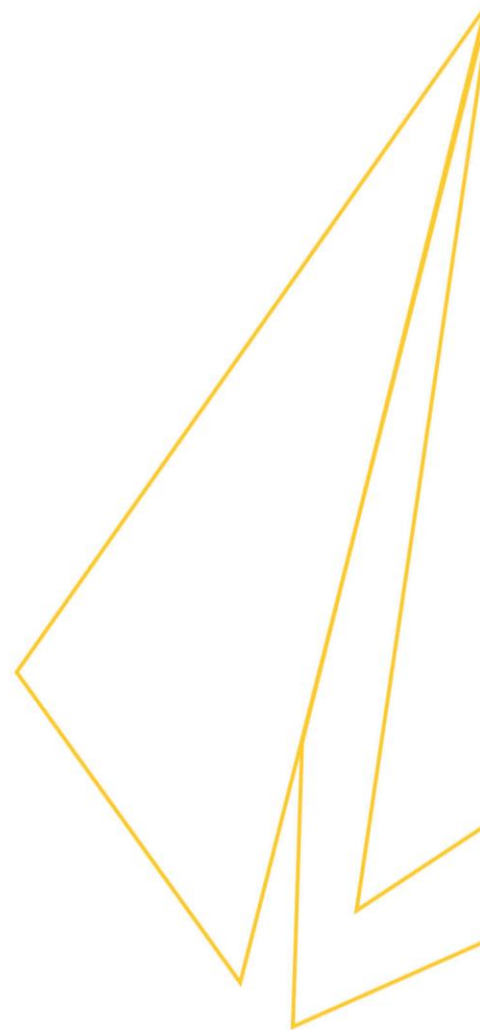
That the Audit and Risk Committee provide feedback regarding the draft Gifts and Hospitality Policy.

Draft Gifts and Hospitality Policy

Date of adoption by Executive Leadership Team	
Date by which review must be completed	
Relevant Legislation	
Statutory or Operational Policy	Operational
Included in the LTP	No

Contents

Introduction	3
Policy.....	4



Introduction

1 Overview

1.1 This Policy:

- provides staff with a clear framework regarding the acceptance or otherwise of gifts and hospitality from external parties; and
- explains the principles for staff when considering whether to accept or decline gifts or hospitality.

1.2 Compliance with this Policy ensures that when gifts and hospitality are offered, they are managed in a fair and transparent manner that protects the reputation of the staff member and of Council.

1.3 Failure to comply with the principles of this Policy may be considered misconduct under the Council's Code of Conduct and may result in disciplinary action.

2 Scope

2.1 This Policy applies to all RDC staff and contractors who are representing RDC ("RDC staff").

2.2 Reasonable meals and refreshments provided at a networking or business meeting, site visit, official function, conference, training event or similar are not considered 'hospitality'.

3 Background

3.1 All RDC staff are required to be fair, impartial, responsible and trustworthy and act in a way that maintains public confidence.

3.2 Gifts and hospitality:

- are a commonplace part of the modern business/corporate environment and relationships; and
- have potential to influence a staff member (and/or give the perception of having such influence).

3.3 Receiving a gift or hospitality from external suppliers or contacts is a sensitive issue and needs to be managed carefully. It is critical that the acceptance of gifts or hospitality does not give rise to, or any perceived rise to, biased decision making, a lack of impartiality, or create a conflict of interest (real or perceived).

Policy

4 Policy Overview

4.1 The general Policy position is that gifts or hospitality may only be accepted where:

- the gift/hospitality has a value less than \$50; or
- refusal would cause cultural or diplomatic embarrassment or offence.

Note : 'Value' in S4.1, S5.2 and S5.3 refers to 'the cumulative value of gifts/hospitality offered by the same supplier (or related parties) to any staff member in any 12 month period

4.2 Gifts/hospitality that are offered/accepted and comply with S4.1 do not need to be recorded.

5 Policy Exceptions

5.1 Gifts or hospitality must *always* be declined in the following circumstances:

- Money, cash vouchers, shares, or similar items and payments;
- Gifts, rewards or benefits which might compromise, or be seen to compromise, staff/Council integrity;
- Items where a direct instruction has been given by a member of the Executive Leadership Team that they should not be accepted; or
- Where acceptance could be perceived as a promise of a business relationship or contract.

Note : special consideration must be applied in situations that involve the RDC staff being seen to be acting with independence and impartiality (eg procurement, awarding of tenders, issuing consents etc).

5.2 Gifts/hospitality offered with a value of more than \$50 must be reported to the relevant member of Executive Leadership Team to decide the most appropriate treatment of the offer (offers to the CEO must be reported to the Mayor for such determination).

5.3 Gifts/hospitality offered with a value greater than \$150 also require 'sign off' from the CEO.

5.4 Once the staff member has received feedback from the Executive Leadership Team he/she must forward details to the Executive Assistant to the CEO for inclusion in the year's Gift/Hospitality Register (regardless of whether the gift/hospitality was accepted).

- 5.5 Unless specifically approved by Executive Leadership Team or CEO, all gifts offered with a value over \$50 that are accepted must be surrendered to the Executive Assistant to the CEO to be ultimately distributed as per instruction from the CEO.
- 5.6 Where appropriate, the Executive Leadership Team may discuss the offered gift/hospitality with the staff member and agree that the staff member pay a donation etc in respect of receiving the gift/hospitality.
- 5.7 All such donations must be:
- advised to, and given to, the Executive Assistant to the CEO for inclusion in the Gifts/Hospitality Register; and
 - given to a cause as determined by Executive Leadership Team no longer than 6 months after.
- 5.8 The Executive Assistant to the CEO shall be report the Gifts/Hospitality Register to the Executive Leadership Team every six months.

6 Reporting

- 6.1 Staff who suspect other staff member(s) of contravening this Policy must report this to:
- Their Executive Manager; or if not appropriate the
 - Executive Manager Corporate Services; or if not appropriate the
 - Executive Manager People and Culture; or if not appropriate the
 - Chief Executive Manager; of if not appropriate the
 - Chair of Audit and Risk Committee.

Appendix : Details Recorded in The Register

The register records the following information:

- Date
- Name
- Title
- Department
- External party offering the gift//hospitality
- Gift or hospitality
- Description of gift/hospitality
- Reason for gift/hospitality being offered (if known)
- Estimated value
- Accepted or declined
- Reasons for accepting/declining and, if accepted, who approved the acceptance
- If a gift has been accepted, how the gift has been dealt with (and details of donation made by staff member)
- Confirmation that this Procedure has been read and that acceptance is in compliance with the Procedure
- Other comments

9.5 Health, Safety and Wellbeing Update**Author:** Sharon Grant, Group Manager - People & Culture**Authoriser:** Peter Beggs, Chief Executive**1. Reason for Report**

- 1.1 This report provides members of the Audit and Risk Committee with an update on current health, safety and wellbeing matters, and continuous improvement initiatives.

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 and Safety Dashboards (Dashboards) provide key health, safety and wellbeing information, monthly event data and year to date trends. The dashboards also identify critical risk categories and provide information on current health, safety and wellbeing initiatives. The Dashboards, alongside other initiatives, support members to exercise their due diligence obligations (as above) by providing up to date information on incidents, hazards and risks, together with continuous improvement activities and wellbeing initiatives.
- 2.3 Council is committed to continuous improvement across all aspects of workplace health, safety and wellbeing. With this in mind, officers are undertaking regular reviews of health, safety and wellbeing frameworks along with appropriate monitoring and assessment activities. Relevant updates are provided below.

3. Discussion

- 3.1 Health and Safety Dashboards
- 3.1.1 The Dashboards for May, June, July and August 2021 are attached to this report.
 - 3.1.2 The Dashboard for the period ending 31 May 2021 includes one notifiable event, this being the fatality of a contractor involved in a vehicle accident. In this

instance, four PCBU's were involved and all four notified WorkSafe independently as is required under the Act. There were also four near misses reported during this period.

3.1.3 The Dashboard for the period ending 30 June 2021 includes three new events, with none involving serious harm. There were also five near misses reported for this period.

3.1.4 The Dashboard for the period ending 31 July 2021 includes one new event (non-serious harm), one near miss and one new hazard. The July Dashboard represents the beginning of a new reporting year and includes comparison with the same period from the previous year.

3.1.5 The Dashboard for the period ending 31 August 2021 includes two near miss events (no harm caused).

3.1.6 The May and June Dashboards show the common risk categories as being slip, trip, fall; motor vehicles; abusive behaviour and cuts. The July and August data shows the risk categories of motor vehicles; slip, trip, fall; and abusive behaviour. These common risk categories are consistent with previous reporting.

3.2 Health, Safety and Wellbeing in the Workplace Policy

3.2.1 The Audit and Risk Workplan includes the review of Council's Health and Safety Policy. Officers, including Health and Safety Representatives, recently reviewed this policy. The revised policy (Health, Safety and Wellbeing in the Workplace Policy) emphasises Councils focus on safety culture, leadership and continuous improvement.

3.2.2 The Health, Safety and Wellbeing in the Workplace Policy is attached to this report. Members comment and feedback is invited.

3.3 SafePlus Assessment

3.3.1 In March 2021, Officers participated in an external assessment of health and safety practices through an external assessment agency (SafePlus). SafePlus is a nationally recognised tool which assesses performance within the areas of Leadership, Worker Engagement and Risk Management. The SafePlus assessment was undertaken simultaneously by six other Councils in the Region as a collaborative initiative through Manawatu-Wanganui Local Authority Shared Services.

3.3.2 Council first undertook a SafePlus assessment in December 2019. The March 2021 assessment showed improved performance in five of the ten assessment categories, and the overall rating increased from 'Developing' to 'Performing'. The report highlighted a number of positive aspects of Council's health, safety and wellbeing practice, together with some valuable continuous improvement opportunities which have been included in the operational health, safety and wellbeing workplan.

3.3.3 A summary report of the SafePlus Assessment is attached.

3.4 Health, Safety and Wellbeing Due Diligence Plan

3.4.1 A Health, Safety and Wellbeing Due Diligence plan has been drafted and is attached to this report. The purpose of the Due Diligence Plan is to enable a

ITEM 9.5

proactive and planned approach to supporting Officers (including Elected Members) meet their due diligence obligations.

3.4.2 The Due Diligence Plan has been aligned to the Institute of Directors Health and Safety Guide: Good Governance for Directors (2016).

3.4.3 Of note, part of the Due Diligence Plan includes the appointment of a Governance Health, Safety and Wellbeing Champion. This role would provide a Governance link and strategic support for health, safety and wellbeing policy and planning.

3.4.4 The draft Health, Safety and Wellbeing Due Diligence Plan is attached to this report. Members comment and feedback is invited.

3.5 Health, Safety and Wellbeing Work Programme Update

3.5.1 Recently completed health, safety and wellbeing initiatives include the arrangement of an Elected Member site visit (15 June 2021); review of Councils Health, Safety and Wellbeing Policy; and delivery of the annual flu vaccination programme.

3.5.2 Health, safety and wellbeing initiatives currently underway include safe driver awareness training; the development of an Officer Due Diligence Plan; and the review of Councils Health and Safety Manual.

3.5.3 Health, safety and wellbeing initiatives happening within the next two months include the review of Councils Health and Safety Risk Register, and the implementation of an on-line health and safety system.

Attachments

- 1. Health, Safety and Wellbeing Dashboard - May 2021**
- 2. Health, Safety and Wellbeing Dashboard - June 2021**
- 3. Health, Safety and Wellbeing Dashboard - July 2021**
- 4. Health, Safety and Wellbeing Dashboard - August 2021**
- 5. Health, Safety and Wellbeing in the Workplace Policy**
- 6. Safe Plus Assessment Summary**
- 7. Draft Health, Safety and Wellbeing Due Diligence Plan**

Recommendation 1

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

Recommendation 2

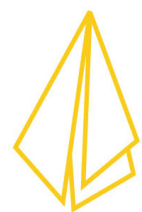
That the Audit and Risk Committee reviews the Health, Safety and Wellbeing in the Workplace Policy and provides feedback (if any).

Recommendation 3

That the Audit and Risk Committee reviews the Health, Safety and Wellbeing Due Diligence Plan and provides feedback (if any).

Recommendation 4

That the Audit and Risk committee nominates _____ to undertake the role of Health, Safety and Wellbeing Governance Champion for the remainder of the triennium.

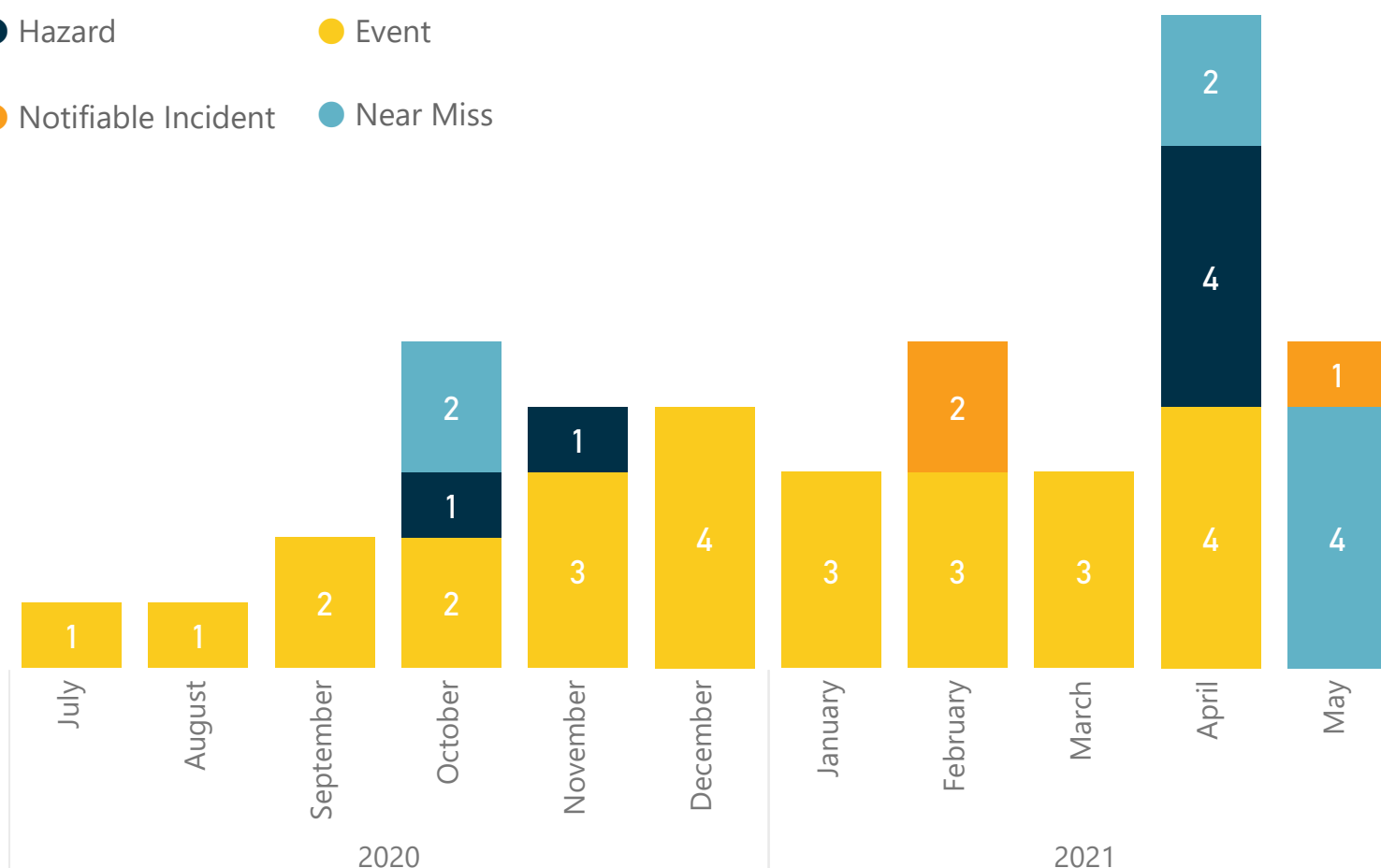


Rangitikei District Council Health & Safety

Events, Hazards and Near Misses

01 July 2020 to date

● Hazard ● Event
● Notifiable Incident ● Near Miss



This month

May 2021

1
Events

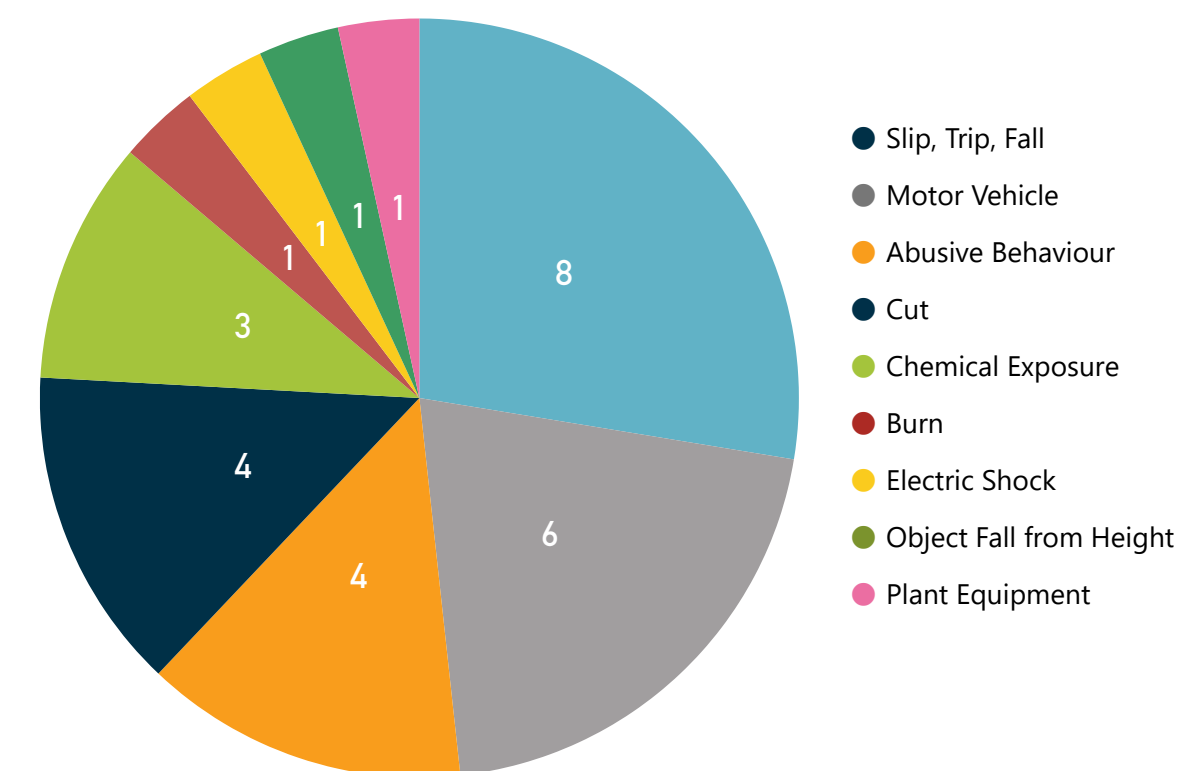
0 Notifiable Incidents
1 Notifiable Illness/Injuries

4
Near Misses

0
Hazards

Event Category

01 July 2020 to date



Wellbeing News

Protect yourself and others from winter ailments!

