



Notice is given of an Audit and Risk Committee Meeting to be held on:

Date: Tuesday, 25 February 2020
Time: 11.00am
Location: Council Chambers
Fairlie

AGENDA

Audit and Risk Committee Meeting

25 February 2020

Suzette van Aswegen
Chief Executive Officer

Audit and Risk Committee Membership:

Bruce Mincham (Chair)
James Leslie
Stuart Barwood
Anne Munro
Mayor Graham Smith
Emily Bradbury
Murray Cox
Matt Murphy

The purpose of local government:

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

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1 OPENING**2 APOLOGIES****3 DECLARATIONS OF INTEREST****4 VISITORS**

Audit Director John Mackey, from Audit New Zealand, will attend the meeting to speak on areas of focus for the 2019/20 audit.

5 REPORTS

5.1 AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE

File Reference:

Author: Paul Numan, General Manager Corporate Services

Authoriser: Suzette van Aswegen, Chief Executive Officer

Attachments: 1. Audit and Risk Committee - Terms of Reference and Scope [!\[\]\(de95854c7ee024cfadc48187bbb781b2_img.jpg\) !\[\]\(cef08d8c15d8a8acd5e25ab0d65432c3_img.jpg\)](#)

STAFF RECOMMENDATIONS

1. That the Audit and Risk Terms of Reference (TOR) and scope as approved by Council on 11 February be received.
2. That the Committee review the approved TOR/ scope and determine if any amendments are required.
3. That the Committee recommends to Council any proposed changes to the current approved Council TOR and Scope.

BACKGROUND

The Council adopted the TOR for all the standing committees at the Ordinary Council meeting on 11 February 2020 - which included the Audit and Risk Committee.

The approved TOR (including the Governance Delegations preamble) is included in the attached.

There was discussion at Council on the;

1. Appropriateness of including a review of the performance of the Chief Executive Officer and making recommendations to Council and
2. Potential for the review of the CEO performance to be delegated to a subcommittee as appropriate.

CONCLUSION

It is recommended that the Audit and Risk Committee receives, reviews and where appropriate recommends any changes to Council on the current approved TOR.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

2 Governance Delegations

2.1 Introduction

The Council's delegation model is designed to enable committees of Council to fully and completely undertake their roles consistent with their terms of reference.

From time to time when urgency requires, matters that would normally be the business of a standing committee will go directly to Council for decision.

2.2 Delegations to Committees

Pursuant to section 41A of the Local Government Act 2002, the Mayor has established the following Standing Committees:

- Engineering and Services Committee;
- Commercial and Economic Development Committee;
- Planning and Regulatory Committee;
- Strategy Committee;
- Audit and Risk Committee.

Council delegates to each standing committee all powers necessary to effectively carry out the committee's terms of reference and scope, excluding those reserved to Council.

Delegations for subcommittees are set out under each subcommittee's terms of reference and scope.

Full Council has a role to monitor the functioning of, and performance of delegated powers by, all committees.

Full Council will consider matters not within the delegation of any one Council committee.

Full Council may at any time, revoke or modify a delegation to a Council Committee, either permanently, for a specified time or to address a specific matter, if it considers there is good reason to do so.

The delegations provided to committees may be further delegated to subcommittees unless the power of further delegation is restricted by Council or by statute.

The terms of reference for each Committee are set out below.

4.3.2 Audit and Risk Committee

The purpose of the Audit and Risk Committee is to provide governance and oversight of the effectiveness of risk management and internal control systems, including internal audit and external audit relationships.

4.3.2.1 Terms of Reference

- Monitor the Council's external and internal audit process.
- Consider and make recommendations to the Council on:
 - a. Monitoring the robustness of the internal control framework and financial management practices;
 - b. The integrity and appropriateness of internal and external reporting and accountability arrangements;
 - c. The robustness of risk management systems, processes and practices;
 - d. The independence and adequacy of external audit functions;
 - e. All year-end financial reporting obligations;
 - f. Compliance with applicable laws, regulations and standards, and best practice guidelines; and
 - g. The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.
- Discuss, with the external auditor, matters affecting the annual financial and non-financial statements and the annual audit.
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities.
- Support measures to improve management performance and internal controls.
- Ensure the quality of internal and external reports of financial and non-financial information.
- Review the performance of the Chief Executive Officer, and make recommendations to Council.
- Develop policy relating to published financial statements and accounting standards of the Council.
- To review annual financial statements prior to Council adoption and ensure disclosures are in accordance with statutory requirements and consistent with best practice.
- Develop and monitor Annual Reports.

4.3.2.2 The scope of this Committee includes:

- Recommending the approval of the annual external audit proposal.
- Liaising with Council's external auditor:
 - a. at the start of each audit, confirm the terms of engagement with the external auditor including the nature and scope of the audit, timetable and fees;
 - b. approve the external audit engagement letter and letter of undertaking and any additional services to be provided by the external auditor;
 - c. receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within;
 - d. conduct a members only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the committee's attention and/or any issues of independence.
- Internal Control Framework:
 - a. review whether management's approach to maintaining an effective internal control framework is sound and effective;
 - b. review whether management has taken steps to embed a culture that is committed to probity and ethical behaviour;

- c. review whether there are appropriate systems, processes and controls in place to prevent, detect and effectively investigate fraud.
- External Reporting and Accountability:
 - a. agree the appropriateness of the Council's existing accounting policies and principles and any proposed change;
 - b. enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above;
 - c. satisfy itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (ie letters of representation), and recommend to Council the signing of the financial statements by the Chief Executive/Mayor and adoption of the Annual report.
- Overseeing the Council's systems, processes, and practices for risk management:
 - a. Ensure that management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks (including financial and non-financial risks);
 - b. consider whether appropriate action is being taken by management to mitigate Council's significant risks.
- Considering matters relating to the performance of the Chief Executive Officer, including annual performance review.
- Reviewing insurance arrangements annually.
- Monitoring insurance claims.
- Reviewing all audit reports of Council activities, including (but not limited to) building control authority audit reports, NZTA audit reports, Long Term Plan audit, and any other external audits.
- Preparing the Annual Report and carryovers.

Membership	The Audit and Risk Committee will be a standing committee of all Councillors and the Mayor. The Committee may appoint an additional person to the Committee where it considers that person has skills, attributes, or knowledge that will assist the work of the Committee.
Quorum	The quorum shall be four members.
Chair	The Chair will be nominated by the Mayor.
Meetings	The Audit and Risk Committee will meet on a quarterly basis or as required.

5.2 REPORT TO COUNCIL ON THE AUDIT OF THE MACKENZIE DISTRICT COUNCIL AS AT 30 JUNE 2019**File Reference:****Author:** Paul Numan, General Manager Corporate Services**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:** 1. Report to Council on the Audit of the Mackenzie District Council at at 30 June 2019 [↓](#) **STAFF RECOMMENDATIONS**

1. That the report be received
2. That the Audit and Risk Committee notes the report, findings and management responses.

BACKGROUND

Audit New Zealand completed the audit for the year ended 30 June 2019 and has provided a report that sets out the findings from the audit and recommendations for improvement.

CONCLUSION

Audit New Zealand issued an unmodified audit opinion dated 31 October 2019 with recommendations noted in sections 4 and 5.

Management comments to the recommendations are now included.

It is recommended that the Audit and Risk Committee receives and notes the attached report.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council on the audit of

Mackenzie District Council

For the year ended 30 June 2019

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Key messages

We have completed the audit for the year ended 30 June 2019. This report sets out our findings from the audit and draws attention to areas where the District Council is doing well and where we have made recommendations for improvement.

Audit opinion

We issued an unmodified audit opinion dated 31 October 2019.

Matters identified during the audit

This report summarises the outcome of audit risks identified in the Audit Plan and matters identified during the audit. Recommendations are noted in sections 4 and 5.

The District Council continues to experience strong growth, particularly in its asset base with its property, plant and equipment assets now having a carrying value in excess of \$217 million. This requires a higher level of monitoring of capital expenditure, and improved control over this expenditure,

We recommend that the District Council implement a formal review and approval process of budget carry forwards, recognition of infrastructure asset disposals, and review the componentisation of its buildings.

A summary of progress with our previous recommendations is included in Appendix 1. We commend the District Council for the progress made during the year on their implementation.

Thank you

We would like to thank the Council, management and staff for their assistance provided during the audit.

John Mackey
Appointed Auditor
6 November 2019

1 Recommendations



Our recommendations for improvement and their priorities are based on our assessment as to how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

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

1.1 New recommendations

The following table summarises our recommendations and their priorities.

Recommendation	Reference	Priority
Improve the revenue recognition processes for financial and development contributions.	4.1	Necessary
Review the processes, and reconcile the Pukaki Airport land sale sections, sales and deposits with Wanaka Law.	4.2	Necessary
<ul style="list-style-type: none"> Perform a formal impact assessment of the new accounting standards for joint ventures and financial instruments. Implement any required changes in the systems. Identify early, the required changes to accounting policies and disclosures, and make these changes prior to year-end. 	4.3	Necessary

Recommendation	Reference	Priority
<ul style="list-style-type: none"> Review and clarify the contractual arrangements on the Downlands water supply Joint Committee. 		
Reconcile the year-end trial balance to the annual financial statements.	4.4	Necessary
<ul style="list-style-type: none"> Implement formal GST return processes and procedures. Complete the reconciliation of the general ledger, GST return and the financial statements. Rectify any system or procedural issues identified. 	4.5	Necessary
Implement a formal review and approval of capital expenditure carry forwards.	4.6	Beneficial
Review the componentisation of buildings so depreciation charged reflects the “consumption” of the assets.	4.7	Beneficial
Recognise disposals of infrastructural assets replaced.	4.8	Beneficial
Review the appropriateness of the District Council’s cost drivers and allocation rates.	4.9	Beneficial
<ul style="list-style-type: none"> Review the tax treatment of rental reimbursements paid to staff. Address any instances where insufficient tax has been deducted. 	4.10	Beneficial
<ul style="list-style-type: none"> Remind elected members to declare their interests within the interests register. Monitor financial transactions with the District Council to ensure compliance with the Members Interest Act 1968. 	4.11	Beneficial
Update the council controlled organisation (CCO) exemption, under section 7 of the Local Government Act 2002, for Mackenzie Holdings Limited.	4.12	Beneficial
Clarify, in the sensitive expenditure policy that all private expenditure incurred is prohibited or specify that any debts, which are to be paid to the District Council, are paid before it is due to make payment to the “credit card” provider.	5.1	Beneficial
Update the sensitive expenditure policy to require approval of the Mayor’s credit card by the Audit and Risk Committee Chair.	5.2	Beneficial

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations.
Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	4	3	6	13
Implemented or closed	0	7	0	7
Total	4	10	6	20

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit report on 31 October 2019. This means we were satisfied that the financial statements, and statement of service performance, present fairly the District Council's activity for the year and its financial position at the end of the year.

In forming our audit opinion, we considered the following matters. Refer to sections 3 and 4 for further detail on these matters.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management the misstatements that we found, other than those which were clearly trivial. The misstatements that have not been corrected are listed in Appendix 2 along with management's reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

2.3 Corrected misstatements

We also identified misstatements that were corrected by management. These corrected misstatements had the net effect of decreasing revenue and surplus by \$830k and to increase the associated revenue in advance liability by \$405k and reduce receivables by \$425k. The significant corrected misstatements are listed below:

Account Name and Details of Error	Statement of Financial:			
	Performance		Position	
	DR	CR	DR	CR
PAB Investment Funds			76,293	
Revenue in advance				76,293
To record deposits in transit at year end.				
Dr Other expenses	40,261			
Cr Real estate cost of sales (COS)		40,261		
Real estate COS should just be the carrying value of asset-reclassification of sales expenses to other expenses.				
Dr Contributions revenue - Water	408,060			

Account Name and Details of Error	Statement of Financial:			
	Performance		Position	
	DR	CR	DR	CR
Dr Contributions revenue - Sewer	246,180			
Dr Contributions revenue - Regulatory	178,130			
Cr Payables - Revenue in advance				407,114
Cr Debtors -other receivables				425,256
Reclassify contributions revenue to revenue in advance				

There were over 100 disclosure misstatements corrected, with the most significant for related party transactions omitted.

2.4 Quality and timeliness of information provided for audit



Management needs to provide information for audit on the annual report of the District Council. This includes the draft annual report with supporting working papers. We provided a listing of information, which we required, to management on 10 July 2019. This included the dates that we required the information to be provided to us.

We received the first draft of the annual report as planned on 30 September 2019. There were supporting workpapers and documentation available. However, some workpapers did not reconcile to the financial statements, or the District Council reports could not provide retrospectively to 30 June 2019.

The District Council implemented revised quality review processes on the preparation of its annual report. This included reviews by senior management, and the Audit and Risk Committee. However, the draft financial statements required a large number of misstatements to be corrected which was time consuming for both the Finance and audit teams. It also lengthened the audit process.

Overall, we were able to complete the audit with some delays, inefficiencies and, working additional hours as we worked around staff absences and sought alternative contacts where possible. However, we plan to seek approval to negotiate an additional fee recovery for the additional time required due to these inefficiencies.

2.5 Management override

There is an inherent risk, in every organisation, of fraud from management override of internal controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by

override of controls that otherwise appear to be operate effectively. Auditing standards require us to treat this as a risk on every audit.

To address this risk, we:

- tested the appropriateness of selected journal entries;
- reviewed accounting estimates for indications of bias; and
- evaluated, the significant unusual or one-off transactions, including those with related parties.

We have no matters to raise based on the work we completed during the audit.

3 Matters raised in the Audit Plan



In our Audit Plan of 3 May 2019, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Fair value assessments and impairment of assets	
<p>The District Council periodically re-values its land, buildings and individual infrastructure asset classes. The accounting standards require revaluations to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value.</p> <p>The District Council last revalued land and buildings in 2018, and infrastructure assets, in 2017.</p> <p>Therefore, the District Council needs to perform an assessment as to whether a revaluation is needed this year. It is important that you make this assessment at an early stage, to avoid the risk of this becoming a significant issue at a late stage of the audit.</p> <p>The impairment accounting standard requires that an entity assesses, at the end of each reporting period, whether there is any indication that an asset, including intangible assets, may be impaired. If any indication exists, the entity is to estimate the recoverable amount of the asset. The standard also provides guidance on indicators that an asset may be impaired.</p> <p>In conjunction with completion of the fair value assessment, we expect the District Council to have completed an impairment assessment to determine whether any assets will need to be impaired.</p>	<p>The District Council completed a valuation of its land and buildings effective 30 June 2019. We reviewed the valuation report and assessed that the underlying data and assumptions used by the valuer, were complete and reasonable.</p> <p>We confirmed that the valuation had been completed in accordance with the relevant valuation standards as well as accounted for correctly within the financial statements.</p> <p>We reviewed management's fair value assessment of its roading and 3 waters infrastructure assets. We concluded that the fair values were not materially different to the carrying value of the assets as at 30 June 2019.</p> <p>We were satisfied that the District Council's assets did not have indicators of impairment for its fixed assets held at cost within the financial statements.</p> <p>Appendix 1 notes that management are addressing the recommendations from the valuer, AECOM which include those for roading.</p>

Audit risk/issue	Outcome
Transformation Project	
<p>The District Council has started a project to ensure that it is better able to deliver the services and outcomes that its community expects.</p>	<p>The Transformation project is expected to continue over two years. The Transition Manager was appointed to assist with oversight and implementation of the organisational restructure, and development of strategy, policies and processes.</p> <p>The staff structure has been finalised with positions continuing to be filled.</p> <p>The District Council maintained its internal controls processes during the year and we were able to continue to place reliance on the payroll and expenditure systems' controls.</p> <p>We were satisfied that redundancy and severance payments were appropriately approved, and disclosed within the annual report.</p>
Investment in Alpine Energy Limited (AEL)	
<p>The audit of this investment proved challenging in last year's audit principally due to conflicting valuations obtained by different parties.</p>	<p>We worked with the other Council shareholders and auditors, to improve the efficiency of the process by having one valuation performed.</p> <p>Management of the three Councils, engaged EY to complete a desktop fair value assessment of AEL. There was no change recognised in the carrying value in the financial statements.</p> <p>We are satisfied that the District Council's investment in AEL is fairly stated and disclosed within the financial statements.</p>
Significant capital projects and work in progress (WIP)	
<p>Accounting for capital projects, which are either completed during the year or in progress at balance date, requires that assumptions and judgements to be made, which can have a significant effect on the financial statements, including:</p> <ul style="list-style-type: none"> assessment of the nature of costs and either capitalisation of these costs as 	<p>We reviewed the status of large capital projects, completed or in progress at 30 June 2019, to assess how the District Council monitored, against budget, for large capital projects, and the accounted for costs incurred on capital projects.</p> <p>We found:</p>

Audit risk/issue	Outcome
<p>work in progress, or recognition of them as expenses;</p> <ul style="list-style-type: none"> • identification of asset components and assigning appropriate useful lives to these components; and • identification of the appropriate date of capitalisation of the asset, transfer of costs from work in progress to asset additions and the commencement of depreciation of the asset. <p>Audit risk:</p> <p>Incorrect classification of expenditure between capital and operating expenditure.</p>	<ul style="list-style-type: none"> • No issues with the classification of costs as either capital or operational in nature. • The assets were appropriately depreciated from the time they became available for use. • Management completed a more comprehensive review of its year end WIP balances and transferred the completed assets out, and also wrote off long outstanding WIP balances as an expenses. • The disclosures within the annual report complied with accounting standards. <p>Section 4 notes recommendations on PPE, and Appendix 1 notes the status of our previous recommendations.</p>
Rates	
<p>Rates are the District Council's primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA) with rates setting and collection is critical to ensure that rates are validly set and not at risk of challenge.</p> <p>The District Council needs to ensure that it has appropriate processes in place, including seeking legal advice where appropriate, to ensure the compliance of its rates and rating processes with legislation.</p> <p>Audit risk:</p> <p>The rates setting and collection process does not comply with relevant legislation.</p>	<p>We reviewed the District Council's systems and controls designed to ensure compliance with the LGRA 2002.</p> <p>Our focus was on the District Council's compliance with those key areas of the LGRA that potentially materially impact on the financial statements.</p> <p>Our rates testing focussed on both the rates setting process for the current period as well as for the 2019/20 financial year.</p> <p>We are satisfied that rates were appropriately set and are fairly stated in the financial statements.</p>
Management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by override of controls that otherwise appear to be operating effectively.</p>	<p>To address this risk, we:</p> <ul style="list-style-type: none"> • tested the appropriateness of selected journal entries; • reviewed accounting estimates for indications of bias;

Audit risk/issue	Outcome
<p>Auditing standards require us to treat this as a risk on every audit.</p> <p>Audit risk:</p> <p>The risk of fraud arising from management override of internal controls.</p>	<ul style="list-style-type: none"> reviewed any changes in the District Council's accounting policies; and evaluated, the significant unusual or one-off transactions, including those with related parties.