It is Flu season again and to prevent the spread of seasonal illness please remember to keep up good hygiene practices such as frequent handwashing and appropriate cough/sneeze etiquette.

Please stay home if you are unwell.

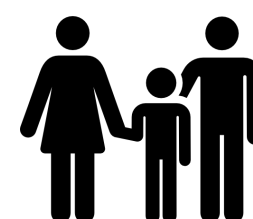
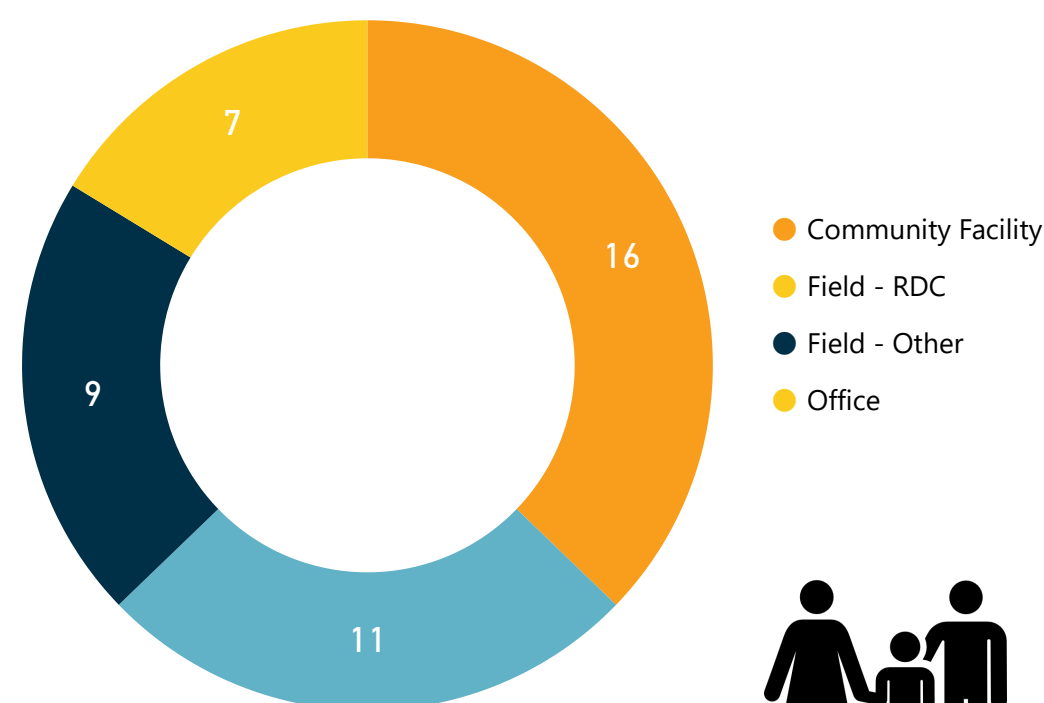
Flu vaccinations have been provided to those who haven't had the COVID vaccination.

For staff who have had the COVID vaccination, flu vaccinations will be organised to allow for the two-week gap requirement.

Buccaline tablets are still available from the Pharmacies in Marton, Taihape and Bulls. You can collect these by providing your staff ID card and purchase order number.

Location

Events, Hazards and Near Misses



Driver Ratings

	Mar 2021	Apr 2021	May 2021
★★★★★	4	4	2
★★★★	7	5	8
★★★	14	13	15
★★	12	14	11
★			

Coming Up

Full First Aid Training - Friday 4 June 2021

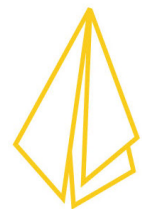
Molemaps are being offered to all permanent staff and are being scheduled for August.

If you would like an appointment, please contact Marcelle. We will also be offering sun smart seminars which will offer some helpful advice on protecting yourself from the sun.

We are currently investigating options for an on-line Health and Safety System which will make it much easier to report incidents and near misses.

In the meantime, please remember to promptly report all accidents, near misses and hazards, including in cases where no injury occurs. Reporting a near miss today, could prevent an accident tomorrow!

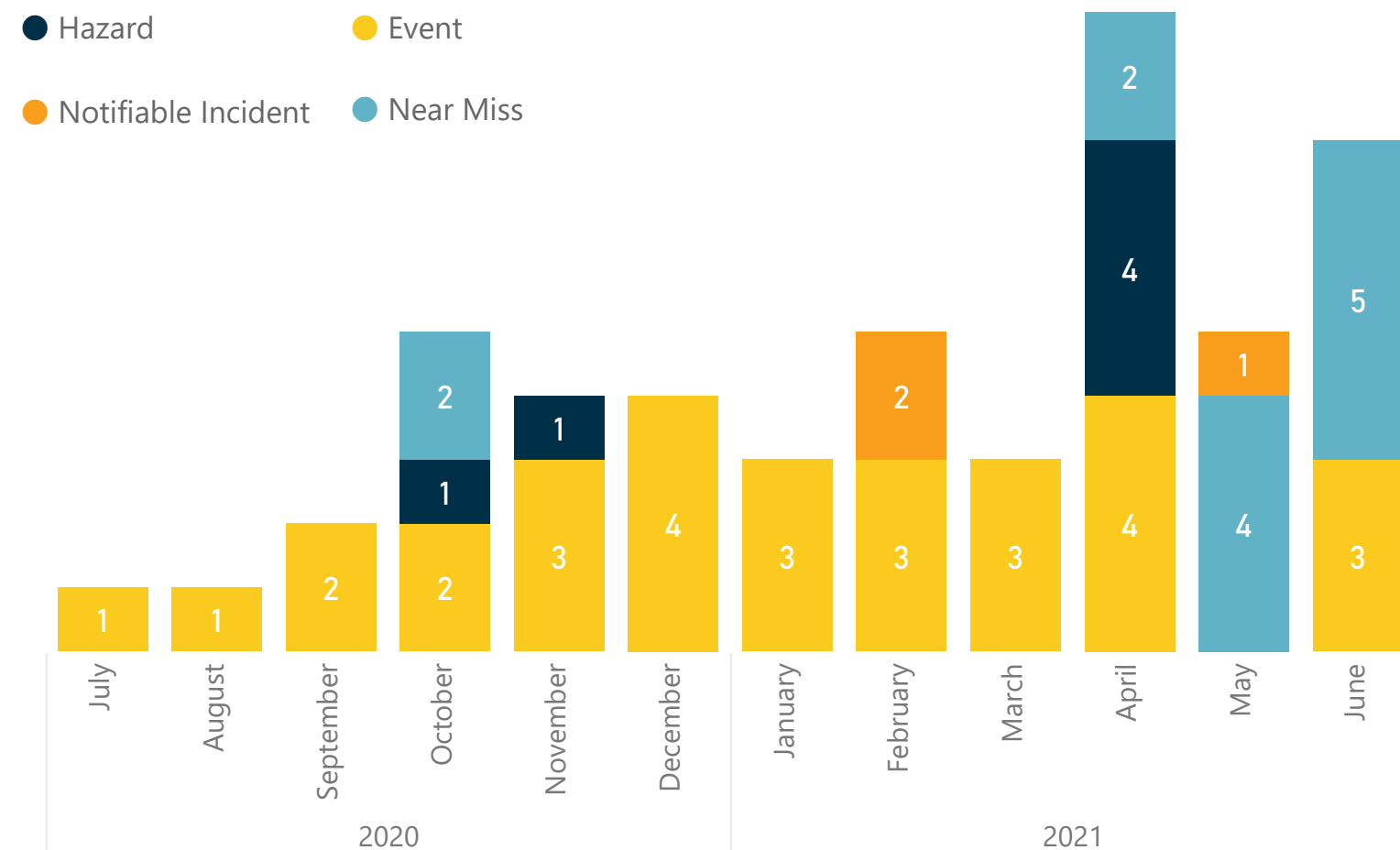




Rangitikei District Council Health & Safety

Events, Hazards and Near Misses

01 July 2020 to 30 June 2021



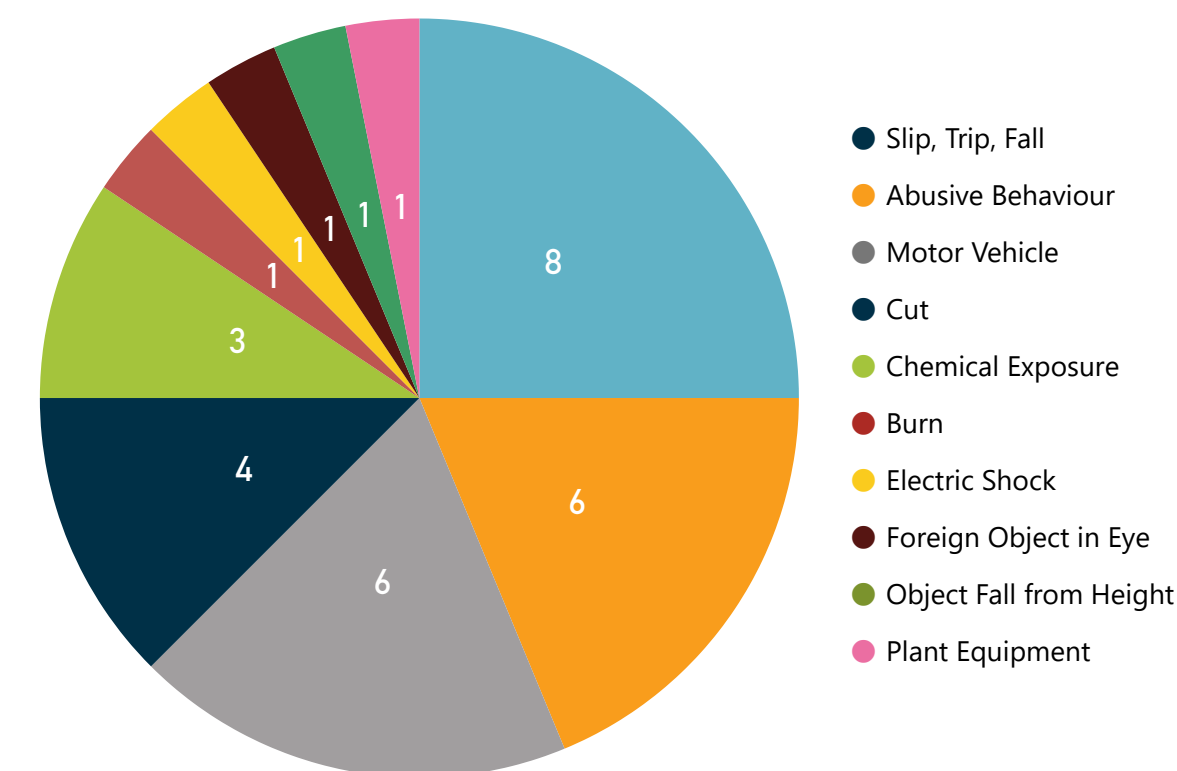
This month

June 2021

3 Events
0 Notifiable Incidents
0 Notifiable Illness/Injuries
5 Near Misses
0 Hazards

Event Category

01 July 2020 to 30 June 2021



Wellbeing News

Beat the winter bugs!

Winter is well and truly here. Please ensure that you are protecting yourself and others from winter ailments by taking steps to stop the spread: Keep up good hygiene practices such as frequent hand washing and appropriate cough / sneeze etiquette. If you are unwell, stay home.

Our Wellbeing Programme provides flu vaccinations and Buccaline tablets at no cost to you.

Unite against Covid-19

We have all seen the reports of how valuable contact tracing is to stop the spread of Covid-19. Please keep tracking your movements using the Covid-19 Tracer App, and turn on the App's Bluetooth tracing function.

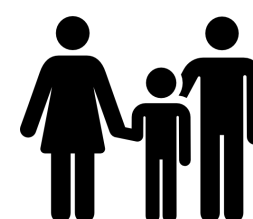
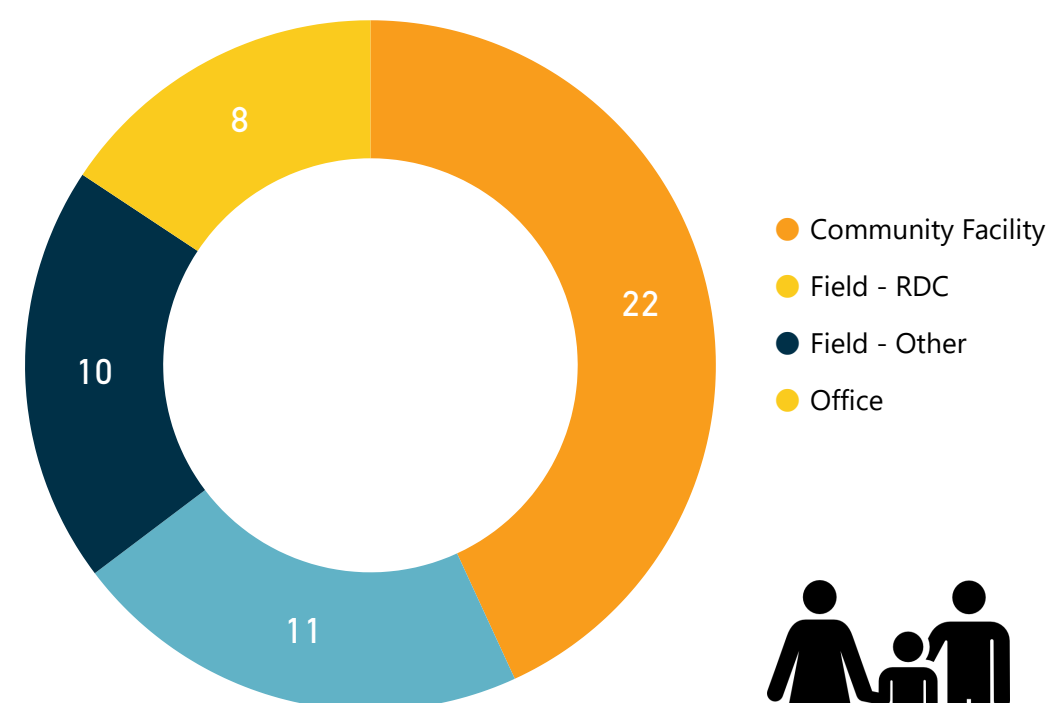
Health Checks

Did you know that our Wellbeing Programme includes Annual Health Checks?

These cover things like blood pressure, body mass index, cholesterol screening and diabetes checks. If you are a permanent staff member, you may access health checks through your own doctor and claim reimbursement of up to \$60.00 through our expenses claim process.

Location

Events, Hazards and Near Misses



Driver Ratings

	Apr 2021	May 2021	Jun 2021
★★★★★	4	2	6
★★★★	5	8	6
★★★	13	15	14
★★	14	11	10
★			

Coming Up

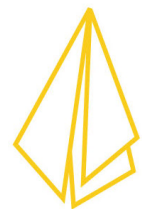
Flu vaccinations are still available, and you can either book an appointment at Stewart Street Surgery (Marton), or visit your own health professional and submit an expense claim.

Mole Maps will be provided in August (either on-site or at Palmerston North or Whanganui Clinics). If you are a permanent staff member, and haven't booked your space yet, please email Marcelle Williams.

We are looking at options for an on-line Health and Safety System to make it much easier to report incidents and near misses.

In the meantime, please remember to promptly report all incidents and near misses using the forms available on Share Point.



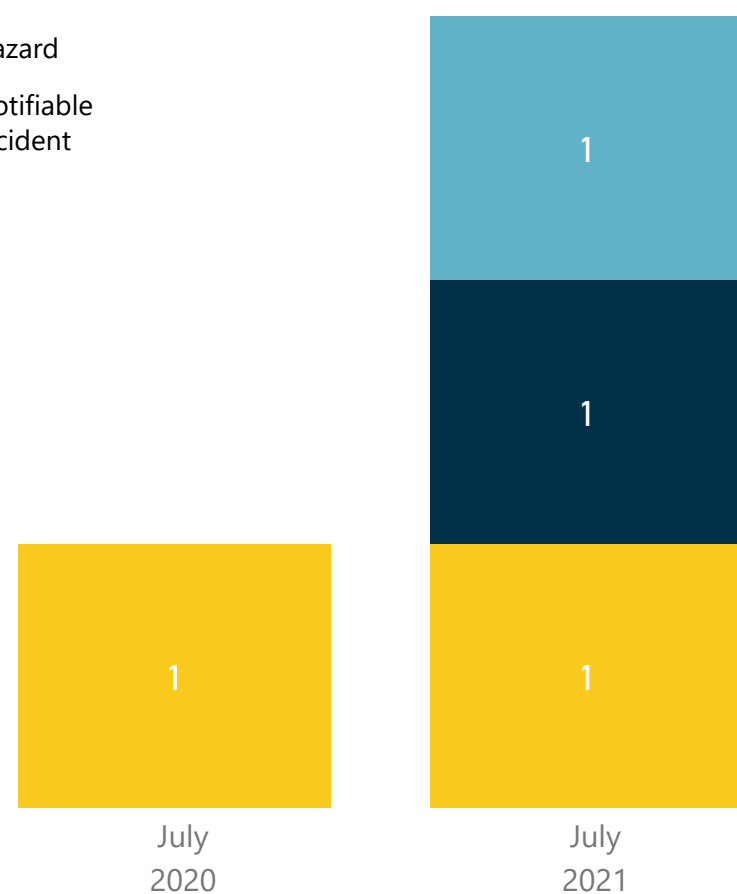


Rangitikei District Council Health & Safety

Events, Hazards and Near Misses

July 2020 vs July 2021

● Event
● Hazard
● Near Miss
● Notifiable Incident



This month

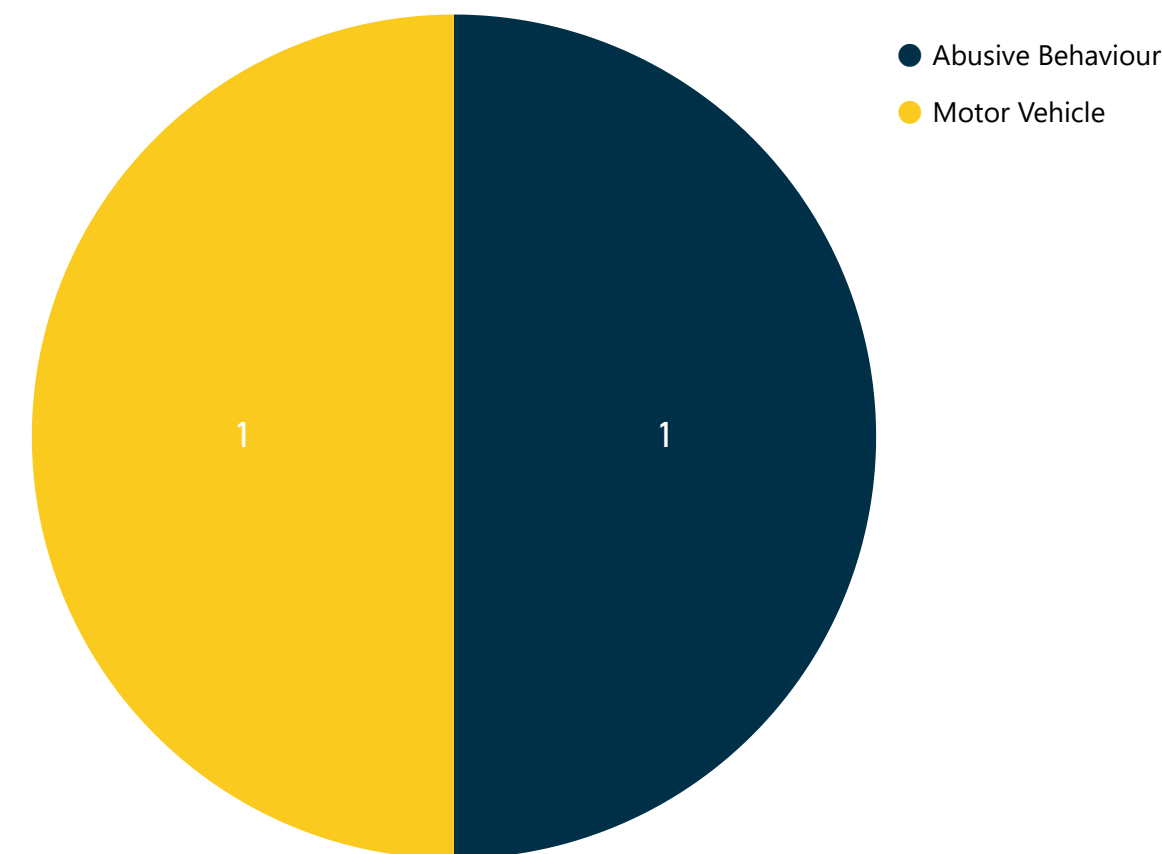
July 2021

1 Events
0 Notifiable Incidents
0 Notifiable Illness/Injuries

1 Near Misses
1 Hazards

Event/Near Miss Category

01 July 2021 to date



Wellbeing News

Spring is just around the corner!

Please ensure that you are protecting yourself and others from winter ailments by taking steps to stop the spread. Keep up good hygiene practices such as frequent hand washing and appropriate cough / sneeze etiquette.

If you are unwell, stay home. Don't forget our Wellbeing Programme provides flu vaccinations, Buccaline tablets, and annual health checks at no cost to you.

Unite against Covid-19!

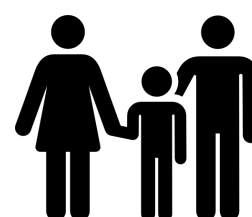
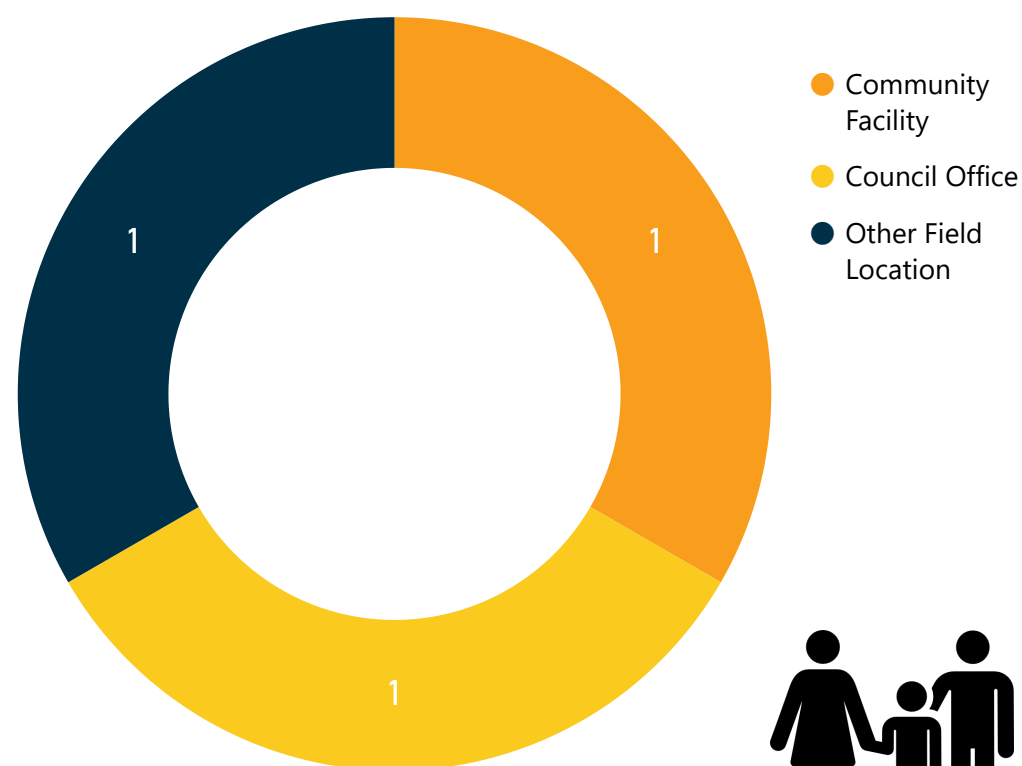
Please keep tracking your movements using the Covid-19 Tracer App, and make sure that you have turned of the App's Bluetooth tracing function

Eye Examinations and Lenses!

Are you aware that staff working more than 15 hours per week on computers are eligible, every two years, for reimbursement of a maximum of \$200 towards the cost of an eye examination and new lenses?

Location

Events, Hazards and Near Misses



Driver Ratings

	May	Jun	Jul
★★★★★	4	4	8
★★★★	7	5	8
★★★	14	13	11
★★	12	14	10
★			

Coming Up

- Sun Smart Awareness Seminars for all staff are being held Tuesday 3 August 2021 – 1pm in Council Chambers or 2pm at the King St offices. Zoom links will be available

- Full body Molemaps, available for all staff, are being held on-site 11, 12 13, 17 and 18 August and vouchers will be available for staff who prefer to go to Wanganui or Palmerston North

- Full First Aid and Refresher Training Monday 30 August 2021 – email Marcelle to book a place

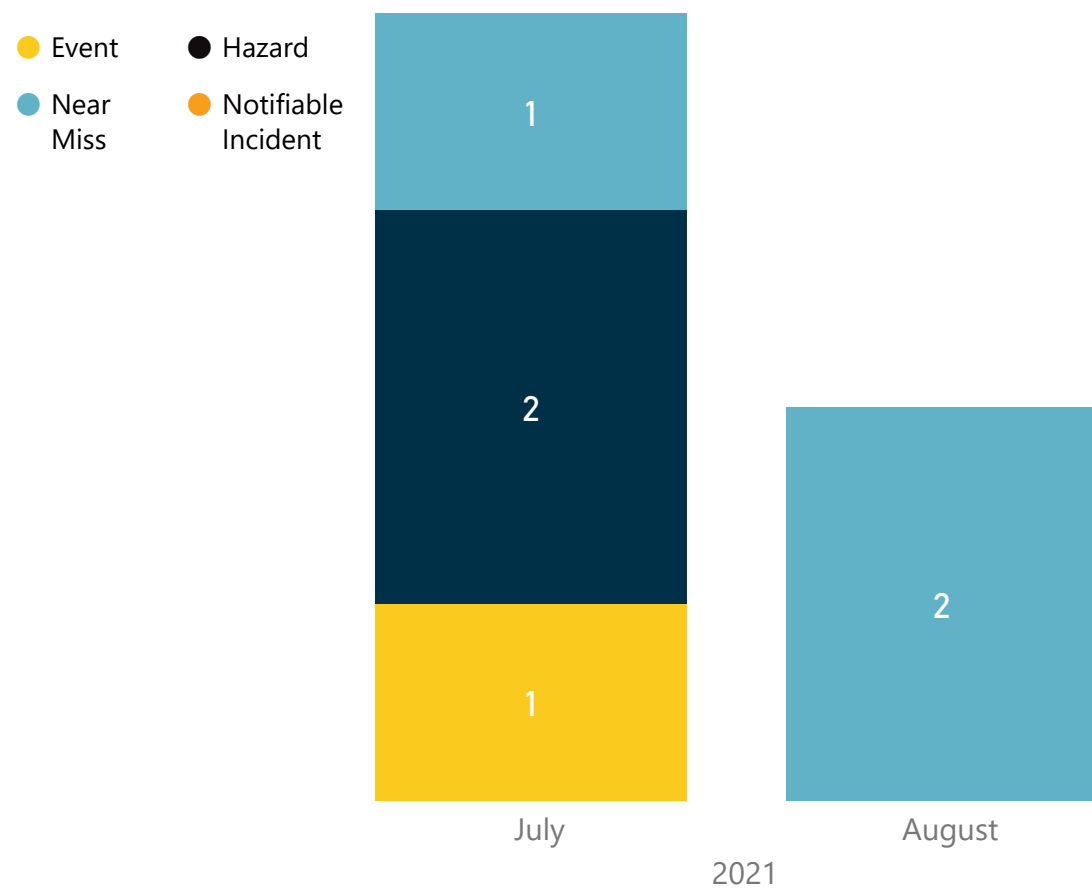
-Next Health and Safety Committee meeting will be held 20 August 2021 at 1:30pm