Our areas of interest in the local government sector

Apart from "Prudent expenditure decisions" reported in section 5, the table below outlines the outcome of areas of interests in the local government sector as noted in our Audit Plan of 3 May 2019.

Non-financial performance reporting	
<p>Each year we audit the performance information and report as to whether it fairly reflects the achievements measured against the targets and other measures in the District Council's Long Term Plan (LTP).</p> <p>The 2018/19 annual report is the first year that the District Council will report against the performance targets set out in the 2018-28 LTP.</p>	<p>We are satisfied that the statement of service performance presented fairly the District Council's activity for the year and its financial position at the end of the year.</p> <p>Appendix 1 notes the status of our previous recommendations on the District Council's systems to measure and report against its performance measures.</p>
Bribery and corruption	
<p>The Office of Auditor General (OAG)'s work, programme for this financial year, requires us to make enquiries and report our findings on:</p> <ul style="list-style-type: none"> whether there is an appropriate code of conduct or ethical guidelines that encompasses bribery and corruption; the visibility of codes of conduct or ethical guidelines, and how the entity ensures that the codes of conduct or ethical guidelines are known about and used. For example, by provision of induction for new employees, training and regular refreshers to all employees; how the District Council satisfies itself that there are adequate controls in place to mitigate the risks of bribery and corruption; and 	<p>We obtained your responses to a standard bribery and corruption questionnaire and will report the findings to the OAG.</p> <p>We noted that the District Council has codes of conduct and ethical guidelines (such as its fraud policy, conflict of interest, and procurement policy) in place that covers elements of the risks with bribery and corruption.</p> <p>Staff are aware of policies and guidelines as part of the induction process, and policies are available on the intranet. Additional training is available if considered necessary.</p> <p>Reliance is placed on one-up reviews, declarations of interest, and internal</p>

<ul style="list-style-type: none">the processes for notifying and dealing with breaches of codes of conduct or ethical guidelines, or incidents of bribery and corruption.	controls process to identify and mitigate bribery and corruption risks.
Compliance with laws and regulations	
<p>To discharge the Auditor General's mandate, we carry out an audit of legislative compliance. We limit this review to obtain assurance that you have complied with significant legislative requirements that may directly affect the financial statements or general accountability.</p> <p>Our review does not cover all of the District Council's legislative compliance requirements.</p>	<p>The District Council's legislative compliance system is addressed within its risk management policy and practices.</p> <p>We completed our own checklists to cover the key reporting requirements of this legislation.</p> <p>We have no issues that we need to report.</p>

4 Other matters



In addition to our Audit Plan dated 3 May 2019, we identified the following matters:

4.1 Revenue recognition process for financial and development contributions

The revenue recognition point for a development or financial contribution, is at the later of when the District Council is ready to provide the service, or the event that will give rise to a requirement for a development or financial contributions. Revenue in advance is recognised for contributions collected in advance to fund a service that is not currently provided.

This requirement means that, in most cases, revenue recognition will be either at the point of granting the consent, or at the time of service connection when the District Council has set this as the event giving rise to the contribution.

Last year we noted that the District Council's revenue recognition of financial and development contributions was based on the time of invoicing of the contributions rather than when the s224 certificate was issued. Errors occurred again this year and the amounts were material requiring an adjustment to the financial statements.

Recommendation

Improve the revenue recognition processes for financial and development contributions.

Management comment

Agreed. Improved processes will be implemented for the 30 June 2020 year end.

4.2 Review the processes and reconcile the Pukaki Airport section and sales

The District Council engages Wanaka Law to manage the Pukaki Airport land sections. There were differences between the Wanaka Law confirmation and the reconciliation schedules provided by management.

Management has the opportunity to review its processes to monitor and record sections and sales. This process could include verification of the settlement prices, deposits received, and the associated dates, with Wanaka Law, on at least a monthly basis.

Recommendation

Review the processes, and reconcile the District Council's records for Pukaki Airport for sections, sales and deposits, with Wanaka Law's records.

Management comment

There is a governance review underway for all Council Committees – which includes Pukaki Airport Board following the Local Authority elections. Mackenzie District Council will review and update processes following this review.

4.3 Preparation for the upcoming accounting standards – joint ventures and financial instruments

The District Council must apply the joint venture and related accounting standards in preparing the 30 June 2019 financial statements. These include:

- PBE IPSAS 36 Investments in Associates and Joint Ventures;
- PBE IPSAS 37 Joint Arrangements; and
- PBE IPSAS 38 Disclosure of Interests in Other Entities.

PBE IFRS 9 Financial Instruments is effective for the District Council's 30 June 2022 financial statements.

Management is responsible to perform the necessary transition work to successfully implement these new standards. This includes:

- Documenting an impact assessment of the new standards and identification of changes required to accounting practices.
- Implementation of changes to systems and processes that may be necessary to support changes in accounting practices.
- Update of the District Council's accounting policies.
- When required, making adjustments to the financial statements in accordance with the transitional provisions of the new standards and providing support for these adjustments.
- Updating the District Council's related disclosures in the financial statements.
- Keeping relevant parties informed, such as your auditor and audit committee.

It is important that District Council substantially completes its transition work on these new standards well in advance.

In particular, the District Council has the opportunity to update the contractual agreement for the Downlands water supply joint committee with Waimate District Council and Timaru District Council to clarify specific matters such as when debt can be raised and who is liable to repay it. This process could also clarify the accounting treatment.

Recommendations

- Ensure the steps above are completed before 30 June 2020.
- Review and clarify the contractual arrangements on the Downlands water supply Joint Committee.

Management comment

Agreed. Changes in accounting policies are not expected to produce material differences to MDC only holding a 4% interest in DWS. A joint initiative is underway with TDC and WDC to obtain advice on this matter.

4.4 Reconciliation of the year end trial balance to the annual financial statements

The District Council changed its general ledger structure this year. As a result, management was unable to fully reconcile the equity amounts in the trial balance to the financial statements provided to audit. We accepted this difference was immaterial and that equity was remaining balance.

We understand that management will update the general ledger coding again to reflect the revised organisational structure.

Recommendation

Reconcile the year-end trial balance to the annual financial statements.

Management comment

Agreed – noting that a reconciliation will be performed. A formal general ledger restructure is taking place in November 2019 that will simplify the ledger.

4.5 Review GST return processes and procedures

Management advised that staff were investigating the differences between the general ledger, GST return, and the financial statements for the period ended 30 June 2019. We accepted that overall, the differences were not material but it needed to be reviewed further to ensure the District Council meets its GST obligations under the GST Act.

In 2018, PwC recommended that the District Council improve its processes for the preparation of GST. This included implementation of a procedural document, and that reliance is not solely based on a particular team member.

Recommendations

- Implement formal GST return processes and procedures.

- Complete the reconciliation of the general ledger, GST return and the financial statements.
- Rectify any system or procedural issues identified.

Management comment

Agreed. Improvements will be made to the processes for the preparation of GST.

Planned changes to both the structure within the Finance Team and the governance review around PAB are expected to support the required change.

4.6 Review and approval of carry forwards

The annual report records projects that will be carried forward into 2019/20 including the Fairlie water upgrade. The District Council does not have a formal process to review and approve carry forwards.

A formal review and approval of budget carry forwards is good practice to ensure the District Council's has the funding to complete these projects. Excessive carry forwards may impact on the District Council's ability to complete projects within budget and time, and therefore its provision of the planned level of services.

This process can be performed in conjunction with the annual plan process.

Recommendation

Implement a formal process to review and approve budget of carry forwards.

Management comment

Noted and agreed. The current informal process will be replaced by a formal process.

4.7 Componentisation of buildings for depreciation purposes

The District Council's buildings valuation is apportioned between structure, services and fitout based on the percentage of the previous net book value. Management advised that the appropriateness of these weightings has not been reviewed in recent years. Therefore, major upgrades or additions may not have been taken into account. We noted that the Council office building, in Fairlie, effectively had a nil depreciation rate for fittings.

While we accept that the overall carrying value of buildings is materially correct, the depreciation charged by the District Council affects the funding from rates.

The differences in depreciation rates, applied to the building components, affects the net surplus or deficit, and revaluation movement recognised in subsequent years.

Recommendation

Review the componentisation of buildings for depreciation purposes.

Management comment

Agreed. We will update componentisation of buildings before 30/06/2020.

4.8 Recognise disposals on infrastructural assets

Accounting standards require that the loss on disposal of the carrying value, of assets disposed of, is recognised in the surplus or deficit. The District Council does not recognise disposals of infrastructure assets. Renewals are based on the District Council's maintenance programme. It is assumed that renewal capex will replace assets that have a nil carrying value.

Management advised that the level of componentisation, in its fixed asset register, would result in the costs outweighing the benefits to track the carrying value of replaced assets. Management notes that all infrastructure assets are revalued every three years.

In effect, the differences will be in the classification within equity, ie, is between general equity and asset revaluation reserves. It will have no direct effect on rates levied.

Recommendation

Recognise disposals on infrastructural assets in accordance with accounting standards.

Management comment

Noted. MDC will investigate the software improvements required to achieve this.

4.9 Review of cost allocation rates

The rates for the apportionment of motor vehicles expenses has not been reviewed in the past year. The rate used was 48c per kilometre.

Recommendation

Review the appropriateness of the District Council's cost drivers and allocation rates.

Management comment

Agreed review will be completed.

4.10 Tax treatment of rental reimbursements

The IRD Determination on taxation of relocation expenses notes certain circumstances where amounts are exempt (ie non-taxable). The list of eligible expenses includes "Accommodation or value of employer provided accommodation once the employee has arrived in the new location, for up to three months after arrival".