Rangitikei District Council Health & Safety

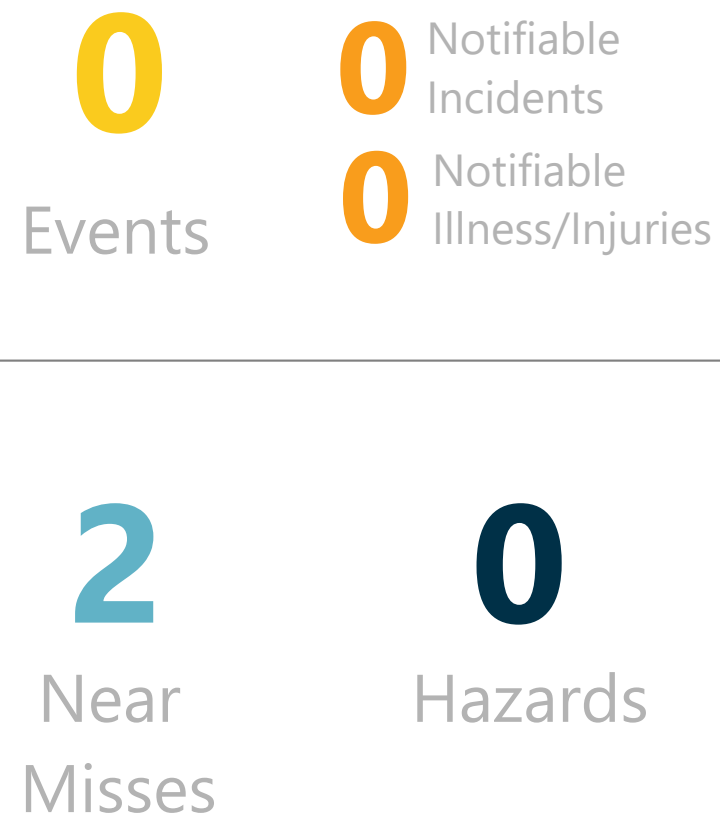
Events, Hazards and Near Misses

01 July 2021 to date



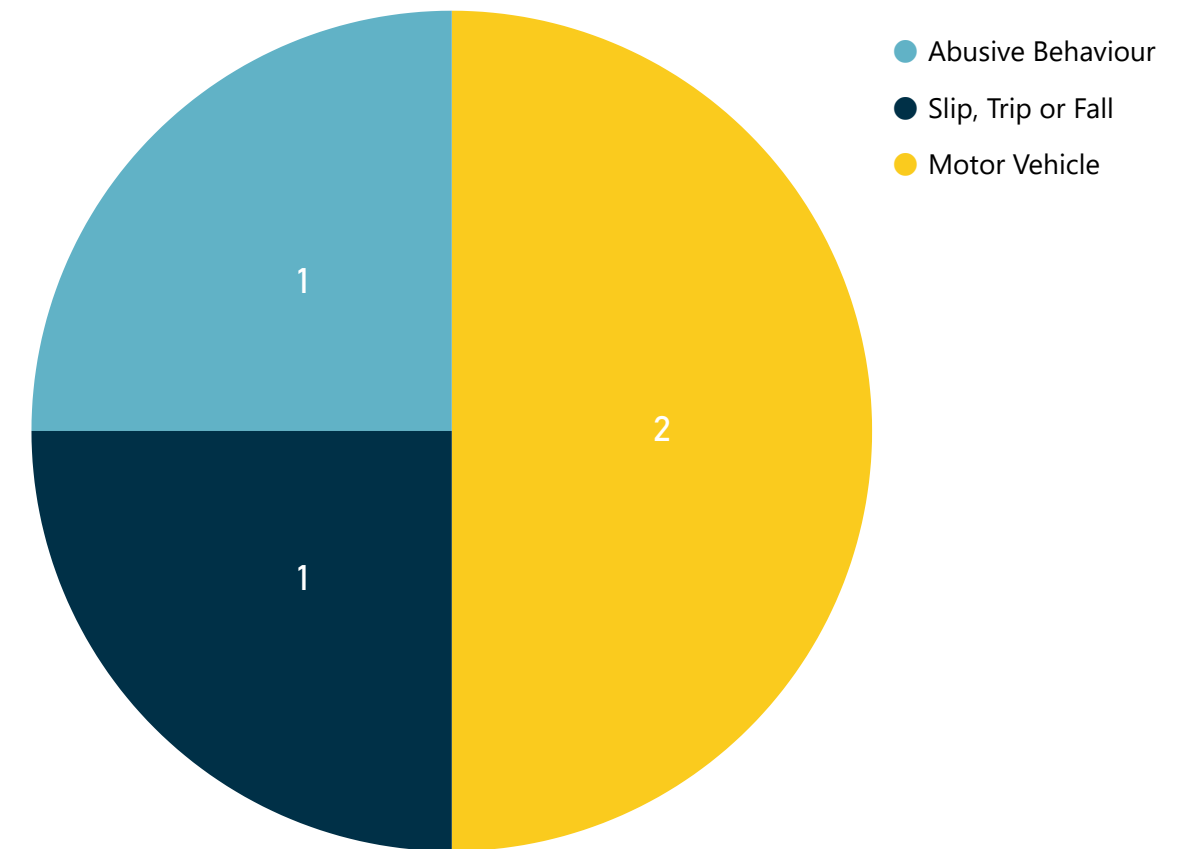
This month

August 2021



Event/Near Miss Category

01 July 2021 to date



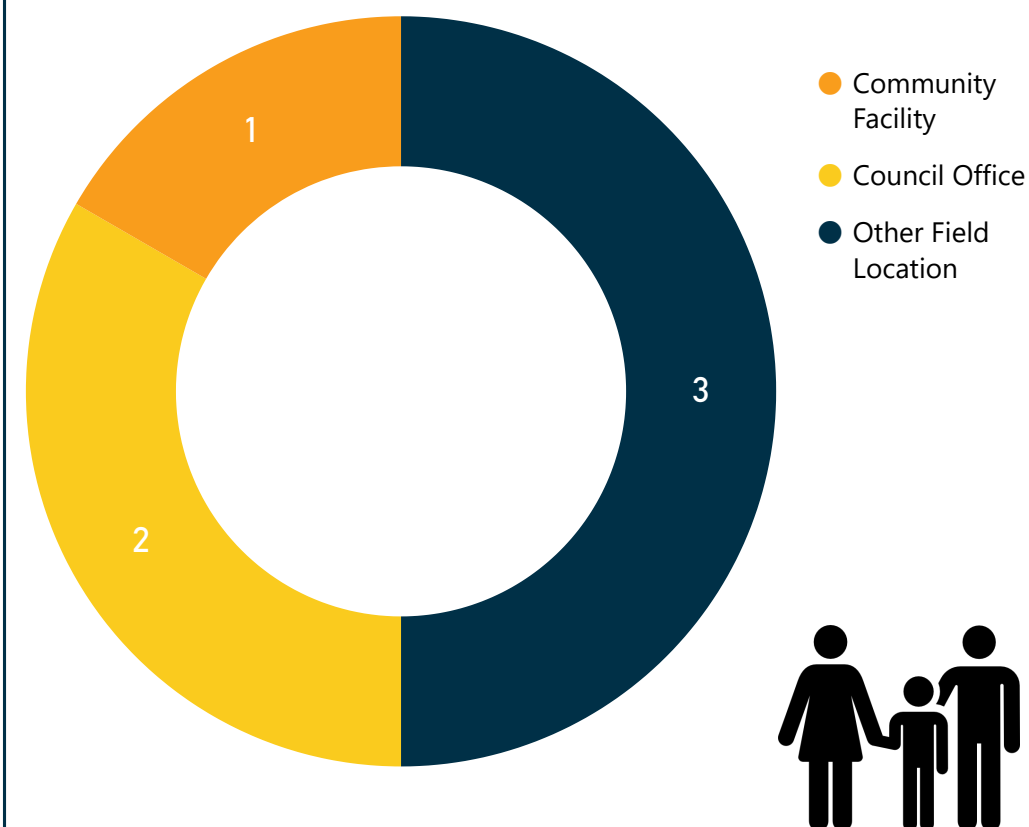
Wellbeing News

Look after your physical and mental wellbeing!
Managing your mental health and psychosocial well-being during this time is as important as managing your physical health. Take care of yourself, ensure you take regular breaks while working at home, eat sufficient and healthy food, engage in physical activity, and stay in contact with family and friends. Remember you can also talk to your manager, or a member of the people and culture team if you have any welfare concerns. The COVID-19 outbreak is a unique and unprecedented scenario, using strategies that have worked for you in the past to manage times of stress can benefit you now. You are the person most likely to know how you can de-stress and you should not be hesitant in keeping yourself psychologically well. This is not a sprint; it's a marathon.

Employee Assistance Programme (Vitae)
If you are feeling extra pressure and stress, Under the Wellbeing Programme Vitae counselling services are available to all staff and your immediate family (household members). Vitae provides confidential counselling services at no cost to you and are available face-to-face, by telephone or by video conference (Zoom). You can access Vitae by phoning their 24/7 helpline on 0508 664 981, or by emailing assistance@vitae.co.nz. You can also complete the on-line request form at www.vitae.co.nz/referral or download the Vitae app by searching Vitae NZ at the apps store.

Location

Events, Hazards and Near Misses



Driver Ratings

	Jun	Jul	Aug
★★★★★	4	8	6
★★★★	5	8	7
★★★	13	11	10
★★	14	10	10
★	NOTE: Star ratings for August 2021 are for 33 vehicles only.		

Coming Up

Full body Molemaps which are available to all staff, are being held on-site 16 and 23 September. Vouchers will be available for staff who prefer to go to Wanganui or Palmerston North. Appointments scheduled for 18 August that were cancelled due to Covid lockdown will be rescheduled.

Full First Aid and Refresher Training Friday 24 September 2021. The First Aid training session for Monday 30 August was cancelled due to Covid lockdown and will be rescheduled.

Driver Safety Awareness Seminars are being held on Wednesday 15 September in Chambers and on Tuesday 21 September at the King St Depot. Please advise Marcelle Williams if you would like to attend as certificates of attendance will be issued to attendees.

Health and Safety Committee Meeting scheduled on Friday 20 August 2021 was postponed due to Covid lockdown and will be rescheduled as soon as possible.



Health, Safety and Wellbeing in the Workplace



The safety and wellbeing of our people is our number one priority; we want everyone to be safe at work and go home healthy and well.



COMMITMENTS

We aspire to a culture that supports our unrelenting focus on health, safety and wellbeing. We will achieve this by empowering our people to take personal and collective responsibility to ensure that all work activities are carried out safely. We support forward-thinking continuous improvement measures and innovations that proactively enhance the health and wellbeing of our workers.

Peter Beggs
Chief Executive



RESPONSIBILITIES

We are committed to continuously improving health, safety and wellbeing practices by:

- Providing a safe working environment including safe systems of work
- Providing opportunities and programmes that support the wellness and enhanced wellbeing of our employees
- Ensuring that all parties, including Elected Members, senior leaders and employees, are kept up to date with relevant legislation, codes of practice and regulations, including but not limited to the Health and Safety at Work Act 2015
- Ensuring property and equipment is in a safe and working condition
- Ensuring safe use and management of chemicals
- Provision and supply of correct personal protective equipment (PPE)
- Ensuring emergency procedures are in place
- Ensuring all vehicles are maintained in a safe warrantable condition
- Providing appropriate training, instruction and supervision to ensure that everyone can work safely, and in a manner that is free from risks to health and wellbeing.
- We are committed to engaging and cooperating with workers and external agencies in all matters relating to health, safety and wellbeing in the workplace and we will continually improve performance through effective safety management and systems.



EMPLOYEES AND CONTRACTORS

All employees and contractors have an obligation to proactively engage in safe work practices that prevent injury to themselves and others; and which prevent damage to property and equipment by:

- Following instruction, directions and policies to prevent incidents or injuries
- Taking care of the health and safety of themselves and others
- Wearing PPE and suitable clothing where necessary
- Not misusing or interfering with any health and safety related equipment or signage
- Accurately reporting all accidents, incidents and near misses as soon as possible on the day of the event, no matter how trivial
- Reporting all known new hazards or observed risks to their manager or the Safety and Wellbeing Advisor as soon as possible.



APPLICATION OF THIS POLICY

We will work in collaboration with workers, customers, suppliers and visitors. We encourage feedback and suggestions for improving the safety of our work environment and achieving our health, safety and wellbeing objectives. Our policy applies to all Council operations and functions, including those situations where workers are required to travel or work off-site.

Dave Tombs
Group Manager Corporate Services

Arno Benadie
Group Manager Assets and Infrastructure

Carol Gordon
Group Manager Democracy & Planning

Gaylene Prince
Group Manager Community Services

Sharon Grant
Group Manager People & Culture



30 AND 31 MARCH 2021

Rangitikei District Council Onsite SafePlus Assessment and Advice Report

Introduction

SafePlus aims to help lift the performance of workplace health and safety in New Zealand businesses. It assesses how well a business is performing against good practice health and safety requirements and provides tailored advice and guidance on how to improve. SafePlus has been jointly developed, with industry, by WorkSafe New Zealand, the Accident Compensation Corporation (ACC) and the Ministry of Business, Innovation and Employment (MBIE), in collaboration with health and safety experts.

WHAT IT IS

SafePlus includes a framework of 10 performance requirements, which are organised under three key elements: Leadership, Worker Engagement, and Risk Management. Each performance requirement has four or five indicators, which explore how the business performs against the requirements in more detail. Each performance requirement also has a three-level maturity scale applied to it: Developing, Performing and Leading.

Continuous improvement underpins all the requirements. Performance is measured against each requirement.



ASSESSMENT FOCUS

The assessment approach is evaluative and behaviour-based with a focus on:

- *people*
- *behaviours*
- *culture*
- *values*
- *attitudes*
- *systems*
- *practices.*

For more on SafePlus, see: www.safepplus.nz

RANGITIKEI DISTRICT COUNCIL ASSESSMENT

This SafePlus assessment was completed on the 30th and 31st of March 2021. The assessor visited the Rangitikei District Office, and observations took place at a small garden off the main street in Taihape, a cemetery and a sports' ground.

The assessor undertook interviews and focus groups with the following people and groups:

- Chief Executive
- Executive Leadership Team
- Health and Safety Committee
- Safety and Wellbeing Advisor
- General Manager People and Culture
- Team Leaders
- Field staff and office-based staff
- Contractors
- MDC shared services staff.

The GM People and Culture and the Safety and Wellbeing Advisor provided documentation, further information, and context for the Assessor.

The assessment included a Deep Dive assessment on how the following risks are being managed:

- Working alone
- PCBU/contractor activities
- Mental health and wellbeing.

SCOPE OF THIS ASSESSMENT

In scope

The scope of this assessment is limited to insights gained through SafePlus methodology in relation to:

- The district office and observations at sites visited
- Stakeholders provided by the company for interviews, including the:

- Chief Executive
- Executive Leadership Team

- Health and Safety Committee
- Safety and Wellbeing Advisor
- General Manager People and Culture
- Team Leaders
- Field staff and office-based staff
- Contractors
- MDC shared services staff.

° Deep Dive risks selected by the company:

- working alone
- PCBU/contractor activities
- mental health and wellbeing.

Out of scope

This report reflects a slice in time at the above sites and should not be extrapolated beyond the scope noted above.

Out of scope are:

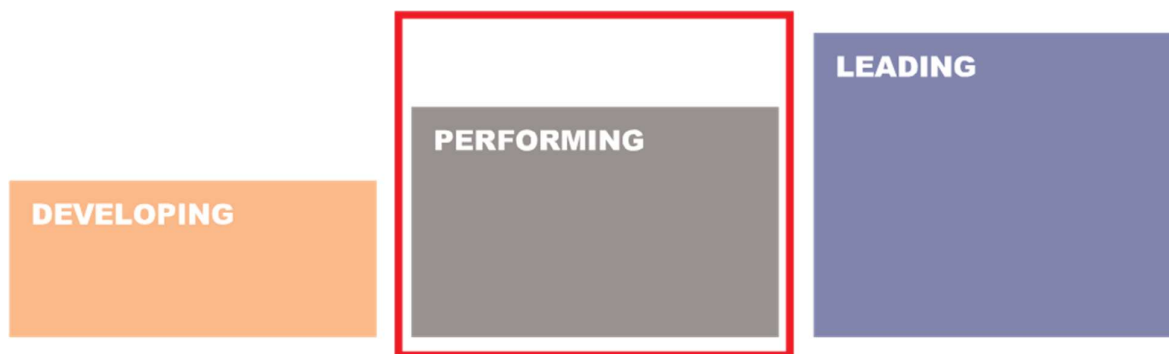
- Sites not visited
- Stakeholders not interviewed
- A full technical review of all documentation, work processes, deep dive risks and other risks.

Thank you to Rangitikei District Council managers and workers for their time, effort, and engagement and for the manaakitanga that was shown.

Illustration of Performance

Three levels of performance are used to determine your current health and safety strengths and areas for improvement – Developing, Performing and Leading. Performance is measured against each of the 10 performance requirements and the overall outcome is based on these results.

OVERALL OUTCOME:

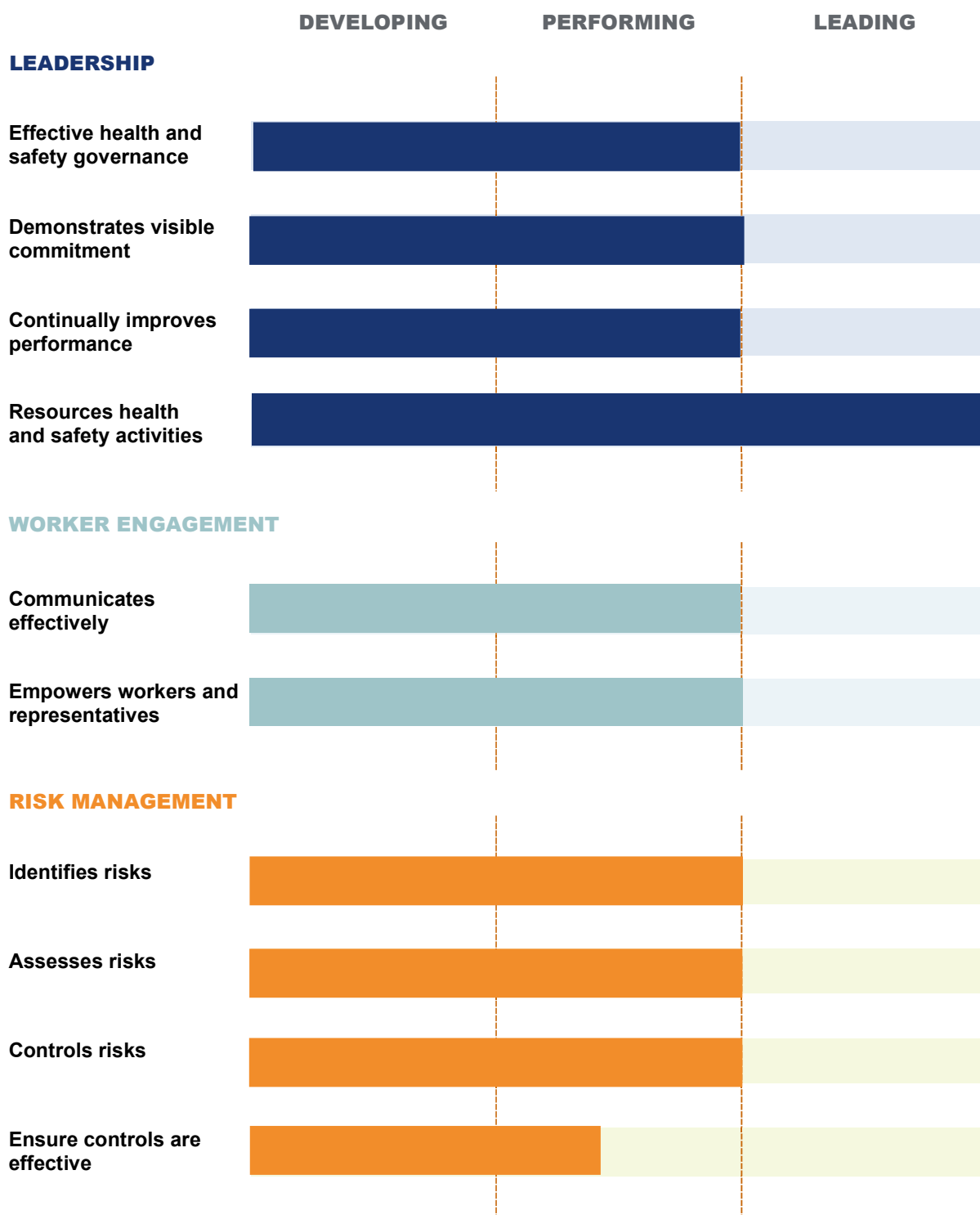


RECOMMENDED REASSESSMENT:

It is recommended that Rangitikei District Council (RDC) develop an improvement plan based on the recommendations in this report. Progress against the plan should occur at least every six months.

It is recommended that RDC has a re-assessment completed every two years to track its progress against the performance requirements.

OUTCOMES BY PERFORMANCE REQUIREMENTS:



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
Work as Done Session: Landfill remediation at Putorino Road / Mangaweka Bridge Replacement	Elected Members Chief Executive, ELT, Officers.		*	*		May 2021
SafePlus Assessment report to Audit and Risk	Audit and Risk Committee Chief Executive, GM People and Culture				*	September 2021
Endorse HS&W in the Workplace Policy	Audit and Risk Committee	*				September 2021
Endorse HS&W Due Diligence Plan	Audit and Risk Committee	*				September 2021
Appoint Governance HS&W Champion	Audit and Risk Committee	*				September 2021
Institute of Directors Advanced H&S Governance Training (on-line)	Governance H&S Champion Group Manager People and Culture		*			October 2021
Develop HS&W Governance Charter	H&S Champion GM People and Culture	*				Oct/Nov 2021
Review HS&W, strategy and reporting	H&S Champion GM People and Culture	*				Oct/Nov 2021
Endorse HS&W Governance Charter, policy, strategy and reporting	Audit and Risk Committee	*				December 2021
Work as Done Session: Parks and Reserves (includes site visit)	Elected Members Chief Executive, ELT, Officers.		*	*		February 2022
Work as Done Session: Lone workers	Elected Members Chief Executive, ELT, Officers.		*	*		March 2022
Work as Done Session: Animal Control (includes site visit).	Elected Members Chief Executive, ELT, Officers.		*	*		May 2022
Work as Done Session: Libraries / front of house	Elected Members Chief Executive, ELT, Officers.					July 2022
HS&W governance training for new Council.	Elected Members		*			Nov/Dec 2022

Regular activities		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 Reports for Information

10.1 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.

2. Context

The Protected Disclosures Act 2000 and Amendment Act 2009 (Act) enables the disclosure and investigation of serious wrongdoing within or by an organisation. The Act provides legal protection to employees who disclose serious wrongdoing within the workplace. 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.

The Act defines serious wrongdoing as:

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

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, contractors, volunteers and elected members.

3. Discussion

Council has a Protected Disclosures Policy and Procedure which was last reviewed in March 2021. In relation to disclosures made during this reporting period, there are no protected disclosures to report.

Recommendation

That the report 'Protected Disclosures Update' be received.

10.2 Employee Code of Conduct Review**Author:** Sharon Grant, Group Manager - People & Culture**Authoriser:** Peter Beggs, Chief Executive**1. Reason for Report**

- 1.1 This report informs members of the Audit and Risk Committee about the outcome of the employee code of conduct review which was undertaken as part of the Audit and Risk Committee Workplan.

2. Context

- 2.1 The purpose of an employee code of conduct is to inform employees of expected standards of behaviour along with what will happen if those standards are breached.
- 2.2 Council's existing employee code of conduct is included in the staff handbook. This document outlines examples of misconduct and serious misconduct, along with the process that will be followed for a potential (or actual) conduct breach (disciplinary procedure).

3. Discussion

- 3.1 The new employee code of conduct has been re-written and is now titled Standards of Integrity and Conduct. The new document reframes the messaging to focus on the behaviours expected of employees (what they should do), rather than focusing on what they shouldn't do.
- 3.2 The key sections of the document are:
 - 3.2.1 The way we do things around here:

This section outlines expected behaviours and is aligned to Councils organisational values (Nga Pou).
 - 3.2.2 What happens if our standards may have been breached?:

This section outlines the process that will be undertaken if it is believed that expected standards of conduct may have been breached. The document outlines the process that would be undertaken for a fact-finding investigation, employment investigation and disciplinary procedure (if required).
 - 3.2.3 Performance improvement procedure:

This section outlines what will happen in cases where an employee's performance falls short of expectations. The performance improvement procedure is aligned to Council's career and performance development framework (Ara Poutama).
 - 3.2.4 Examples of misconduct and serious misconduct:

The final section of the document (Appendix 1) includes examples of what may be considered to be misconduct or serious misconduct. It is stated that the list is not exhaustive and cannot cover every possible example.
- 3.3 The new Standards of Integrity and Conduct document is attached for Member's consideration and feedback.

4. Financial Implications

4.1 Nil

5. Statutory Implications

5.1 The Standards of Integrity and Conduct Policy is compliant with the Employment Relations Act (2000) and the principles of natural justice

Attachments**1. Standards of Integrity and Conduct****Recommendation 1**

That the report on the Employee Code of Conduct Review be received.

Recommendation 2

That the Audit and Risk Committee reviews the Standards of Integrity and Conduct and provides feedback (if any).

RANGITĪKEI DISTRICT COUNCIL

STANDARDS OF INTEGRITY AND CONDUCT POLICY

Approved:	9 August 2021
Approved by:	Executive Leadership Team
Next review:	August 2023 (or earlier if required).
Version number:	1.0
Who is responsible:	Group Manager People and Culture

Standards of Integrity and Conduct

Our Standards of Integrity and Conduct have been written to clarify what's expected of you as you go about your work. They are there to guide your behaviour and the decisions you make, from everyday choices to those decisions that are more challenging.

Our Standards of Integrity and Conduct are important because we achieve what we want to achieve through our people. If our people do not display the standards of integrity and conduct that we expect, then we will not be the organisation we want to be. We will not be able to serve our community as well as we should, and we will not be able to support our colleagues in the way they deserve to be supported.

We all have a role to play so no matter what position you hold at Rangitikei District Council ("RDC"), our Standards of Integrity and Conduct apply. Your actions are representative of the actions of RDC, and you are accountable to the public in the work you undertake. By adhering to the expectations outlined in this policy, while at the same time living our organisational values, you are showing our communities and those you work with, that you have earned the trust placed in you to get the job done.

This policy also outlines what we will do in cases where we believe that our standards have been breached.

From time-to-time we may review, amend or change this policy. If changes occur, these will be communicated with you.







THE WAY WE DO THINGS AROUND HERE

At RDC we have a vital role in supporting and growing our communities and achieving our vision to "Make this place home".

We recognise that our staff are key to achieving this vision and we want to be an outstanding place to work, where people feel a common sense of purpose.

To achieve our objectives, we must ensure we provide the best possible service to our communities who rely on us to work consistently, professionally and to the highest standard.

Our Organisational Values (Ngā Pou) are the foundation of our Standards of Integrity and Conduct:

	POU 1.	Manaakitanga	The customer is at the centre of everything we do.
	POU 2.	Rangatiratanga	We aspire to the highest standards.
	POU 3.	Whakapono	We strive to be trusting and trustworthy.
	POU 4.	Whanaungatanga	We act with courage, respect, kindness and empathy.
	POU 5.	Kotahitanga	We embrace diversity and strive to be inclusive.
	POU 6.	Aroha	We believe in and encourage each other.

Each Value (Pou) translates into behaviours that outline what is okay (and by default what is not okay) at RDC. We expect everyone to behave, and perform their duties, in a way that aligns to our Organisational Values (Ngā Pou). Additionally, we also ask that you:

- Act honestly and with integrity at all times
- Consistently perform your job to the best of your ability
- Provide a consistently high level of service to customers and clients, and participate in the continuous improvement of all services
- Act in a way that enhances the reputation and standing of the Rangitikei District Council
- Be presented in a way that is appropriate to the job you do, and reflects an appropriate image of Rangitikei District Council
- Keep us informed of any matters that impinge on the carrying out of your duties
- Be committed to your own professional growth and development

We will not tolerate conduct that is threatening, abusive or which may amount to harassment. Similarly, we will not tolerate conduct which is dishonest or could be reasonably interpreted as dishonest. We are a public organisation responsible for public money and we must conduct ourselves accordingly. That means that we must never act in a way which might give rise to our integrity and professionalism being questioned, in the eyes of those we serve.

Of course, we cannot cover every possible situation in one policy. If you have questions about whether or not something aligns to our expectations, please talk to your manager or a member of the People and Culture Team.

WHAT HAPPENS IF OUR STANDARDS MAY HAVE BEEN BREACHED?

We want everyone to work together as a team in a positive and professional manner.

If we become aware of conduct or behaviour that potentially falls short of our expectations, we will take steps to address it. These steps may include the initiation of our investigative procedure as outlined below.

Usually, we will consider what's happened and see if there is a reasonable explanation (as set out below). Sometimes though, the conduct circumstances might warrant us skipping this step.

Examples of misconduct and serious misconduct are included in Appendix 1. It is not possible to list every possible instance. Conduct or behaviours not on this list may warrant disciplinary action as outlined below.

If managers become aware of conduct which might breach this policy, they should seek advice from People and Culture in the first instance.

Fact finding investigation (if required):

If we consider that the nature of the allegations or circumstances warrant it, a preliminary fact-finding investigation may be carried out, in advance of a more substantive investigation. Whether a preliminary investigation is required is at our discretion and will depend on the circumstances.

Employment Investigation:

If we have a potential breach of this policy and/or behaviour which might constitute misconduct or serious misconduct, we will always complete an investigation in a fair and lawful manner which is consistent with the principle of natural justice. In summary, this means that you will be provided with information about the allegations and will be given the opportunity to respond to those allegations with a support person or representative present. Your responses will be taken into account by the decision maker before any decisions are made regarding disciplinary action, if any.

If we reach the point where we form the view that the conduct of an employee requires a disciplinary response (for example a warning, or where we are considering dismissal), then we will advise the employee and seek feedback from them, before deciding on the appropriate disciplinary response.

Disciplinary procedure:

The disciplinary outcome will depend on the seriousness of the misconduct.

In cases where misconduct is substantiated, the following procedure is likely to be followed:

- A first written warning initially;
- A final written warning if there is further misconduct;
- Ultimately, summary termination of employment if misconduct is repeated for a third time.

Where misconduct is considered serious enough though, a final warning may be issued without a prior warning being issued.

In cases where it is considered that serious misconduct has occurred, there may be no warnings at all, and we may consider termination of employment without notice. Examples include abuse or harassment of others, dishonesty and otherwise acting in a way which means that we lose trust and confidence in you as an employee.

Suspension

Depending on the nature of the alleged misconduct or serious misconduct, you may be suspended on pay pending the outcome of an investigation. In circumstances where the process is substantially protracted we may, following consultation with you, suspend you without pay.

The nature and conditions of the suspension will be provided in writing.

Conduct Detrimental to the Best Interest of Rangitikei District Council

Other conduct may also be detrimental to the best interest of RDC and therefore amount to misconduct or serious misconduct. We will investigate where appropriate and disciplinary action may follow.

Conduct detrimental to the best interest of RDC includes:

1. Any conviction in a Court of Law for an offence which has the potential to adversely impact on the reputation of RDC or brings the standing of the employee into disrepute.
2. An employee's behaviour (whether during or outside working hours) that brings RDC or the standing of the employee into disrepute.

PERFORMANCE IMPROVEMENT PROCEDURE

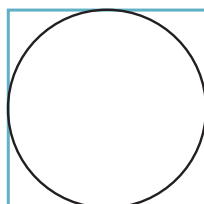
We have a responsibility to our community, the organisation and each other to address poor performance.

It is not fair to leave poor performance unchecked, when others in the team are doing what's expected. Otherwise, our organisational performance will drop, and we do not want that to happen.

As part of our Career and Performance Development Framework (Ara Poutama) your Manager/Team Leader will review your performance regularly and provide you with constructive feedback, including what is going well, and any concerns they may have about your performance.

The goal of regular feedback conversations is to support you to achieve in all aspects of your role, including our organisational values. By way of example, we expect that you will perform the functions of your role competently and professionally. In addition, we expect that you will conduct yourself in a way which is consistent with our values and our responsibilities as a public body. We must not behave in way which detracts from our own performance, our colleague's performance or in a way which undermines what we are striving to achieve as an organisation.

In accordance with our Ara Poutama framework 'achieving' is where the circle (you) is the same size or bigger than the square (your role).

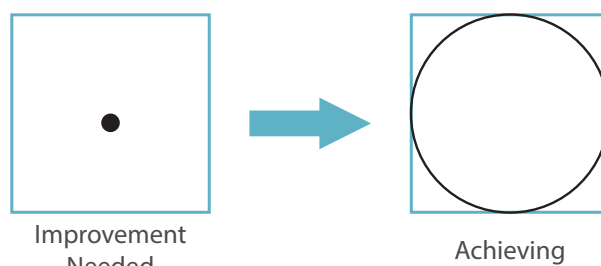


Achieving

Sometimes, performance falls short of expectations. In other words, the circle is smaller than the square and/or may be outside the square. Poor performance impacts productivity and team morale. If our usual constructive feedback conversations do not have the desired result of improving performance, then a more formal performance improvement process may be initiated.

The aim of our processes is always to ensure quality outcomes. Usually, low level and informal discussions will be enough to address problem performance. If that does not work though, then managers will be required to increase the formality and seriousness of the response. Ultimately, if performance is not able to be improved to the required standard, termination of the employment relationship may be required.

Our performance improvement procedures are designed to assist you to achieve the required performance level (increase the size of the circle and/or its alignment within the square). This can be in relation to job performance (what you do) but can also to help address values and behavioural concerns that are not initially considered to be misconduct or serious misconduct.



A formal performance improvement process will include us considering the reasons behind the poor performance and agreeing to a Performance Improvement Plan (PIP). The PIP will:

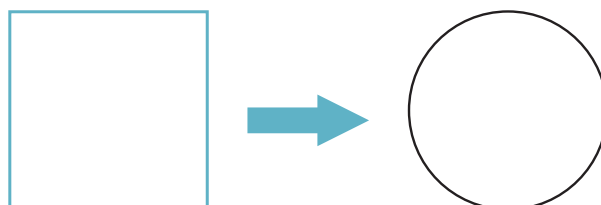
1. Outline the areas where performance (including behavioural performance) is falling short of expectations
2. Clearly clarify the standards expected
3. Outline the support and training that we will provide to assist you to improve your performance
4. Confirm the timeframe within which improvement is required.

If, following the performance improvement plan, the required level of performance is still not achieved and/or is not sustained, then termination of the employment relationship is possible.

Role misalignment:

Sometimes a perceived performance issue may indicate a misalignment of role rather than unsatisfactory performance. This can happen when the employee has the ability to achieve in a different role or environment and the performance issues are more due to a role mismatch, rather than individual capability.

If we believe this is the case then we will take steps to work with you to support you to achieve in a role that is better aligned to your capabilities and aspirations. We will always consult with you on proposed changes to your role before any decisions are made.



Appendix 1

Misconduct

'Misconduct' is when an employee engages in incidents of behaviour or conducts themselves in a way that is unacceptable.

Examples of Misconduct

The following are examples of the type of actions and behaviour that RDC considers misconduct. They are likely to result in formal warnings and if repeated, dismissal. This list is not exhaustive. Where an act is carried out by an employee that is not specifically covered by the examples below, RDC reserves the right to apply disciplinary actions as it deems appropriate. Additionally, depending on the circumstances, misconduct may also amount to serious misconduct and be dealt with accordingly, depending on the seriousness of the incident.

1. Abusive or offensive language that causes offence to another person.
2. Acting in a disrespectful, discourteous or unprofessional way toward colleagues or members of the community.
3. Carrying out duties in a manner that is negligent, careless, inefficient, or incompetent, or failing to perform work to the required standards.
4. Breach of confidentiality
5. Frivolous wasting of time or materials.
6. Smoking/vaping in a non-smoking area.
7. Reporting to work in a condition that, in the opinion of the employer, means that duties are unable to be carried out competently or safely
8. Disruptive, boisterous, or unruly behaviour, including joking in a way which others may find offensive,
9. Interfering with or preventing another employee carrying out their duties.
10. Demonstrating a pattern of lateness or absenteeism or failing to report at the time required without notifying the Manager/Team Leader.
11. Leaving the workplace during working hours without good reason or authority.
12. Without good reason, sleeping during working hours.
13. Misuse or major or minor damage to property belonging to RDC, a member of the public or another employee, through negligence or misuse.
14. Failure to promptly report a fire, accident or other workplace accident or incident.
15. Failure to observe health and safety requirements, working in an unsafe manner or failing to make proper use of safety equipment or personal protective equipment.
16. Posting of unauthorised notices within RDC.
17. Any act which could diminish the reputation of RDC in the community.
18. Acting in an unprofessional and/or discourteous manner towards a customer, staff member, elected member or member of the community.
19. Failure to follow RDC procedures, or any other lawful and reasonable instruction

Serious Misconduct

Serious misconduct is misconduct at a more serious level.

Examples of Serious Misconduct

The following are examples of the type of actions/behaviour that RDC considers serious misconduct and are likely to lead to dismissal without notice or formal warning. This list is not exhaustive. Where an act is carried out by an employee that is not specifically covered by the examples below, RDC reserves the right to apply disciplinary actions as it deems appropriate.