Some new employees of the District Council are entitled to rental reimbursements for up to six months. These amounts have been treated as non-taxable.

Recommendations

- Review the tax treatment of rental reimbursements paid to staff.
- Address any instances where insufficient tax has been deducted.

Management comment

Noted – MDC will review and address the issues raised in relation to the tax treatment of rental reimbursements.

4.11 Declaration of interests

During the year, Council implemented an interests register for elected members, which is available on the Council's website. There also a separate interests register for senior management.

These registers include the nature of interest; and identify whether it is pecuniary, non-pecuniary, actual, potential, or may be perceived. This register also includes the interest of spouse/partners.

We noted instances where an interest was not declared when there were transactions with the District Council during the financial year.

Declaration of and monitoring such interests can demonstrate compliance with the Local Members Interest Act 1968 that transactions with the District Council are less than \$25,000 annual GST inclusive threshold.

Recommendations

- Remind elected members to declare their interests within the interest register.
- Monitor financial transactions with the District Council to ensure compliance with the Members Interest Act 1968.

Management comment

Noted and agreed. Reminder to elected members and active monitoring to be undertaken.

4.12 CCO exemption for Mackenzie Holdings Limited (MHL)

Council has renewed its CCO exemption for its wholly controlled Mackenzie Tourism and Development Trust for 30 June 2019.

Council's last review of its CCO exemption, under section 7 of the Local Government Act 2002, for Mackenzie Holdings Limited was on 20 July 2017. Council must review this exemption within three years since the last review.

Recommendation

Renew the CCO exemption, under section 7 of the Local Government Act 2002, for Mackenzie Holdings Limited.

Management comment

Agreed. The renewal of the CCO exemption will be renewed in accordance with the Local Government Act.

5 Public sector audit



The District Council is accountable to its local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

As noted in Appendix 1, the District Council has reviewed its sensitive expenditure policy against the OAG's good practice guide and updated this policy accordingly. We will review the policy adopted by Council in our 2019/20 audit.

We note the additional matters:

5.1 Clarify private expenditure within sensitive expenditure policy

The District Council's sensitive expenditure policy provides the use of Council credit cards, for private expenditure or credit is prohibited.

The definition of credit cards includes vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before a payment is made.

Recommendation

Clarify, in the sensitive expenditure policy that all private expenditure incurred is prohibited, **or** specify that any debts are to be paid to the District Council before it is due to make payment to the "credit card" provider.

Management comment

Agreed. Sensitive expenditure policy will be updated.

5.2 Approval of the Mayor's credit card expenditure

In our review of credit cards, we noted that the Mayor's credit card costs were approved by the Chief Executive in accordance with the District Council's sensitive expenditure policy.

We would usually expect approval on a one up basis. However for the case of the Mayor, we recommend that this review and approval is by another elected member such as the Audit and Risk committee chair.

Recommendation

Update sensitive expenditure policy to require the approval of the Mayor's credit card by the Audit and Risk Committee Chair.

Management comment

Agreed. Sensitive expenditure policy will be updated.

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Urgent		
Systems to record actual performance against targets		
<ul style="list-style-type: none"> ensure that appropriate systems are in place to report against all performance measures in the annual report; identify alternative approaches to provide, the reader of the annual report, with reliable information on the Council's performance in meeting key levels of service targets; and use these approaches to include the relevant service performance information in its annual report. 	2015	<p>Management has developed a complaints policy and is continuing to develop the system to gain assurance that:</p> <ul style="list-style-type: none"> all complaints have the time of resolution recorded; include sufficient information on the type of complaint based on the national performance measure categories; filing documentation that supports the results reported in the statement of service performance; and the initial response times are recorded accurately rather than being the completion time. <p>Management advises that the NCS service request system is currently being redesigned to enable automatic escalation of requests and enhanced timely reporting.</p> <p>Once updated, staff and contractors will be trained on the system.</p>
Independent review of Journals on a timely basis		
Require journals to be independently reviewed within five working days to ensure that any errors are identified promptly, and corrected.	Interim audit 2019	Journals tested were signed as reviewed. However they were not always dated to provide evidence of the timeliness of the review.
Preparation for final audit		
Implement processes to prepare a high quality annual report. Including:	2018	It is evident that management had endeavoured to prepare a full annual report with supporting workpapers.

Recommendation	First raised	Status
<ul style="list-style-type: none"> • A quality assurance process for the preparation of the annual report. • Independent review of the financial statements before they are provided to the audit team. • Self-review of the supporting documentation, especially for internal consistency. • Clear reconciliation of the amounts in the financial statements to the general ledger. • A project management approach to the annual report preparation, including input from the asset management team on the measures reported in the statement of service performance. • Filing of documentation which supports the results reported in the statement of service performance. 		However, as noted in section 2.5, further improvements, in the quality and timeliness of information, are needed to ensure that there is an efficient and timely annual report preparation and audit process.
Debenture Trust Deed		
Prepare the Reporting Certificate on a timely basis so it can be audited while the audit team is on site for the final audit.	Interim audit 2019	We will review the reporting certificate prepared by management.
Necessary		
Policy Development		
To facilitate timely reviews of policy, a policy schedule be created to identify all policies, the date they were approved and the date they are due for review.	2013	<p>A stocktake of all policies is in progress.</p> <p>All policies will be reviewed and updated to a standard format and align to the revised organisational structure. This includes policy approver, policy date, policy owner and next review date.</p>
Fixed asset policy		
Adopt a fixed asset policy to manage the process the asset additions and disposals.	2014	A fixed asset policy is yet to be developed.

Recommendation	First raised	Status
Stocktake of property, plant and equipment		
Conduct a stocktake of property, plant and equipment, and reconcile this to the fixed asset register on a periodic basis.	2014	No regular stocktake process has been implemented.
Beneficial		
Revenue		
Develop and distribute, to relevant staff members, a formal debt recovery policy.	2013	The debt recovery policy has been drafted is under review. This will be presented to Audit and Risk committee for approval.
Sensitive expenditure policy		
Implement improvements to align with the OAG best practice guidelines. This includes sensitive expenditure policy for credit card use, travel, entertainment, food and beverages, and accommodation.	2018	The September 2018 sensitive expenditure policy has been updated to align with the OAG best practice guidelines and will be approved by the Council in October 2019. We will review the policy, adopted by Council, in our 2019/20 audit.
Timeliness of bank reconciliations		
Bank reconciliations be prepared and independently reviewed within five working days of month-end.	2018	All bank reconciliations were prepared within five working days of month end. However, not all reconciliations were reviewed within five working days of month end. Management advised that this delay was impacted by the staff restructure during the year.
Roadings – AECOM recommendations		
Implement the AECOM recommendations included in its revaluation report.	2017	We noted some progress was made on the recommendations from the previous 1 July 2016 valuation. Management is working through the recommendations as part of the AECOM valuation completed on 1 July 2019. This includes the completeness of the vested assets included in the roadings valuation. We will follow up progress at our next audit.

Recommendation	First raised	Status
Pukaki Airport Board		
Review the operation of the Committee to determine whether a revised structure is required to provide effective oversight of the Pukaki Airport operations and assets.	2017	The review process is underway. Legal advice has been obtained.
Review of useful lives of fixed assets		
<p>Annually review current depreciation rates to determine if they are still appropriate and revise them where they are not.</p> <p>Ensure remaining useful lives are updated when significant repair work is undertaken on an asset which extends its useful life.</p> <p>Perform a stocktake of assets, with a net book value less than 10% of their costs, to determine the existence of assets.</p> <p>Remove any assets that do not exist, from the fixed asset register.</p>	2018	<p>Management advised that this delay was impacted by the staff restructure during the year.</p> <p>There has been no formal review of, and changes to depreciation rates.</p> <p>There has been no stocktake of assets, nor removal of assets which no longer exist from the fixed asset register.</p>

Implemented or closed recommendations

Recommendation	First raised	Status
Fraud policy		
The fraud policy be reviewed and updated.	2015	<p>The fraud policy was updated and adopted by the Council on 13 August 2019.</p> <p>This includes a reference for the CEO to be responsible to ensure that the auditor is made aware of any actual or suspected instances of fraud.</p>
Policy development		
<p>Develop and implement policies covering the following specific areas:</p> <ul style="list-style-type: none"> organisation-wide procurement and risk management policy; the Delegations Manual be updated to include recent changes to the Local Government Act. 	2013	<p>Council adopted an organisation-wide procurement policy in August 2019, and a risk management policy In September 2019.</p> <p>The Delegations Manual was updated in May 2019 and will be reviewed again post the October elections.</p>

Recommendation	First raised	Status
		We accept that the District Council is aware of the need to continuously update its delegations manual.
Interests register		
Record all interests, in other entities, in the Council's interest register.	2013	<p>The District Council has implemented an interests register for elected members, which is published on the Council's website. This register includes:</p> <ul style="list-style-type: none"> the nature of interest; and identifies whether it is pecuniary, non-pecuniary, actual, potential, or may be perceived. <p>There also a separate interests register for senior management.</p> <p>As noted in section 4, we recommend that all interests are declared.</p>
Risk management arrangements		
To fulfil Council's governance role, implement a structured overview of risks, and a framework to monitor how effectively the key risks are managed.	2015	<p>Council adopted a risk management policy in September 2019 which includes a risk assessment, involving the development of a risk assessment scorecard to initiate discussions within the District Council.</p> <p>The District Council staff will now proceed to update the risk register to implement the risk management programme to align with the new policy and framework.</p>
Backup for creditors, payroll and fixed assets		
Identify and train staff to provide backup to process Creditors and Payroll payments when the Creditors Clerk is absent and to provide backup to process fixed assets when the Management Accountant is away.	2016	<p>The Finance Manager is now able to provide back up for fixed assets when the Management Accountant is away.</p> <p>The Administration Support Officer has undergone training for debtors, creditors and payroll.</p>

Recommendation	First raised	Status
Drinking Water Standards		
Ensure the required number of samples are tested for each treatment plant and distribution zone. Report transgressions, to the DWA, in accordance with updated requirements.	2017	The required number of samples were tested for each treatment plant and distribution zone.
Revaluation of Land and Buildings		
Clearly identify assets that need to be revalued, and ensure that the accounting policy, and the property, plant and equipment note, in the financial statements, separately disclose the assets classes which are accounted for under the revaluation approach from those which are not.	2017	The accounting policies have been updated for 'properties where future use is to be determined'. This class of assets is carried at deemed cost and not subject to revaluations.