1. Dishonesty, including falsification of any record or document, including timesheets, payment authorisations, submitting false expense claims, or committing fraud.
2. Failing to appropriately declare a conflict of interest.
3. Misappropriation or unauthorised use of RDC funds.
4. Failure to account for cash or failure to follow RDC procedures for handling cash.
5. Gambling on the premises or during working hours without management consent.
6. Misrepresentation of an employees, or RDC position, whether or not for personal gain.
7. Willfully disregarding or refusing to carry out a lawful and reasonable instruction or walking off the job without good reason.
8. Sexual, racial or other harassment; or bullying, intimidation or unwelcome behaviour towards employees, customers or members of the community, including by way of electronic media.
9. Gross incompetence or negligence in the performance of duties.
10. Reporting to work, or being at work, under the influence of alcohol or drugs, including prescription medication where it may impact on an employee's ability to operate safely.
11. The unauthorised use of alcohol or being in possession of or using drugs or drug paraphernalia while on RDC premises or carrying out RDC business.
12. Copying, removal or unauthorised disclosure of confidential information, or otherwise breaching privacy obligations in relation to the information we hold.
13. Violation of, or failure to follow, safety rules and/or occupational health and safety procedures (this includes failure to wear prescribed safety equipment and clothing)
14. Deliberate or careless activities that result or could result in the injury of another person, or damage to RDC or personal property.
15. Unauthorised possession of any gun, firearm, knife or other offensive or dangerous weapon or material on RDC premises or while carrying out RDC business.
16. Unauthorised or irresponsible use of fire protection or safety equipment.
17. Actual or threatened physical or verbal violence against another person or persons, including employees, customers or members of the community during work hours or during any out of work hours function or event.
18. Use of abusive, offensive, threatening, or intimidating language or behaviour to a staff member, customer or visitor in work time and/or when attending Council functions out of normal work hours
19. Being absent from work for three consecutive days without reporting (except in extenuating circumstances).
20. Unauthorised absence from work, including misleading the employer as to the nature of the approved absence.
21. Unauthorised possession of, use or removal of property belonging to RDC, customers, the public at large or another employee.
22. Misrepresenting or withholding criminal convictions, health or employment history or qualifications pertinent to the employers decision to hire or promote an employee.
23. Failure to report to RDC any criminal conviction or serious traffic offence (such as loss of licence) obtained while employed by RDC.
24. Failing to report to RDC any traffic infringements, road accidents or vehicle damage while driving RDC vehicles.
25. Being convicted of a criminal offence which impacts the employee's ability to perform their work function, or which may damage Council's reputation.
26. Breach of RDC email, internet and/or computer policies, including (but not limited to) downloading, saving, printing or forwarding pornographic, offensive or objectionable material.
27. Acts or behaviours detrimental to the quality and/or efficiency of RDC business, safety of RDC staff, customers or the community.
28. Accepting a personal fee or remuneration other than normal salary/wages or lump sum payment for any service provided in the normal course of duty.
29. Signing any document or making a statement on behalf of RDC without proper authorisation.
30. Bringing RDC into disrepute or acting in a way that has the potential to bring RDC into disrepute, or damage the interests or integrity of RDC.
31. Any behaviour listed as misconduct which RDC in its sole discretion considers to be of sufficient seriousness to warrant consideration as Serious Misconduct.

10.3 Sensitive Expenditure 2020/21 Summary

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 a summary of the Sensitive Expenditure that was incurred during 2020/21. See Attachment 1.

2. Context

- 2.1 Council's current Sensitive Expenditure Policy requires the Group Manager Corporate Services to monitor amounts that are recorded as Sensitive Expenditure.
- 2.2 The Group Manager Corporate Services intends to update the Sensitive Expenditure Policy to include a requirement for a Sensitive Expenditure summary to be reported to, and reviewed by, the Executive Leadership Team ("ELT") and Audit/Risk Committee every six months.
- 2.3 This report is being provided to Audit/Risk Committee in advance of the Sensitive Expenditure Policy being amended to reflect this new requirement.

3. Discussion and Options Considered

- 3.1 The attached summary of Sensitive Expenditure:
 - 3.1.1 has been extracted from Council's ledger; and
 - 3.1.2 has been reviewed by the ELT; and
 - 3.1.3 has not been audited; and
 - 3.1.4 is provided 'for information'.

Attachments

1. Sensitive Expenditure Summary 2020/21

Recommendation

That the Sensitive Expenditure 2020/21 Summary report be received.

Rangitikei District Council
Account Details
For Period ended 30 June 2021

	Account	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2019/20
	Grand Total	40,265	72,794	32,529	50,994
Council	10100321. Flowers/Gifts	4,481	6,052	1,571	6,417
Council	10100583. Catering	9,647	16,347	6,700	13,812
Council	10100676. Travel Costs	5,717	5,370	(347)	1,001
Council	1010067601. Travel Costs - Accommodation	1,788	5,197	3,409	3,250
Council Committees	10300583. Catering	712	901	189	45
Council Committees	10300676. Travel Costs	42	1,100	1,058	0
Council Committees	1030067601. Travel Costs - Accommodation	0	1,100	1,100	0
Building	30100583. Catering	36	0	(36)	327
District Planning	30200583. Catering	0	338	338	238
Dog Control	30300583. Catering	146	0	(146)	0
Information Centres	40101583. Catering	29	0	(29)	50
District Promotions	40200583. Catering	170	0	(170)	777
Civil Defence	40300583. Catering	371	676	305	0
Libraries	40801321. Flowers/Gifts	188	0	(188)	0
Libraries	40801583. Catering	349	1,222	873	1,098
CEO Business Unit	91100321. Flowers/Gifts	1,391	526	(865)	1,685
CEO Business Unit	91100583. Catering	694	526	(168)	831
CEO Business Unit	91100676. Travel Costs	(479)	2,100	2,579	1,173
CEO Business Unit	9110067601. Travel Costs - Accommodation	946	1,680	734	5,450
Policy & Democracy	91400583. Catering	1,102	0	(1,102)	16
Policy & Democracy	91400676. Travel costs	61	1,870	1,809	2,994
Policy & Democracy	9140067601. Travel Costs - Accommodation	1,969	2,150	181	2,515
Financial Services	92100583. Catering	1,022	0	(1,022)	46
Financial Services	92100676. Travel Costs	1,624	512	(1,112)	1,859
Financial Services	9210067601. Travel Costs - Accommodation	1,093	511	(582)	506
Customer Services	92300583. Catering	777	2,838	2,061	0
Customer Services	92300676. Travel Costs	489	511	22	0
Customer Services	9230067601. Travel Costs - Accommodation	434	512	78	0
Statutory Planning & Rep	92500583. Catering	74	0	(74)	0
Information Services	92600676. Travel Costs	378	2,046	1,668	231
Information Services	9260067601. Travel costs - Accommodation	728	2,046	1,318	2,875
Community & Leisure	94100583. Catering	257	275	18	0
Community & Leisure	94100676. Travel Costs	550	851	301	428
Community & Leisure	9410067601. Travel Costs - Accommodation	214	851	637	742
Asset Services	95100321. Flowers and Gifts	0	587	587	253
Asset Services	95100583. Catering	802	342	(460)	147
Asset Services	95100676. Travel Costs	702	0	(702)	0
Asset Services	9510067601. Travel Costs - Accommodation	532	0	(532)	0
Env & Regulatory Unit	96100583. Catering	0	307	307	233
Env & Regulatory Unit	96100676. Travel Costs	0	2,046	2,046	72
Env & Regulatory Unit	9610067601. Travel Costs - Accommodation	214	3,500	3,286	1,924
Parks & Reserves	96200583. Catering	1,016	0	(1,016)	0
Corporate Control	99999583. Corporate Control Catering	0	7,904	7,904	0

10.4 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 Internal Audit Programme update.

2. Context

- 2.1 Council is introducing a more formal Internal Audit Programme which will include providing an update to each Audit/Risk Committee meeting.

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.

- 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 November)

- Review the composition of our fleet
- Provide Vehicle Ownership Policy
- Provide fleet utilisation analysis.

3.2.3 Community Engagement (October to December)

- Council is developing a Community Engagement Framework in 2021/22
- The first draft of this Framework is planned to be ready for review in October/November 2021
- Would be beneficial to have an independent formal review of the Framework to make sure it addresses the 'key considerations'.

3.2.4 Ethics (November to May)

- This is a very broad topic that can be structured to encompass a large number of areas for review
- The following are currently being suggested to be included in this review:

ITEM 10.4

- (1) Review of Council's recruitment and selection processes
 - (2) Community Engagement: do all sections of our community have an equal opportunity to contribute to Council business (do any barriers exist for some sections of our community?)
 - (3) Procurement: is our Procurement conducted in an ethical manner
- The scope of these reviews, subject to amendment pending discussion at Audit/Risk Committee, will be more precisely defined after further discussion by Executive Leadership Team.

3.2.5 Legislative Compliance (March to June)

- 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.

4. Financial Implications

- 4.1 Council has an annual budget of around \$100k for these external reviews.

Attachments**1. Draft Internal Audit Programme****Recommendation**

That the Internal Audit Programme report be received.

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

10.5 June (draft) Financial Report**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 with a copy of Council's latest Management Accounts.

2. Context

- 2.1 Council's monthly Management Accounts are reported to the Finance/Performance Committee.
- 2.2 The June Management Accounts, see Attachments 1, 2 and 3, were reported to the Finance/Performance Committee on 26 August 2021. Due to staff leave and Audit/Risk Committee reporting deadlines, this report does not include comments that may have been at the Finance/Performance Committee – a verbal update of such comments will be provided at the meeting.
- 2.3 Being accounts to June these accounts may change due to standard financial year-end procedures.
- 2.4 Management accounts for July are not prepared as they would contain significant financial year-end anomalies.

Attachments

1. June Management Accounts Report
2. June Operating Management Accounts
3. June Capital Expenditure Report

Recommendation

That the June (draft) Financial Report be received.

RE^ITEM Financial Snapshot - June 2021 Draft Figures**Author:** Kathryn McDonald, Management and Systems Accountant**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide Committee Members with Council's latest management financial accounts and related commentary. As this report refers to the last month of the 2020-21 financial year, please note that these are draft figures. Work will continue to finalise the figures for the Annual Report.

2. Activity Performance Report

- 2.1 Rates Revenue is \$22.8 million for the year, which is 2% below the budget of \$23.3 million. The difference of \$0.5 million predominantly relates to the unbudgeted rates remissions, partially offset by an increase in rate penalty income.
- 2.2 The Subsidies and Grants revenue budget variance of \$2.9 million (favourable) is mainly caused by:
- 2.2.1 Favourable budget variances: Receiving unbudgeted amounts for the Three Waters Reform (\$2.41m), Community Recovery Grant (\$750k), PGF Capital Funding (\$250k), Hunterville Bore Subsidy (\$350k), a Public Toilet Grant (\$78k), and Hautapu River Parks Project (\$70k).
- 2.2.2 Unfavourable budget variances: A full year budget of \$200k for public fundraising in relation to the new Marton Playground. This was set in the previous financial year prior to the formation of the Project Management Office; recently the PMO has confirmed that this money has been put directly into the playground and will not be received by the Council.
- 2.2.3 Other variances: There will be an accrual for Waka Kotahi subsidies of approximately \$1.4 million which were received in July but relate to the 2020-21 financial year. This will increase the favourable budget variance by that amount.
- 2.3 Other Revenue is above budget by \$655k. This is due to:
- 2.3.1 Increase in demand for resource consents (year to date revenue is above budget by \$290k including one transaction of \$185k), and
- 2.3.2 Increase in building consents resulting in revenue \$246k above budget.
- 2.3.3 Increase in use of Waste Transfer Stations, with User Fees and Charges revenue being \$135k above budget.
- 2.4 Other Comprehensive Revenue has income of \$112k against a nil budget; this is from the sale of Council owned property in Walton Street, Bulls.

- 2.5 Personnel costs for the year are \$5.438 million against a budget of \$4.801 million, an unfavourable variance of \$0.64 million. This budget relates primarily to positions that had no budget in 20/21.
- 2.6 Other expenses at year to date are \$19.265 million, which is \$1.295 million (7.21%) over budget of \$17.970 million. This is mainly due to the Roding repair work for Turakina Valley Road which is responsible for \$1 million of the overspend (refer S3.2b below). In addition to this, smaller amounts were overspent for:
 - 2.6.1 Reticulation Staff costs in Water – District;
 - 2.6.2 Grants, Property Services, External Contractors and General Expenses in Domains;
 - 2.6.3 External Contractors and Te Matapihi Opening Ceremony in Halls;
 - 2.6.4 Nicholls Fees in Swim Centres.

3. Capital Expenditure Report

- 3.1 Capital expenditure is \$17.643 million compared to the full year budget of \$37.159 million. The attached summary shows these variances split by cost centre with the larger budgets (>\$500k) being shown separately.
- 3.2 The areas with major budget variances are:
 - 3.2.1 Roding and Footpaths have a variance of \$3.367 million under budget which predominantly relates to:
 - a) Mangaweka Bridge has a budget variance of \$2.198m (budget of \$4.490m, and \$2.292m spend). The Long Term Plan includes a budget carry over of \$2m in relation to this.
 - b) Expenditure on the Turakina Valley Road has totalled approximately \$1 million to date. As previously noted, the work has been classified as 'repairs' so is included in the Subsidised Roding operating expenditure. The full year Capital Expenditure budget of \$1.069m for this project will remain unspent.
 - 3.2.2 Three Waters has a full year variance of \$9.386 million under budget largely caused by the following (note the LTP budgets include \$4.1m of Wastewater budget carry forward from 2020/21):
 - 1. Pipeline Marton to Bulls and associated Land Purchase: combined budget \$2.7m, expenditure \$143k.
 - 2. Papakai Pump Station: budget \$1.5m, expenditure \$101k.
 - 3. Wastewater Treatment – Renewals: budget \$1.053 million, expenditure \$12k. This is the Ratana disposal to land solution – work delayed due to negotiations with MfE.
 - 4. New Plant: budget \$600k, expenditure \$0k.
 - 3.2.3 Domains has a \$1.843 million below budget variance (expenditure \$499k against the full year budget \$2.342m) due mainly to delays on work at Taihape Memorial Park. The LTP includes budget carry over with respect to this.

3.2.4 Libraries has a variance of \$2.012 million under budget which is largely due to timing of expenditure on the construction of the new Marton Admin and Library building. The LTP includes budget carry over with respect to this.

3.2.5 Swim Centres has a below budget variance of \$620k as the work related to this has only recently commenced (conducted during the winter closing months).

3.2.6 The Property Department has an over budget variance of \$115k relating to the King Street Depot and alternations to the High Street building, neither of which were allocated a budget for 2020/21.

4. Treasury and Debt

4.1 At 30 June 2021 the Council had \$7.087 million available for immediate needs, and \$0.181 million in Receivables.

4.2 Rangitikei District Council has not drawn down any debt in the 2020/21 financial year. The debt balance at 30 June remained at \$3 million.

Attachments

- 1. Activity Performance Report June 2021**
- 2. Capital Expenditure Report June 2021**

Recommendation

That the report 'Financial Snapshot – June 2021' to the Finance and Performance Committee meeting be received.

Rangitikei District Council
Whole of Council
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(14,025)	(11,125)	2,900	26.07%	(11,125)
Other Revenue	(3,603)	(2,947)	655	22.24%	(2,947)
Finance Revenue	(10)	(121)	(111)	-91.33%	(121)
Other Comprehensive	(112)	0	112	11173656.00%	0
Rates	(22,791)	(23,349)	(558)	-2.39%	(23,349)
Total	(40,541)	(37,542)	2,999	7.99%	(37,542)
Expense					
Other Expenses	19,265	17,970	(1,295)	-7.21%	17,970
Personnel Costs	5,438	4,801	(636)	-13.25%	4,801
Finance Costs	87	138	50	36.59%	138
Depreciation and Amortisation	12,169	12,430	261	2.10%	12,430
Internal Charges and Recoveries	0	48	48	100.00%	48
Total	36,958	35,386	(1,572)	-4.44%	35,386
Grand Total	(3,583)	(2,156)	1,427	66.20%	(2,156)

Commentary regarding these variances is included on the accompanying summaries.

Rangitikei District Council
Business Units
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(66)	0	66	100.00%	0
Other Revenue	(26)	(24)	1	5.42%	(24)
Finance Revenue	(10)	(121)	(111)	-91.33%	(121)
Other Comprehensive	0	0	0	100.00%	0
Rates	1,576	984	(592)	-60.14%	984
Total	1,473	839	(634)	-75.66%	839
Expense					
Other Expenses	2,736	2,899	163	5.63%	2,899
Personnel Costs	4,579	4,061	(518)	-12.76%	4,061
Finance Costs	87	(923)	(1,010)	-109.46%	(923)
Depreciation and Amortisation	349	457	108	23.65%	457
Internal Charges and Recoveries	(7,583)	(7,208)	375	5.20%	(7,208)
Total	167	(715)	(882)	-123.40%	(715)
Grand Total	1,640	124	(1,517)	-1225.20%	124

Variances > \$100k : Comments

Finance Revenue	A dramatic decrease in interest rates for the entirety of the financial year.
Rates Revenue	Rate penalties revenue is \$234k over budget; while rate remissions given out have totalled \$821k to date with no budget.
Other Expenses	Variance is largely due to late invoicing of audit costs and a delay in bank fees.
Personnel Costs	Five positions (HR Manager, ISSP Manager, second Executive Assistant, Spatial Planner and Team Leader of Customer Services) were not budgeted for in 20/21.
Finance Costs	These will remain over budget for the year as Internal Interest Charges received from the Activity Cost Centres are not recorded until year end.

Rangitikei District Council
Community & Leisure Assets
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(465)	(227)	237	104.44%	(227)
Other Revenue	(729)	(668)	61	9.09%	(668)
Other Comprehensive	(112)	0	112	100.00%	0
Rates	(4,168)	(4,191)	(23)	-0.55%	(4,191)
Total	(5,472)	(5,086)	387	7.60%	(5,086)
Expense					
Other Expenses	2,255	2,126	(129)	-6.07%	2,126
Personnel Costs	0	0	0	0.00%	0
Finance Costs	0	193	193	100.00%	193
Depreciation and Amortisation	960	1,054	94	8.96%	1,054
Internal Charges and Recoveries	1,929	1,791	(137)	-7.66%	1,791
Total	5,144	5,164	21	0.41%	5,164
Grand Total	(329)	79	408	517.12%	79

Variances > \$100k : Comments

Subsidies and Grants Revenue	Unbudgeted subsidies from PGF for \$250k received for Halls, \$70k for Hautapu River Parks Project and from MBIE \$78k for Public Toilets; however this is partially offset by a public fundraising budget set at the beginning of the financial year for Marton Playground which has now been confirmed we will not receive (the full year budget for that is \$200k).
Other Comprehensive	Income from the sale of the Walton Street, Bulls house.
Other Expenses	Domains were overspent (Grants \$29k, Property Services \$14k, External Contractors \$14k, General Expenses \$2k, and Small Non Capital Purchases \$2k); Forestry was overspent (External Contractors \$24k and Costs \$5k); Halls was overspent (General Expenses \$9k, Te Matapihi Opening Ceremony \$9k, Repairs and Maintenance \$6k, Electricity \$10k, External Contractor \$19k and Materials \$4k); and Swim Centres were overspent (Nicholls Fees \$50k).
Finance Costs	These will remain under budget for the year as Internal Interest Charges paid by the Activity Cost Centres are not recorded until year end.

Rangitikei District Council
Community Leadership
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Other Revenue	(1)	0	1	100.00%	0
Rates	(1,278)	(1,271)	7	0.57%	(1,271)
Total	(1,279)	(1,271)	8	0.66%	(1,271)
Expense					
Other Expenses	646	678	32	4.66%	678
Finance Costs	0	3	3	100.00%	3
Depreciation and Amortisation	1	2	0	8.31%	2
Internal Charges and Recoveries	601	589	(12)	-2.11%	589
Total	1,249	1,271	22	1.72%	1,271
Grand Total	(30)	0	30	100.00%	0

Variances > \$100k : Comments

Rangitikei District Council
Community Wellbeing
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(840)	(62)	778	1255.47%	(62)
Other Revenue	(21)	(22)	(2)	-7.65%	(22)
Other Comprehensive	0	0	0	0.00%	0
Rates	(1,489)	(1,427)	63	4.39%	(1,427)
Total	(2,350)	(1,511)	839	55.53%	(1,511)
Expense					
Other Expenses	1,159	1,271	112	8.80%	1,271
Personnel Costs	200	115	(85)	-74.11%	115
Finance Costs	0	2	2	100.00%	2
Depreciation and Amortisation	4	5	1	17.62%	5
Internal Charges and Recoveries	584	582	(2)	-0.34%	582
Total	1,947	1,975	28	1.39%	1,975
Grand Total	(403)	464	867	186.75%	464

Variances > \$100k : Comments

Subsidies and Grants Revenue

Unbudgeted grants totalling \$750k for Community Recovery.

Other Expenses

Putorino Landfill Cleanup is under budget by \$293k as work continues;
partially offset by distribution of unbudgeted Community Recovery grants.

Rangitikei District Council
Environmental & Regulatory
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	1	0	(1)	-100.00%	0
Other Revenue	(1,826)	(1,259)	567	45.04%	(1,259)
Rates	(1,224)	(1,216)	8	0.67%	(1,216)
Total	(3,049)	(2,475)	574	23.21%	(2,475)
Expense					
Other Expenses	599	637	39	6.07%	637
Personnel Costs	659	626	(33)	-5.27%	626
Finance Costs	0	3	3	100.00%	3
Internal Charges and Recoveries	1,369	1,356	(13)	-0.97%	1,356
Total	2,627	2,622	(5)	-0.18%	2,622
Grand Total	(422)	148	570	385.75%	148

Variances > \$100k : Comments

Other Revenue

Resource Consents are over budget by \$294k (mainly influenced by one transaction worth \$185k) and Building Consents over budget by \$257k.

Rangitikei District Council
Roading & Footpaths
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(9,895)	(10,836)	(941)	-8.68%	(10,836)
Other Revenue	(167)	(152)	15	9.84%	(152)
Other Comprehensive	0	0	0	0.00%	0
Rates	(6,932)	(6,970)	(38)	-0.55%	(6,970)
Total	(16,994)	(17,958)	(964)	-5.37%	(17,958)
Expense					
Other Expenses	6,908	5,836	(1,072)	-18.36%	5,836
Finance Costs	0	36	36	100.00%	36
Depreciation and Amortisation	7,777	7,777	0	0.00%	7,777
Internal Charges and Recoveries	1,036	973	(63)	-6.49%	973
Total	15,721	14,623	(1,098)	-7.51%	14,623
Grand Total	(1,272)	(3,335)	(2,062)	-61.84%	(3,335)

Variances > \$100k : Comments

Subsidies and Grants

Final amounts for the year yet to be received.

Other Expenses

Over budget due to Turakina Valley which was entered into the budget as Capital Expenditure, but has since been classified as repairs and maintenance in Operating Expenditure.

**Rangitikei District Council
Rubbish & Recycling
Activity Performance Report
For the 12 months ended 30 June 2021**

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Other Revenue	(697)	(566)	131	23.13%	(566)
Other Comprehensive	0	0	0	0.00%	0
Rates	(1,009)	(1,003)	6	0.63%	(1,003)
Total	(1,706)	(1,569)	137	8.75%	(1,569)
Expense					
Other Expenses	1,387	1,297	(89)	-6.89%	1,297
Finance Costs	0	5	5	100.00%	5
Depreciation and Amortisation	94	123	29	23.72%	123
Internal Charges and Recoveries	155	143	(12)	-8.31%	143
Total	1,636	1,569	(67)	-4.27%	1,569
Grand Total	(70)	0	70	100.00%	0

Variances > \$100k : Comments

Other Revenue	User fees and charges for Waste Transfer Stations are over budget by \$135k; while Waste Minimisation is under budget by \$4k.
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Rangitikei District Council
Water, Sewerage & Stormwater
Activity Performance Report
For the 12 months ended 30 June 2021

	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 YTD Variance June	2020/21 YTD Percentage Variance June	2020/21 Full Year Budget
	\$000	\$000	\$000		\$000
Revenue					
Subsidies and Grants	(2,760)	0	2,760	276027376.00%	0
Other Revenue	(137)	(256)	(119)	-46.48%	(256)
Other Comprehensive	0	0	0	0.00%	0
Rates	(8,267)	(8,256)	11	0.13%	(8,256)
Total	(11,164)	(8,512)	2,652	31.16%	(8,512)
Expense					
Other Expenses	3,575	3,225	(351)	-10.88%	3,225
Finance Costs	0	819	819	100.00%	819
Depreciation and Amortisation	2,983	3,011	28	0.94%	3,011
Internal Charges and Recoveries	1,909	1,821	(87)	-4.78%	1,821
Total	8,467	8,877	410	4.62%	8,877
Grand Total	(2,697)	365	3,062	839.34%	365

Variances > \$100k : Comments

Subsidies and Grants Revenue	Three Waters reform subsidy of \$2.41m received but not budgeted for; and a grant of \$350k for Hunterville Bore also unbudgeted for.
Other Revenue	Waste Water user fees and charges are under budget.
Other Expenses	Reticulation Staff costs are over budget by \$430k; insurance costs are over budget by \$11k; and other operating expenses such as electricity and consumables are over budget by \$161k; but this has been offset by some under budget spending for External Contractors and MDC.
Finance Costs	Internal Interest Charges are not calculated until year end.

Rangitikei District Council
For the 12 months ended 30 June 2021

Capital Expenditure Report

Account	2020/21 YTD Actuals June	2020/21 YTD Budgets June	2020/21 Full Year Budget
Business Units	612,575	859,475	859,475
1700. Community and Leisure	8,666	0	0
3000. Fleet Management	55,806	135,000	135,000
3600. Information Services	431,227	724,475	724,475
4000. Policy and Democracy	2,349	0	0
4100. Property	114,527	0	0
Community & Leisure Assets	3,239,680	9,755,653	9,755,653
1300. Cemeteries	165,619	205,703	205,703
1900. Community Housing	60,684	168,192	168,192
2600. Domains	499,163	2,342,107	2,342,107
Key Projects (Budget > \$500k)			
4410170611. -60.1 Taihape Memorial Park	164,972	2,000,000	2,000,000
3100. Forestry	81,459	105,000	105,000
3200. Halls	2,081,509	3,858,254	3,858,254
Key Projects (Budget > \$500k)			
40901706. Bulls Community Centre-LTPid62	1,653,485	0	0
4090174501. Additional Funding for Capital on Bulls Centre	19,808	2,044,913	2,044,913
4090174502. Bulls Bus Lane and Hub	25,768	785,373	785,373
3700. Libraries	108,566	2,120,118	2,120,118
Key Projects (Budget > \$500k)			
4080170605. 68: New Marton Admin & Library - Construction	0	1,974,670	1,974,670
4300. Public Toilets	222,016	332,005	332,005
4500. Real Estate	16,000	0	0
5100. Swim Centres	4,664	624,274	624,274
Roading & Footpaths	9,183,980	12,550,887	12,550,887
3800. Non-Subsidised Roothing	193,536	899,807	899,807
5000. Subsidised Roothing	8,990,444	11,651,080	11,651,080
Key Projects (Budget > \$500k)			
70100781. Sealed Road Pavement Rehabilitation	1,048,597	1,026,648	1,026,648
70100782. Drainage Renewals	570,232	628,560	628,560
70100787. Sealed Road Surfacing	1,302,646	1,449,250	1,449,250
7010079403. Turakina Valley Road	0	1,068,646	1,068,646
70100795. Improvements- Low Cost Low Risk	1,350,472	843,567	843,567
7010079601. Mangaweka Bridge Contruction	2,291,714	4,489,686	4,489,686
Water, Sewerage & Stormwater	4,606,856	13,993,000	13,993,000
4900. Stormwater	523,454	1,455,270	1,455,270
5600. Waste Water - Sewerage	782,365	6,655,348	6,655,348
6070176204. 52: Wastewater Reticulation - Renewals	262,432	600,000	600,000
6070176205. 89: Wastewater Treatment - Renewals	11,836	1,052,700	1,052,700
6070176206. 54.1: Pipeline Marton to Bulls	142,856	1,500,000	1,500,000
6070176207. 54.2: Land Purchase	0	1,200,000	1,200,000
6070177109. Papakai Pump Station Replacement	100,855	1,500,000	1,500,000
5700. Water - District	2,967,406	5,197,370	5,197,370
6060174501. 117.1: New Plant	0	600,000	600,000
6060176316. Ren- Retic Bulls Reservoir -LTPid37.5	1,255,542	1,599,000	1,599,000
6060176322. 37.4: Marton WIP and Dam Renewals	42,071	970,000	970,000
6060176324. 37.1: Taihape falling main replacement	24,475	631,620	631,620
5800. Water - Hunterville Urban	9,226	345,000	345,000
5900. Water Supply Erewhon	278,923	286,324	286,324
6000. Water Supply Hunterville Rural	41,331	47,372	47,372
6100. Water Supply Omatane	0	6,316	6,316
6200. Water Supply Putorino	4,151	0	0
Grand Total	17,643,092	37,159,015	37,159,015

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

2 Context

- 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.

Recommendation

That the report ‘Fraud Reporting’ be received.

10.7 Audit NZ Management Letter Points**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”) with a summary of Council’s current AuditNZ Management Letter Points. See Attachment 1.

2 Context

- 2.1 AuditNZ typically provide Council with a management letter after each audit (interim and final) that contains recommendations to improve various controls/systems/processes they identified when conducting their fieldwork.
- 2.2 Due, largely to COVID related disruptions, no Management Letter has been issued by AuditNZ with respect to the 2019/20 or 2020/21 audits (either interim or final).
- 2.3 Officers advise that, since the previous Committee meeting, they are now able to report a large number of these matters as being ‘closed’. This indicates that either the matter has been finalised or that it is ‘an ongoing’ matter that has been incorporated into ‘business as usual’ activities.
- 2.4 Reminder to the Committee - the intent of including the Management Letter Register on this agenda is for officers to ‘demonstrate activity’ rather than for a detailed review of the items to be undertaken.

Attachments**1. AuditNZ Management Letter Points****Recommendation**

That the AuditNZ Management Letter Points report be received.

Issue raised in:	Recommendation	Managed	Priority	Update Aug 2021
18/19 Final	Quality and timeliness of information provided to audit *Ensure that fair value assessments are performed earlier for assets not being revalued. *Perform revaluations early to ensure that for the final audit all the information required is able to be provided and has been reconciled and included in the first draft of the financial statements. We note that the land and building valuations are due to be performed next year. *Perform a quality assurance review over the annual report by a staff member not directly involved in collating the information. *Provide a complete annual report at the start of the audit	MFS (Manager Financial Services)	Necessary	19/20 Comments Fair value assessments pretty much completed waiting for final asset figures to be complete. Only revaluation this year is in relation to forestry and has been completed already -QA over Annual report will be done within the team -Full annual report should be able to be provided, note, we don't have a date for our final audit yet, would expect late October early November if last year is anything to go off 20/21 Comments - all incorporated in our Planning CONSIDERED CLOSED
18/19	Condition and performance data for Infrastructure Assets Continue to implement a program to collect condition and performance data.	GM Assets & IS	Necessary	This is in progress
18/19	Unsealed road useful life change Review the unsealed road useful life to ensure that the useful life of 19 years is appropriate.	GM Assets & IS	URGENT	Will be considered when the revaluations are conducted at June 2022.
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	Beneficial	This is in progress
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.	MFS (Manager Financial Services)	Beneficial	We do have a common identifier for groups of assets however, asset finda and RAMM get out of date over time due to entries being different, Finance have been in discussion around how we keep them reconciled going forward, likely timeframe will be from 30 June 2022 as that's when the assets get revalued and at that point in time everything will reconcile.
18/19	Monthly reconciliation of operational property, plant and equipment to the fixed asset register Implement a monthly reconciliation of work-in-progress and the fixed asset register to the general ledger which is independently reviewed.	MFS (Manager Financial Services)	Necessary	Our fixed asset register and financial system are both in Magiq, therefore always reconciles to each other. We are working on a process to capitalise assets monthly, however, this is separate from a reconciliation CONSIDERED CLOSED
18/19	Creditors Cut-off · Review and improve the current cut-off procedures to ensure expenditure is recorded in the correct period.	MFS (Manager Financial Services)	Necessary	Unsure on PY procedures, however, we have gone through every invoice greater than \$5K to accrue back if required, we believe this threshold is appropriate to pick up material amounts by themselves or in aggregate. CONSIDERED CLOSED
18/19	Risk management Improvements · At the next update, ensure the risk management policy and guidance incorporate the 11 principles in line with AS/NZS ISO 31000:2009. Formally review risks and update the District Council's risk management framework on an annual basis.	GM Corp Services	Beneficial	draft Risk Management Policy presented to Audit/Risk Committee Sept 2021. Risk Management Framework to be developed throughout 2021/22.