Appendix 2: Uncorrected misstatements

Current year misstatements	Reference	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Asset revaluation reserve	1			29	
Other expenses	1				(29)
Equity reserves	2			110	
Gain on land sales	2				(110)

Explanation of uncorrected misstatements

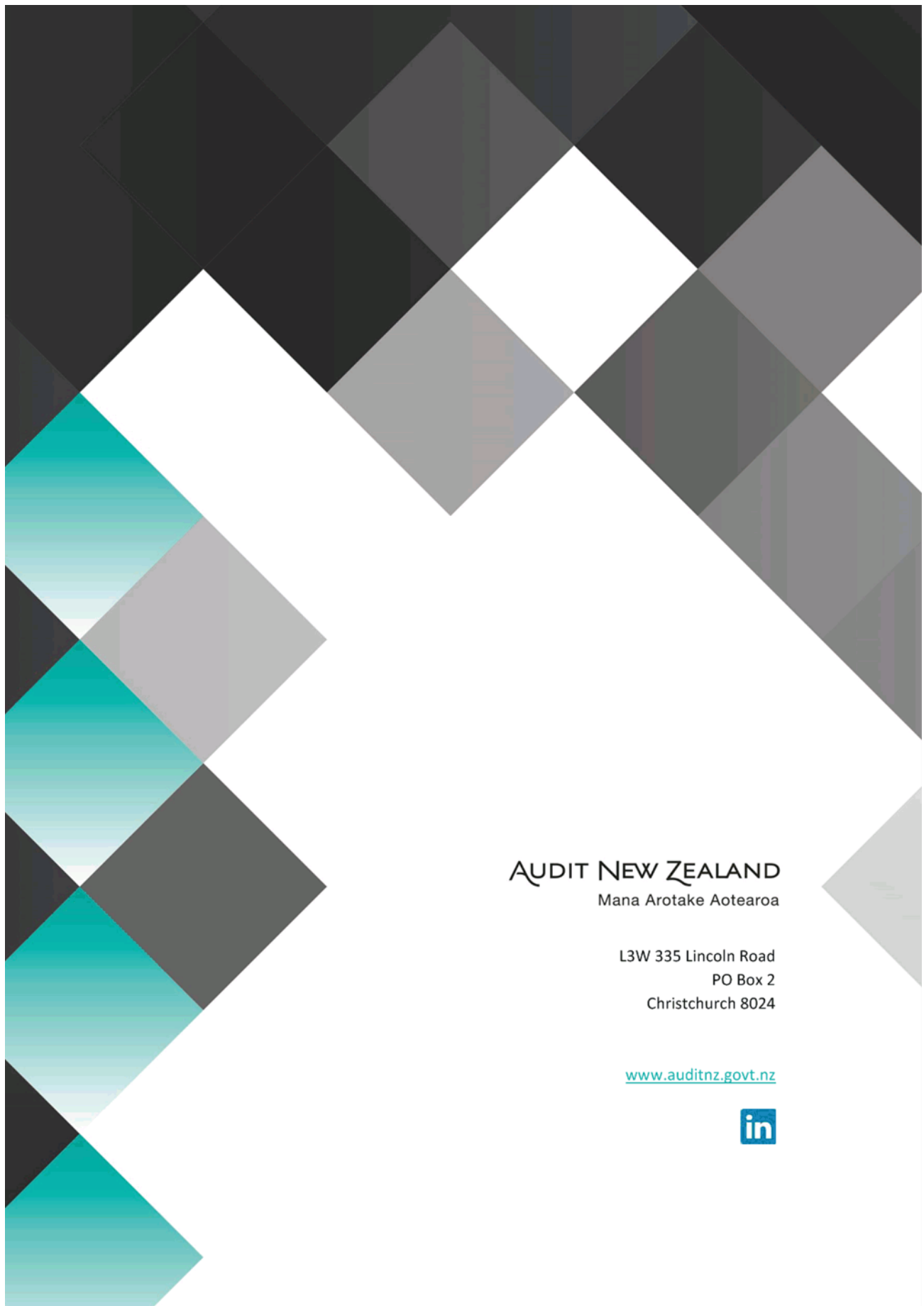
- 1 Reclassify the release of the retention liability, to other expenses instead of directly to the asset revaluation reserve.
- 2 Recognise unexplained difference on Pukaki Airport land deposits against gain on land sale instead of directly increasing equity.

Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Management's explanation for not correcting
<p>Disclose Downlands water supply joint venture as a Joint committee of the District Council in the Governance and Corporate services activity.</p> <p>Downlands water is a joint committee of Timaru District Council, Waimate District Council and Mackenzie District Council.</p>	<p>The annual report, under other information, already recognises Joint committees and Downlands is included as part of that.</p> <p>The key facts on pages 25-26 are solely the seven Committees of Council.</p>

Appendix 3: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit we are engaged to carry out the limited assurance engagement related to the Council's Debenture Trust Deed, which are compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Mackenzie District Council.</p>
Fees	<p>The audit fee for the year is \$101,030 excluding disbursements as detailed in our Audit Proposal Letter.</p> <p>No other fees have been charged in this period.</p> <p>Other fees to be charged in the period for are \$1,800 for the assurance review of the Debenture Trust Deed.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with Mackenzie District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with Mackenzie District Council during or since the end of the financial year.</p>







5.3 HEALTH AND SAFETY REPORT

File Reference: Health & Safety

Author: Alexis Gray, People and Culture

Authoriser: Suzette van Aswegen, Chief Executive Officer

Attachments:

1. Draft HSE&W team timeframes and milestones 2019 [↓](#) 
2. MDC Health, Safety, Environment and Wellbeing Plan 2019 [↓](#) 
3. DRAFT Health, Safety and Wellbeing KPI clauses [↓](#) 
4. EAP Awareness Programmes [↓](#) 

STAFF RECOMMENDATIONS

That the information be noted.

BACKGROUND

This report provides an update to the Committee on Council Health, Safety, Environmental and Wellbeing matters.

Council policy documents and procedures

An overarching Health, Safety and Wellbeing Management Plan has been approved by the CEO and circulated to all MDC team members. The scope of the Management Plan applies to all aspects of Health, Safety and Environmental management for the Mackenzie District Council Administration and has been developed to assist in ensuring compliance with the following:

- Health and Safety at Work Act and associated regulations
- Resource Management Act
- HSNO Act
- Mackenzie District Plan
- Regional plan, consents and permits

A Health and Safety timeframes and milestones document has been drafted to sit alongside the Health, Safety, Environment and Wellbeing Management Plan however this is still a work in progress and requires a further review by the HS&W team. See attached document.

The Health, Safety and Wellbeing team meetings are held on a monthly basis during which time a number of topics were covered including near miss reporting, reviewing current health and safety policies held on the intranet, draft policies and procedures that may be underway or to be investigated, roll out of the health and safety reporting module within MagiQ, and any other issues or concerns that may have been reported or raised with a HS&W team member.

Health and Safety is a standing item on the Executive and Leadership team meeting agendas.

As part of the Mackenzie District Council performance framework a set of health, safety and wellbeing key performance indicators have been developed. There are three levels to these key performance indicators – Executive, Senior Leadership and those without any direct reports. These have been designed to be included in the newly developed position description template and within the performance review process. See attached document for more detail.

Employee Lost Time Injuries / Near Misses / Incidents / Work and Non Work Related Injury Reporting

- There have been no lost time injuries reported this financial year.
- There has been one work related injury reported this financial year. An employee was coming out of the Portacom that is used as the smoko room in Fairlie and lost their footing on the loose gravel causing a rolled ankle. No medical treatment was sought however first aid by way of ice was applied. This incident was investigated and appropriate outcomes were put in place.
- There have been seven traffic related incidents / near misses reported this financial year all of which involved tourists and poor / distracted driving.
- There have been three serious incidents reported this financial year. The information is as follows:
 - Tree felling within the Twizel Market Place area. Tree felling was being undertaken by Whitestone Roding. This incident has been reported as a serious near miss due to there being a no exclusion zone and fenced off to the public whilst the work was being undertaken and there were only 'spotters' on site. This incident / near miss has been investigated and the parties involved have been reminded of their obligations i.e. to isolate the tree felling hazard and ensure its fenced off from public access.
 - Chlorine spill / leakage of approx. 50 - 100 litres at the Twizel swimming pool with severe leakage into the stormwater drainage. This occurred on Sunday, 16 February 2020. Worksafe and ECAN have been notified. This incident is still being investigated.
 - Resealing at the Pukaki Airport. Contractors engaged by the Mackenzie District Council were undertaking resealing work of the runway at the Pukaki airport. Notams had been issued yet an aircraft attempted to land whilst the resealing was underway. The contractor reported this to the Pukaki airport. Due to the seriousness of the incident, a review of processes will need to be undertaken. The Health, Safety and Wellbeing team will work with the CEO on this.

Contractor Reporting

Refer above to the incident involving Whitestone Contracting and tree felling within Market Place, Twizel. No other incident / near miss reports involving Contractors have been reported this financial year.

Employee Training & Induction

Any new employees that have joined the Mackenzie District Council in this financial year have had a health, safety and wellbeing induction. A number of employees have had first aid refresher training and we now have six employees who hold current first aid certificates.

Health, Safety and Wellbeing Newsletter

The current HS&W team have created a newsletter that focuses on what the team are up to, any key messages, the achievements and successes had and any local, regional or national initiatives relating to health, safety and wellbeing. The first newsletter was published in December 2019 and further newsletters will be collated and published each quarter.

Employee Wellbeing

The Mackenzie District Council are working with EAP Services to deliver a number of wellbeing springboard sessions to our employees. These will be included in our monthly full team meeting and cover off a variety of topics such as:

- Stress and You
- Resilience and You
- Mindfulness and You
- Five ways to Wellbeing
- Sleep and Fatigue
- Financial Wellbeing
- Putting Positive Psychology into Practice
- Work-Life Balance
- Emotional Intelligence
- Open Communication in the Workplace
- Effective Teamwork

See attached document from EAP for an overview of what each of these sessions offer.

EAP Services and Employee usage

EAP Services is an employee assistance programme provider that supports organisations and their employees. Between 1 February 2019 and 31 January 2020 there have been three programmes delivered by EAP to employees of the Council and all three employees presented with work related issues (relationship with their Leader and workload. These were delivered across a total of 4 sessions i.e. an average of 1.3 sessions per programme.

CONCLUSION

This report provides an update to the Committee on Council health, safety and wellbeing matters.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER



Health, Safety, Environment & Wellbeing Team Implementation Plan

1. Project Timeframes and Milestones

The following table summarises the high-level milestones for the project and estimates of timeframes:

Project Schedule - High-level Work Breakdown	
Project Name	MDC Health & Safety Implementation Project
Project Number	#137

Milestone One – Health & Safety Plan: completed 30th September				
Task List	Estimated	Owner	Status	Comments
1. Develop Emergency Layouts for Fairlie, Twizel, Events Centre	Sep-30	Phill Mackay	Underway	
2. Revise Budget	Sep-30	Alexis Gray / Tim Mulcock	Not started	
3. Update Emergency Call Procedures	Sep-30	Ainslie Tipper	Not started	
4. Review and update Sign-out Board	Sep-30	Alexis	Not started	
5. Clarify Plan ownership and maintenance responsibilities	Sep-30	Simon Mackenzie	Not started	
6.	Sep-30			

Milestone Two – Set up Processes – Magiq and Laserfiche				
Task List	Estimated	Owner	Status	Comments
1. Re-evaluate Hazards and Risks & update Magiq	Oct-15	Dan Turner	Not started	Tim to show Dan
2. Update Hazardous Substances in Magiq	Oct-15	Ainslie Tipper	Not started	Tim to show Ainslie
3. Update Plant and Equipment Register	Oct-15	Ainslie Tipper	Not started	
4. Update Contractors in Magiq	Oct-15	Tim Mulcock	Not started	With Ainslie
5. Update "Received by" in Magiq	Oct-15	Tim Mulcock	Underway	
6. Define rules and update PPE in Magiq	Oct-15	Alexis Gray		
6. Review and update Sign-out Board	Oct-15	Alexis Gray		
7. Ensure maintenance tasks and ownership established	Oct-15	Tim Mulcock	Not started	

Milestone Three – "How to" Documentation: completed 22 November				
Task List	Estimated	Owner	Status	Comments
1. How to report an Accident or Near Miss				

Mackenzie District Council – HSE&W Implementation Project Plan – DRAFT Timeframes and Milestones



2. How to manage Hazards				
3. How to manage Contractors				
4. How to maintain Magiq Health & Safety				
5. How to manage personnel changes				
6. Health & Safety Training				

Milestone Four – Complete Aligned Tasks: Completed November 15th

Task List	Estimated	Owner	Status	Comments
1. Revise Motor Vehicles Policy and align with H&S	Nov-15	Alexis	Not started	
2. Revise GPS and Lone Workers Policies	Nov-15	Alexis	Not started	
3. Revise Fatigue Management Policy	Nov-15	Alexis	Not started	
4.				
5.				

Milestone Five- H&S Pilot to Change Team – completed November 30th

Task List	Estimated	Owner	Status	Comments
1. Confirm all processes & documentation				
2. Design Pilot				
3. Schedule Pilot				
4. Launch Pilot				
5. Review Pilot				
6. Complete improvements				

Milestone Six- Roll-out to Staff

Task List	Estimated	Owner	Status	Comments
1. Design Roll-out				
2. Communications Plan				
3. Training Plan				
4. Documentation checked				
5. Schedule Roll-out				
6. Launch Roll-out				
7. Review Roll-out				
8. Complete Changes				
9. Hand over to BAU and Close Project				

Mackenzie District Council – HSE&W Implementation Project Plan – DRAFT Timeframes and Milestones



Mackenzie District Council

Health, Safety and Environmental Management Plan

2019 and beyond

“Fostering Our Community”

Document Preparation and Control	Signature
Simon Mackenzie / Alexis Gray	
Document Approval	Signature
Suzette van Aswegen	

Document Version	Date
For Approval	October 2019

Correspondence	
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	03 685 9010
	www.mackenzie.govt.nz
	Alexis Gray

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1 Purpose

This plan defines the Health, Safety and Environmental principles, processes, procedures, systems, tools, and templates implemented for use throughout the council's operations.

The council will provide a safe and healthy workplace and environment for all our workers, customers, visitors, volunteers and contractors.

2 District Overview

The Mackenzie District Council covers an area of approximately 746,000 hectares; one of the largest Councils in terms of its land area. Its geography is dominated by the iconic Aoraki Mount Cook, Lakes Tekapo and Pukaki and the Mackenzie basin.

The district includes the towns of Fairlie, Lake Tekapo, and Twizel and the alpine village of Mount Cook. Four ski fields, three golf courses, the National Rowing facilities at Lake Ruataniwha, the Dark Sky Reserve and numerous walks and cycleways have driven significant national and international tourism growth.

The Council is committed to managing this growth in a manner sensitive to this iconic environment - seeing peace and serenity as an asset and making decisions that will leave things better for the future.

With a small rate payer base and large geographic area Council needs to dare to be different and innovative in how we work.

3 Plan Scope and Structure

3.1 Scope of this Plan

The scope of this management plan applies to all aspects of Health, Safety and Environmental management for Mackenzie District Council operations.

The target audiences for this plan are all council staff, councillors, contractors, consultants, and other relevant stakeholders.

3.2 Plan Structure

3.2.1 Health, Safety and Environmental Plan Structure

This Health, Safety and Environmental Management Plan has been developed to comply with:

- Health & Safety at Work Act & associated regulations
- Resource Management Act
- HSNO Act
- Mackenzie District Plan
- Regional plan, consents and permits

The Health, Safety and Environmental Management Plan documentation, owner, user and their purpose. Sections covering our management requirements are outlined in the Table of Contents.

4 Location Description

4.1 Map of District



Fairlie Office - 52 Main Street, Fairlie 7949

Twizel Office - Market Place, Twizel

4.2 Environmental Protected & Sensitive Areas

- Protected or native bush, plants or animals
- Archaeological feature
- Heritage features - old buildings, street furniture, old city centre
- Waterways, streams, wetlands, marshes, estuaries, foreshore
- DOC land, private land
- Notable trees (e.g.: protected (Peace Ave), large size, in a prominent place, or of a rare species)

The following environmental principles apply to protected or sensitive areas.

Check approvals and permits are in place before starting work Protect waterways and be prepared for spill events Protect fauna and flora and prevent the spread of weeds and pests Protect and report cultural, heritage and other finds		
Protected Area	Authorisation type	Issuing Authority
Archaeological site	Archaeological authority	Heritage NZ Pouhere Taonga

Protected Area	Authorisation type	Issuing Authority
Other Historic Heritage Protected or Notable trees Waterways, streams, rivers, wetlands, humid zone, marshes and water supplies Coastal Marine Areas	Resource consent	Environment Canterbury
Protected species (fauna & flora) and habitats, conservation areas and marine habitats	Wildlife or DOC Permit	DOC (Department of Conservation)
Ecological Protected Areas	Resource Consent or DOC Permit,	Environment Canterbury / DOC (Department of Conservation)

4.3 Emergency Work in Protected Areas

Planning Stage	Investigate and obtain any required authority approvals if possible
	Identify and record emergency work scenarios onto risk register or SWMS
Immediately before	Notify the relevant authority of the emergency work
During	On arrival inform the owner/occupier of your presence on site if applicable. Implement best practice for minimising disturbance to the protected area. Keep record of the work such as photos, surveys, video
After	Advise and report to authorities within 24 hours

4.4 Hazard Areas

Refer Annex B

Hazard Area	Control	External Permit Requirement
Overhead power lines	<ul style="list-style-type: none"> Within 4 meters of maximum height of equipment Electricity Authority permit required and may require standover 	<ul style="list-style-type: none"> Electricity Authority permit
Power boxes	<ul style="list-style-type: none"> Contact Electricity Authority and arrange standover if required 	<ul style="list-style-type: none"> Electricity Authority standover
Underground power cables	<ul style="list-style-type: none"> Cable locates, Chorus and Electricity Authority 	<ul style="list-style-type: none"> Cable locations Electricity Authority, Chorus
Railway tracks	<ul style="list-style-type: none"> KiwiRail induction will be completed by all team members working in rail corridor (if required) Rail permit required when working within 10m of rail corridor 	<ul style="list-style-type: none"> KiwiRail Permit working within 4m of rail corridor KiwiRail standover person (when required)
Flood areas	<ul style="list-style-type: none"> Confirm tides and plan time to complete job when completing 	

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	inspections of storm outlets affected by flooding – do not enter flowing water during flooding	
High traffic volume streets	<ul style="list-style-type: none"> Level 1 Traffic Control Complete work outside of peak traffic hours 	<ul style="list-style-type: none"> Site specific traffic management plans if generic plans aren't applicable. Corridor Access Request (CAR) required for MDC roads and NZTA highways

5 Objectives and Targets

The following Health, Safety and Environmental Objectives and Targets apply to support implementation of council's Health and Safety policy statement and Environmental values.