18/19	Performance Measure Result Classification · The District Council report its statement of service performance results as achieved/not achieved with additional disclosure if required.	Carol	Necessary	The 9 month report was presented to the June Council Meeting. CONSIDERED CLOSED
18/19	Legislative compliance Implement a process to ensure the summary annual report is made publicly available within a month of signing the annual report.	MFS (Manager Financial Services)	Necessary	To be managed as we go through the 20/21 Annual Report process.
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.	GM Corp Services	Necessary	Open No Change
18/19	Sensitive Expenditure policy to be updated The District Council consider incorporating further guidance into their next update of its sensitive expenditure policies and staff handbook. [appears to be b/f from 30Jun15 ML "update policy to reflect the use of Council Credit Cards and Reward schemes" <i>refers to Council Payments made on personal credit cards in order to benefit from reward schemes on personal credit cards</i>	GM Corp Services	Necessary	To be presented to Audit & Risk Committee September 2021 CONSIDERED CLOSED
18/19	Sensitive Expenditure – one up approval The District Council enforces a one up approval for sensitive expenditure items. Retrospective approval should be sought if the one up approval can't be given at the time of payment.	GM Corp Services	Necessary	Draft Sensitive Expenditure Policy requires all sensitive expenditure to be reported to ELT (and Audit & Risk Committee) every 6 months. CONSIDERED CLOSED
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	Necessary	RFS system is being reviewed and made easier to extract info from - for 1 July 2021 onwards
Prior to 18/19	Capital Work in progress Review the capital WIP balance to: · clearly identify projects included in the balance; and · perform an impairment assessment over the outstanding WIP balance at year-end; and ensure projects are capitalised on a timely basis once they are ready for use; and · perform a monthly reconciliation.	Hamish/John	Necessary	Open – in progress

Prior to 18J	<p>IS Policies are not up to date</p> <p>We continue to recommend that updates to IS policies be approved and staff and contractors made aware of the policies.</p>	Mgr Info Services	Necessary	<p>We have made progress in this area and policies and procedures are being reviewed.</p> <p>a.We have completed the following policies:</p> <ul style="list-style-type: none"> •Information Security policy •Information Backup and Restore •IT Asset Replacement •Information Management Strategy •Remote and Flexible Working <p>b.Policies currently being reviewed</p> <ul style="list-style-type: none"> •Acceptable Use •Mobile devices •CCTV •Incident Management Plan <p>We consider that these reviews have now become 'BAU' for Council so, for these purposes, this matter can be considered closed.</p> <p>CONSIDERED CLOSED</p>
Prior to 18J	<p>Inconsistent procedures for adding and removing users from systems</p> <p>We continue to recommended that procedures for amending and removing access should be formalised and all council staff be made aware of their responsibilities for advising IT about staff leaving.</p>	Mgr Info Services	Necessary	<p>IS and People & Culture have been working together on procedure regarding onboarding of new staff.</p> <p>IS have been involved in the development of the onboarding booklet and we are currently reviewing our acceptable us policy which will be key in onboarding of new staff.</p> <p>We also have an exit procedure in place when staff leave.</p> <p>CONSIDERED CLOSED</p>
Prior to 18J	<p>Process for removing Manawatu District Council staff from the Council's IT systems when they leave</p> <p>We continue to recommend that formalised procedures be established, and managers made aware of their responsibilities for advising IT when external contractors cease employment with the council.</p>	Mgr Info Services	Necessary	<p>We have met with Manawatu staff and have improved the process. Manawatu is using our exit checklist and is sending this through to RDC people and culture when MDC staff are leaving.</p> <p>CONSIDERED CLOSED</p>
Prior to 18J	<p>Reviews of Magiq users access levels[2]</p> <p>We continue to recommend that regular reviews of users of the District Council's Magiq system be completed to ensure access remains appropriate.</p> <p><i>([2] The original report read "Develop a report that shows MagiQ users and their access levels so that regular reviews can be done to ensure access remains appropriate")</i></p>	Management Accountant & Mgr Info Services	Necessary	<p>Open - will be addressed in Sept/Oct 2021</p> <p><i>[Original response displayed as "Council concerned about levels of access and will develop a report so that routine reviews are feasible"]</i></p>
Prior to 18J	<p>No Regular Testing of Business Continuity and IT Disaster Recovery Plans</p> <p>We continue to recommend that Business Continuity and IT Disaster Recovery plans be finalised.</p> <p>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.</p>	Mgr Info Services	Necessary	<p>IS Team is working on completing Business Continuity and and IT Recovery Plans.</p> <p>IS Team receives a daily report with regards to the status of daily and monthly backups. This report includes number of backups successful backups completed / warnings and errors.</p> <p>Discussion ongoing with our provider Advantage to set up regular testing of backup restoration</p>

Prior to 18J	Carry forward of capital expenditure Continue to reduce the amount of capital expenditure carried forward to the next financial year.	Ash/MFS	Necessary	Carry forwards will be reviewed each year. CONSIDERED CLOSED (for these purposes)
Prior to 17J	Performance measure rules Continue to review the effectiveness of the collection and reporting of data.	GM Democracy & Planning	Necessary	as above - RFS system is being reviewed
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	Necessary	To be addressed in new Procurement Policy and Procedures, scheduled for 2021/22
Prior to 18J	Succession Planning There are some District Council staff members who have a vast amount of sector knowledge. The District Council needs to ensure that there are succession plans in place for when these staff members leave so that the operations of the District Council will not be effected. There is a risk that once staff members leave, there will no longer be this knowledge base within the District Council.	GM People & Culture	Necessary	There is a new organisational structure in place which provides for a more even distribution of activities, and allows for easier career pathways and succession plans. Additionally, a review project is underway which will result in improvements to Councils performance and development framework, including career planning and professional development. CONSIDERED CLOSED (for these purposes)

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	Necessary	<p>In 2021 the PMO established preferred conditions for engaging consultants based on modified ACENZ short form and CCCS long form contracts, as well as preferred conditions for engaging contractors based on modified NZS3910:2013.</p> <p>These terms are being used in all contracting and procurement activities, and specify minimum levels of insurance for contractors.</p> <p>A large-scale revision of the RDC procurement policy is being undertaken by the PMO. This will clarify and streamline procurement activities, which then lead in to streamlined contract management.</p> <p>The PMO lead role is expanding to include managing long-term contracts like shared services and roading contracts. A large contract performance matrix is being developed, and establishment of KPIs for long-term contracts is being investigated.</p>
Prior to 17J	Sensitive expenditure approvals We recommend that: <ul style="list-style-type: none"> · All credit card statements get approved on a one-up basis in a timely manner; and · Sufficient supporting documentation for purchases be included with the credit card statement. 	GM Corp Services	Necessary	<p>This is now standard practice.</p> <p>CONSIDERED CLOSED</p>
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	Necessary	Open - in progress
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	Necessary	Improvements have been made to the RFS system, the system continues to be updated and improved, with the appointment of a complaints resolution more progress will be made during the next few months.
Prior to 17J	Project Management Perform a review over Council's project management system to ensure that appropriate project management techniques are implemented, including developing a post implementation review (PIR) to bring forward lessons learnt from completed projects to current projects.	PMO	Necessary	<p>These actions have been completed. The PMO is well established now, and protocols include a post-implementation review with lessons learned shared widely and incorporated in the scoping of new projects.</p> <p>CONSIDERED CLOSED</p>

Prior to 17/	<p>Marion Pool</p> <p>* Perform a review of all invoices received from Nicholls Swim Academy to ensure they are paid in accordance with the contract.</p> <p>* We also recommend that Council establish a process to ensure the reasonableness of the credit notes received for pool entry fees.</p>	GM Community Services	Necessary	<p>Update Feb/Mar 21 - From Jan 2021 we have commenced attaching the monthly payment schedule programme, as well as the credit detail received each month, to the purchase order. These documents, along with the invoice and credit note from the contractor, will show that the payment is made in accordance with the contract.</p> <p>With regards to reasonableness of the credit notes received, they are reconciled with the credit detail received. Footprint counters may be installed, however these will not be accurate particularly in Taihape where the children's playground is outside the entrance to the complex and children go in and out of the door, along with other users of Memorial Park who enter the complex solely to use the toilet facilities.</p> <p>CONSIDERED CLOSED</p>
2018/19	<p>Bribery and Corruption policy</p> <p>The District Council consider the following:</p> <ul style="list-style-type: none"> · 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	Beneficial	Scheduled for review during 2021/22
Prior to 18/	<p>Update to staff handbook</p> <p>The staff handbook could be improved by including the following specific matters:</p> <ul style="list-style-type: none"> · Prohibition (or disclosure) of any significant financial interests in customers, suppliers or competitors. · Prohibition or disclosure of the receipt of gifts, loans or other special privileges from customers, suppliers or competitors. · Prohibition of the payment of bribes and certain types of rebates or other forms of compensation to induce sales or obtain favourable contract terms. · Prohibition of the use of the Council's funds to reimburse employees or others for expenditures that would violate the entity's policies. · Prohibition of unrecorded cash funds. 	Ash(MFS) / Sharon	Beneficial	<p>Open - in progress (Now Complete - Mar 2021)</p> <p>[Noted in 2017 Report - "This will be addressed by the adoption of a separate Conflict of Interest Policy"]</p> <p>2017 had a recommendation for Council to have a Conflict of Interest Policy. Management's proposed action was that this would be adopted. That point was dropped from the next Management Letter recommendations.</p> <p>Update Feb/Mar 2021 - Complete. This is covered in the Conflict of Interest Policy and Declaration Process, and the Sensitive Expenditure Policy. Both policies are current and available to staff on the Intranet. Additionally, this is covered in Individual Employment Agreements, which all employees sign. Relevant clauses are clause 31 (Gifts), 32 (Conflicts of Interest), and 33 (Policies and Work Rules).</p> <p>CONSIDERED CLOSED</p>

10.8 Risk Management Policy

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 As part of its evolving Risk Management Framework, Council's Executive Leadership Team has developed a draft Risk Management Policy. See Attachment 1. This draft Risk Management Policy is being presented to Audit/Risk Committee for review/comment.

Attachments

1. Draft Risk Management Policy

Recommendation

That the report 'Risk Management Policy' be received.

RISK MANAGEMENT POLICY - draft

Date of adoption by Council/Committee	
Resolution Number	
Date by which review must be completed	
Relevant Legislation	
Statutory or Operational Policy	Operational
Included in the LTP	No

1 Introduction

Council is committed to maintaining an effective and relevant Risk Management Framework, ensuring a structured, consistent and systematic approach to risk management throughout the organisation.

Council's Risk Management Policy is an integral part of Council's Risk Management Framework and should be considered alongside the other parts of the Risk Management Framework, namely:

1. Risk Management Strategy
2. Risk Appetite and Tolerance Policy
3. Risk Registers
 - a. Strategic Risk Register
 - b. Operational/Departmental Risk Registers
 - c. Project Risk Registers

This Framework is/will be consistent with the standards and principles of best practice established by AS/NZS ISO31000:2018 *Risk Management – Principles and Guidelines*.

2 Key Principles

1. "The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives." (AS/NZS ISO31000:2018)
2. Effective risk management is:
 - a) a fundamental activity of Council
 - b) the responsibility and duty of all staff, contractors, volunteers and elected members of Council.
3. Staff should immediately report to their supervisor whenever they recognise a new, significant or extreme risk.

3 Summary

Council is exposed to a range of risks that could have a significant negative impact on:

- its ability to achieve its objectives (as per Long Term Plan, Statement of Service Performance etc)
- the level and quality of services it provides
- its image and reputation
- its ability to comply with regulatory, legal and moral obligations

Council and the Executive Leadership Team consider it of paramount importance to establish an effective Risk Management Framework to enable this level of effective risk management.

Risk exists in all areas and activities of Council and risk management is accordingly the responsibility of all staff, contractors, volunteers and elected members of Council. Generally:

1. the Executive Leadership Team is responsible for introducing the Risk Management Framework
2. staff, contractors, volunteers and elected members of Council are responsible for complying with all aspects of the Risk Management Framework.

4 Risk Management Strategy

The Executive Leadership Team will develop and maintain a Risk Management Strategy (RMS).

The RMS will incorporate the key principles that:

- effective risk management requires an integrated, structured and coordinated approach; and
- this approach must exist throughout all business functions and activities of Council.

The RMS will define and establish clear responsibilities and structures to ensure risk management practices are incorporated into strategic, operational/departmental and project planning and review processes.

The key stages for which Risk Management will be considered are:

1. Risk identification
2. Risk analysis, evaluation and recording
3. Risk treatment (remove, mitigate, transfer or endure) and associated actions
4. Escalation of risk
5. Reporting of key risks

The RMS will encourage an innovative approach to risk management.

5 Risk Appetite and Tolerance Policy

The Executive Leadership Team will develop and maintain a Risk Appetite and Tolerance Policy (RATP).

The RATP will enable officers to follow a structured approach to risk assessment, considering the consequences of each risk in the following key areas (plus others as required):

- Safety and wellbeing
 - Staff, contractors etc
 - The Community
- Political
- Reputational
 - Environmental
 - Impact on Ratepayers/the Community
 - Ability to achieve Long Term Plan and Statement of Service Performance objectives etc
- Compliance
 - Legal
 - Regulatory
- Financial

6 Risk Registers

Different risks will be managed at different levels within Council. Council's RMS will require Risk Registers to be maintained at each of these different levels.

Risk Level:	Strategic
Nature	Strategic Risks are those that: <ul style="list-style-type: none">• directly affect Council's ability to deliver its strategic objectives; or• are sufficiently significant that they affect the longer term interests of Council and/or the community and/or future service delivery.
Responsibility	Executive Leadership Team (ELT)
Reviews	Reviews are reported to Audit and Risk Committee: <ul style="list-style-type: none">• Whenever there is a change to one of the considerations/assessments of any of its risks• Whenever new risks are identified• At least every six months

Risk Level:	Operational
Nature	<p>Operational Risks are those that affect the viability of achieving objectives associated within individual business units and/or departments. These risks generally:</p> <ul style="list-style-type: none"> • affect the unit's 'business as usual' activities; or • relate to the effective and efficient use of departmental resources; or • have an indirect impact of Council's ability to meet its strategic objectives.
Responsibility	Department Managers - typically Senior Leadership Team (SLT)
Reviews	<p>Reviews are reported to the relevant ELT member:</p> <ul style="list-style-type: none"> • Whenever there is a change to one of the considerations/assessments of any of its risks • Whenever new risks are identified • At least every six months

Risk Level:	Project
Nature	<p>Project Risks are associated with individual projects and/or initiatives. These risks generally have an impact on Council's ability to meet its operational objectives, although some may be sufficiently significant to have an influence on Council's strategic objectives.</p>
Responsibility	Project Managers (typically nominated by ELT or SLT)
Reviews	<p>Reviews are reported to the relevant ELT/SLT member:</p> <ul style="list-style-type: none"> • Whenever there is a change to one of the considerations/assessments of any of its risks • Whenever new risks are identified • At the completion of the Project (residual risks to be determined and managed) • At least every three months

10.9 Insurance Update**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1 Reason for Report**

- 1.1 At its March 2021 meeting the Audit and Risk Committee (“the Committee”) was provided with a copy of Rangitikei District Council’s Insurable Risk Profile 2020 as provided by AON and officers advised that they would provide the Committee with updates on each of the 11 Opportunities and Actions at future Committee meetings. See Attachment 1.
- 1.2 This Report provides an update on these 11 Opportunities and Actions.

2 Discussion

- 2.1 **Opportunity:** Transparent Risk Communication
 Improve risk communication via a formal risk management framework
- Status:** Draft *Risk Management Policy* presented to Audit and Risk Committee in September 2021.
- This will lead to other elements of the risk management framework being developed that will address this.
- Other risk related documents will be developed, after which a ‘risk education’ program will commence and risk will become a more visible business consideration, eg:
- Departmental risk registers will be developed
 - Risk will become a required ‘meeting agenda item’
- 2.2 **Opportunity:** Optimised Risk Profile
 Develop risk appetite statement and target levels of risk.
- Status:** Will form part of Risk Management Framework discussed in S2.1.
- 2.3 **Opportunity:** Quality Asset Data
 Add extra information to Asset Register; ensure new assets are advised to Aon when acquired.
- Status:** Ongoing : RDC working as pilot council in new initiative looking at this.

- 2.4 Opportunity: Business Interruption
 Review limit of \$3.45m for Additional Increased Cost of Working.
 Status: Wait to see level of 2021/22 premiums.
- 2.5 Opportunity: Regional Event
 Undertake natural hazard loss modelling.
 Status: Aon to provide proposal for natural hazard loss modelling to determine Probable Maximum Loss.
- 2.6 Opportunity: Damage to Contract/Construction Works
 Typically arranged by contractor; liaise with Aon for significant construction projects.
 Status: Continue preliminary discussions with Aon (which suggest classifying 'significant' as '\$5m and above' or where 'significant non financial risks are perceived'). Officers to develop formal procedure to incorporate this as 'procurement business as usual' procedures.
- 2.7 Opportunity: Claim Preparedness
 Aon to provide some advice on Claim Preparedness (build staff awareness around claim process; review system of reporting contingent liabilities to brokers).
 Status: Discussions being held with Aon : to send RDC a summary in September 2021.
- 2.8 Opportunity: Environmental Damage
 Aon to provide information about Environmental Liability policy.
 Status: Due during August to December 2021 (delayed due to staff illness).
- 2.9 Opportunity: Contract Management
 Continue to increase awareness of how insurance is addressed in RDC contracts.
 Status: To be progressed with Item 2.6 above.

ITEM 10.9

- 2.10 Opportunity: Cyber Network Interruption
- Review potential scenarios to validate limit (consider workshop facilitated by Aon). Officers to complete Cyber Declaration to identify areas of exposure.
- Status: To be progressed during August/December 2021.

- 2.11 Opportunity: Risk Communication with the Insurance Market
- Priority: Ongoing
- Action: Aon to provide asset management information to the insurance market and links with risk or criticality prior to renewal.
- Status: Ongoing : can be regarded as BAU and, for these purposes, Completed..

3 Other

- 3.1 Officers continue to review the overall Insurance Program scheduled for 2021/22 and have had discussions with Finance and Performance Committee regarding potential changes to the Program.
- 3.2 There have been no new insurance claims lodged this financial year.

Recommendation

That the Insurance Update report 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 Minutes (Public Excluded) – 27 May 2021
2. Council's Cybersecurity Risk Management Framework
3. Follow-up Action Items from Audit and Risk Meetings (Public Excluded)

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
1.1 – Audit and Risk Committee Minutes (Public Excluded) – 27 May 2021	s7(2)(b)(i) - Trade secret s7(2)(f)(i) – Free and frank expression of opinions	S48(1)(a)
1.2 - Council's Cybersecurity Risk Management Framework	s7(2)(j) – Improper gain or improper advantage	s48(1)(a)(i)
1.3 - Follow-up Action Items from Audit and Risk Meetings (Public Excluded)	s7(2)(b)(i) - Trade secret	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