Focus Area	Objective	Target
Legal Compliance	<ul style="list-style-type: none"> Undertake our work in accordance with applicable codes and standards. Ensure all workers are aware of their legal obligations pertaining to the scope of works. 	<ul style="list-style-type: none"> No improvement notices or fines. 100% compliance with codes and standards. 100% attendance at induction training.
Monitoring	Complete audits in accordance with the pre-planned audit schedule.	<ul style="list-style-type: none"> 100% of planned audits, inspections, observations and verification activities. All incidents are investigated as per the relevant incident management process.
Reporting	<ul style="list-style-type: none"> Promoting a positive reporting culture by: <ul style="list-style-type: none"> ensuring working practices effectively controls the risks ensuring a positive attitude towards risk management and compliance with the control processes, and learning from incidents, near misses and performance indicators. Ensure all near misses and incidents are entered into MAGIQ Ensure actions are closed out by the nominated due dates. 	<ul style="list-style-type: none"> Complete staff engagement climate/culture surveys every 12 months (in work time) that focuses on HSE elements reflecting the opinions of workers. At least two leadership walks/observations are undertaken each month by management. Zero actions arising from incident overdue greater than 60 days.

Focus Area	Objective	Target
Planning	<ul style="list-style-type: none"> Ensure actions are closed out by the nominated due dates. Ensure that workers are provided with regular and up-to-date information on Health, Safety and Environmental risks 	<ul style="list-style-type: none"> Hazard and Risk Register is completed Safe Work Method Statements (SWMS) and training material is developed for high risk work Health, Safety and Environmental risks are communicated to the workforce via induction training and meetings Review the content of this Health, Safety and Environmental Management Plan annually
Committee	<ul style="list-style-type: none"> Make it easy for the council and workers to cooperate on ways to ensure workers' health and safety at work assist in developing standards, rules, and policies or procedures for council work health and safety make recommendations relating to work health and safety carry out other tasks that are agreed between the council and the committee 	<ul style="list-style-type: none"> Committee has good representation across council (minimum 10% of staff) Committee meets regularly (minimum 3 monthly) Committee facilitates effective HSE development
Consultation	<ul style="list-style-type: none"> Ensure actions are closed out by the nominated due dates Ensure that workers are regularly consulted on matters that affect their health and safety, and/or the environment in which they work 	<ul style="list-style-type: none"> 100% attendance in training, and meetings (where possible)
Training	<ul style="list-style-type: none"> Ensure workers are provided with training to enable work practices to be undertaken that are safe and minimise risk to their wellbeing, and the environment All workers undertake the council specific induction 	<ul style="list-style-type: none"> 100% attendance in site specific inductions

Council lead and lag key performance indicators (KPIs) are included in the following table.

KPI	Measure	Target
TRIFR	Total Recordable injuries per million hours	< 12
At least two leadership walks/ observations are undertaken each month by management	2 per month	100%
Resource Consent Compliance	Compliance with all conditions, verified through inspections, reporting and monitoring	100%
Workplace Inspections	Workplace inspections no.	100%
Vehicle Inspections	All vehicles inspected monthly	100%
Corrective Actions	Overdue corrective actions	0
SWMS review	By council or contractors prior to undertaking the high (critical) risk task at pre-start	100%
HSE Committee meetings	1 minimum every 3 months	100%
Council Inductions	All new staff and contractors are inducted	100%

6 Roles and Responsibilities

6.1 Health, Safety and Environment Management Roles and Responsibilities

In accordance with legislation and MDC policies, standards, and procedures, all workers (i.e. all individuals working for council as: employees, contingent labour hire, contractors, apprentices, trainees, and work experience students) and visitors will be held accountable for their respective Health, Safety and Environmental responsibilities. The responsibilities for all council workers and visitors are listed in the sub-sections below:

6.1.1 All Workers

All workers (irrespective of position) will:

- present for work fit for duty
- undertake an induction, comply with council rules and emergency and evacuation procedures
- comply with this contract Health, Safety and Environmental Management Plan
- comply with all safe work method statements (SWMS) and ensure that all relevant licences and permits are completed and available prior to starting work.
- ensure full compliance with instruction and training including for all hazardous substances
- correctly use, stow and maintain all personal protective equipment (PPE)

- work in a safe manner without risk to themselves, others or the environment
- report any faulty plant or equipment to their supervisor/ foreman immediately
- Must be fully licensed to operate council vehicles
- immediately stop, and report, any workplace activity (including that of other persons) which presents an immediate risk to safety, property or the environment, take immediate steps to control identified hazards in the workplace
- participate in meetings, and health, safety and environmental training
- report all incidents, near misses and hazards, participate in incident investigations, risk assessments, site inspections and audits as required

6.1.2 CEO

- The CEO will:
- Set council HSE policy in liaison with councillors and the HSE Committee
- create a safety culture driven through engagement, and compliance to council policies and procedures
- carry out regular safety visits and hold safety conversations with employees
- ensure everyone goes home safe at end of day
- recognise and reward positive safety behaviour
- lead by example commitment by ensuring we are completing HSE Training as required
- ensure all HSE Incidents are being reported and investigated
- ensure the council is properly resourced
- develop competence, training and awareness procedures ensure correct training and competencies are obtained or workers supervised until competencies met
- regularly monitor HSE performance and compliance
- ensure this HSE plan is implemented, reviewed, maintained and any changes communicated to personnel over the life of the Contract

6.1.3 General Managers

The General Manager's will:

- maintain overall responsibility for managing health, safety and environment on the contract
- provide regular feedback to, and support the health, safety and environment commitment of the contractors, workers, Health and Safety Representatives and workers under their supervision and control
- be responsible for the day to day implementation of, and compliance with, the Health, Safety and Environmental Management Plan
- ensure health, safety and environment is a consistent agenda item at all workgroup meetings for the contract

- ensure all workers within their area(s) of control receive appropriate induction and training to perform their work in a safe, legal and competent manner including any site specific inductions
- ensure health, safety and environment responsibilities and accountabilities have been defined and communicated to contractors engaged within their area(s) of control
- ensure the Hazard and Risk & HSNO Register is established, reviewed and maintained
- review SWMSs for adequacy prior to use on site
- ensure the Training Needs Analysis is completed with HR for all personnel
- ensure equipment and plant provided is fit for purpose and appropriately maintained
- ensure PPE when used as a control measure is supplied, workers trained on its use and being worn as per requirements
- regularly monitor health, safety and environment performance and compliance
- participate as required in consultative forums pertaining to health, safety and environment management
- be part of the planning and design stages of trade activities
- initiate health, safety and environment processes within their area(s) of control, including toolbox meetings, inspections, and the identification, assessment and control of risks
- promote the prompt and accurate reporting and investigation of incidents, near misses, and hazards and ensure corrective actions are implemented in a timely manner
- consult Health and Safety Representatives on workplace changes that may affect health, safety and environment
- ensure any identified hazardous substances and/ or dangerous goods are managed
- ensure the Health, Safety and Environmental Management Plan is reviewed, maintained and any changes communicated to site personnel
- assist injured workers to return to their pre-injury duties as soon as practicable after a work related injury.

6.1.4 Managers

Managers of any council staff and/or Contractors will:

- ensure all personnel on site are provided with a site induction and are aware of hazards, controls and aspects of the Health, Safety and Environmental Management Plan applicable to their work on site
- provide regular feedback to, and support the health, safety and environment commitment of the workers under their supervision and control
- ensure all workers within their area(s) of control have appropriate training to perform their work in a safe, legal and competent manner including any site specific inductions
- assist in preparation of SWMSs for work activities

- ensure all workers are aware of the requirements of, and comply with, SWMSs & SDS's for hazardous substances associated with their work
- participate as required in consultative forums pertaining to health, safety and environment management
- be part of the planning and design stages of trade activities
- provide assistance to HR and General Managers to ensure the Training Needs Analysis
- lead by example and promote sound health, safety and environment practices at every opportunity
- initiate health, safety and environment processes within their area of control
- conduct workplace inspections and participate in meetings
- promote the prompt and accurate reporting and investigation of incidents, near misses and hazards
- actively engage in day-to-day health, safety and environment discussions with all workers under their supervision and control
- support and monitor the timely close-out of corrective actions within their area of control

6.1.5 Manager People and Culture (HSE Officer)

The Manager People and Culture (HSE Officer) will:

- provide technical advice and support to the Managers in the establishment of health, safety and environment objectives, targets and strategies
- facilitate the reporting of health, safety and environment performance, including trend analysis of lag and lead indicators
- provide technical advice and support to the team in the identification of workplace hazards, and assessment and control of associated risks, and
- provide technical advice and support to develop and maintain the Hazard and Risk Register, including purchasing decisions
- provide advice on health, safety and environmental management to all workers
- insist on sound health, safety and environment practices at all times
- monitor and communicate legislative changes and best practice initiatives to management and all workers
- advise on compliance with legislation and the Health, Safety and Environmental Management Plan
- establish and implement internal health, safety and environment auditing programs, including the development of subsequent action plans to address identified deficiencies
- assist in the identification, development and implementation of health, safety and environment training programs for workers and management
- monitor, facilitate and lead (when required) the incident reporting and investigation process, including detailed investigations for serious incidents; and
- assist in evaluating the effectiveness of the Health, Safety and Environmental Management Plan.

- Be an active chair and member of the HSE Committee

6.1.6 Health and Safety Representatives (HSE Committee)

Committee Members will (in addition to the responsibilities of all workers):

- Make it easy for the council and workers to cooperate on ways to ensure workers' health and safety at work
- assist in developing standards, rules, and policies or procedures for council work health and safety
- make recommendations relating to work health and safety
- carry out other tasks that are agreed between the council and the committee.
- Members must attend all meetings and be an active contributor
- Members (excluding management) will be elected for a term of 12 months as per Worksafe guidelines

6.1.7 Contractors

Contractors (and consultants) will (in addition to the responsibilities of all workers):

- ensure compliance with relevant legislation, standards and codes of practice
- ensure that all of their employees are inducted before starting work on site, and comply with the site rules and terms of the Contract Agreement / Purchase Order and all council policy and procedures
- ensure that all their plant and equipment used on site is fit for purpose and appropriately maintained
- ensure that all responsibilities and accountabilities identified in this Health, Safety and Environmental Management Plan are abided by
- Ensure risk assessments are in place and reviewed, including SWMSs for high risk work

6.1.8 Visitors

Visitors will:

- register their attendance and departure to and from the council and its facilities or work sites
- abide by all work site safety rules and instructions provided by council representatives or its contractors and work site signage
- ensure they are accompanied by a council or contractor representative at all times within the work site; and
- report all incidents, near misses and hazards to the council or its contractor immediately.

7 HSE Risk Management

Risk is the Likelihood vs. Consequence of a potential incident occurring from workplace hazards.

MDC has a Hazard and Risk Register for its Fairlie and Twizel Council offices – refer Annex B.

Council will manage all health, safety and environmental risks using the five step method see below:

7.1.1 Risk Management Steps

5 Steps to risk control	Activities	Associated Documents
1. Hazard Identification and Risk Assessment	Ensure Hazard and Risk register developed: <ul style="list-style-type: none"> Activity by activity document the hazards/risks Using the matrix to assess the initial risk rating 	Refer Annex B
2. Control planning based on Risk Assessment	Ensure the controls to be used are documented: <ul style="list-style-type: none"> Refer to controls within relevant SWMS, Permits-To-Work or "Other controls" required For site wide risk controls include these in the Contract induction Eliminate, Isolate or Engineer out hazards Use PPE &/or Administration Assess the residual risk (after controls)	Site Specific
3. Implementation of planned controls	Ensure documented controls for the activity are implemented": <ul style="list-style-type: none"> Engage and consult with "workers" Document the controls to be used onto Hazard and Risk Register (and SWMS) Involve all "workers" sign on	Site Specific
4. Monitoring of work	Council offices and Work sites are monitored to ensure controls continue to be effective	Refer Plan and Monitoring
5. Review of hazards and controls	The effectiveness of the risk management process is regularly reviewed. Close attention is given to legislation, best practice, incident, near miss & hazard reports to verify effectiveness	Refer Annex B

7.2 Permit to Work and Authority to Work

A permit system (or contractor's) must be used to manage all high risk activities e.g. Confined Space Entry, Working at Height, Hot Work and Ground Disturbance.

7.3 Significant Hazards and Critical Risks

Significant Hazards can lead to critical risks which is high risk work that consistently endanger our people and environment, and must be managed using SWMS eg. Energised systems, Working at Heights, Confined Spaces, Hazardous materials etc.

7.4 Environmental Principles and Cardinal Rules

The Council is committed to managing this growth in a manner sensitive to this iconic environment - seeing peace and serenity as an asset and making decisions that will leave things better for the future.

Included in our key strategic initiatives are Environmental Protection and Sustainability of Infrastructure.

Our Environmental Principles have been developed to enable us to meet our obligations and commitments, protect the surrounding environment and maintain positive relationships with our community and customers.

7.5 Motor Vehicle Arrangements

The Motor Vehicle Policy outlines the risks and controls required to manage the driving vehicles. The following Rules in particular apply:



8. NEVER operate plant or mobile equipment unless licensed/competent or under supervised training
9. NEVER operate a vehicle while using a handheld mobile phone or without wearing a seatbelt, where fitted
10. NEVER consume or be under the influence of alcohol or non-approved drugs in the workplace

7.5.1 Plant and Equipment Selection

The hierarchy of control is used for the selection of plant and/or equipment

7.5.2 Inspection and Maintenance

For all vehicles, the driver is responsible for ensuring that their vehicle is safe and legally compliant every time they take it on the road. A non-documented pre-journey check must be done daily, or before use, even when the documented monthly inspection is undertaken.

Refer to: [Annex E – Plant and Equipment Register](#)

7.6 Hazardous Substances and Dangerous Goods Arrangements

Contract Specific Hazardous Materials Controls

- Volumes of hazardous substance less than 20L (largest containers are small petrol containers for equipment or weed spray)
- Clear labelling of all containers
- Storage of substances in correct containers and locations
- Gloves, safety glasses and other PPE to be used as required

- SDS (Safety Data Sheets) sheets are downloaded from the internet and stored at the depot

Refer to [Annex F – Hazardous Substances Register](#).

7.7 Waste Management Arrangements

Before the commencement of any work, consideration must be given as to what waste will be generated, where it will be stored and where it will be sent for disposal, and comply with councils waste minimisation plan.

7.8 Contractor and Supply Chain Arrangements

Contractor and supplier management is an important part council business.

Our Contractors/Suppliers are managed as per the following procedure:

Contractors/Suppliers

- Contractors must have documented prequalification approval in order to work for council
- Contractors must provide a Health and Safety Plan for any contract works
- All Contractors without exception must supply verification of insurances and risk assessments before undertaking any council work
- Contractors must ensure that it's workers and the Subcontractor or Owner Operator meets the minimum health and safety and operational requirements prior to engagement
- Council workers managing contractor/supplier works must ensure the requirements of this plan are met
- Council managers/workers managing contractor/supplier works must ensure the commercial contract / purchase order terms are in place for any work including all related HSE requirements
- When purchasing new products/equipment hazards must be considered and reasonably managed
- Council must provide access for Contractors/suppliers to any worksites
- Council must act as and consult with other PCBU's on health and safety matters relating to council work
- All risks are managed and issues are addressed in a timely manner

7.9 Personal Protective Equipment

Council's Personal Protective Equipment (PPE) Standard details the basic requirements for PPE

Higher levels of control are always considered first before providing PPE (e.g. eliminate, substitute or isolate)

- Ensure correct PPE of the appropriate standard is provided
- Ensure all workers know how to wear and maintain PPE and when to replace it
- PPE is suitable for the tasks e.g. handling chemicals refer safety data sheets
- Where any PPE Equipment is not being used it is documented and approved accordingly

Councils PPE requirements are as follows, and staff working in these environments will be fully provided PPE:

Site Inspections (Council facilities/roads etc – not worksites or operating plant)

- Hi Viz vest must be worn (and road inspection signage on road reserves)
- Closed footwear
- Long sleeved tops and pants

Council worksites (notwithstanding any other additional or specific contractor requirements)

- Hi Viz vest must be worn
- Steel capped safety footwear
- Hard Hat
- Safety Glasses
- Long sleeved tops and pants

*Additional PPE must be used where workers are exposed to specific risks e.g. noise, hand injury.



8 Training and Competency Management

Council uses an Induction process that is designed to cover activities and tasks that are fundamental to helping new employees get a comfortable start and succeed in their role with council.

8.1 Council Induction

Contract Specific Induction Material

- Refer council's HR On boarding procedure

8.2 Contractor Inductions

Contractors, Owner operators, sub-contractors and their employees are required to be inducted to council's Health and Safety Management Plan and any contract specific or contractor/supplier inductions prior to commencing any work for council. It is the responsibility of the council Manager that all contractors complete the inductions and are verified as suitably trained to carry the required work. Refer Section 7.8.

8.3 Training and Competency Needs & Register

Refer to: [Annex G – Training Needs Matrix](#)

9 Incident Reporting and Management

9.1 Incident Management Requirements

The below details the four steps for incident management.

1. Initial Response
2. Reporting (and Injury Claims Management)
3. Investigate Incidents
4. Close out any actions
5. Share Learnings

9.2 Incident Reporting Requirements

9.3 Workplace Injury Management

Council is part of Local Government Administration classification in the ACC Workplace Cover programme and manages all workplace injury claims for council employees according to HR Policy. Sports and physical recreation venues, grounds, and facilities operations classification also applies to some of council's operations.

All incidents that occur on a work site are to be reported to the Engineer or Engineers Representative by the Contractor's Manager. The time frame for reporting varies depending on the actual or maximum reasonable consequence as outlined in Annex I, however all serious (Medium to Extreme) incidents must be reported immediately and all other (Low to Very Low) incidents within 24 hours.

Serious Harm injuries must be reported to Worksafe in accordance with legislative requirements.

Council is committed to injury management and return to work, please refer council's HR procedures for further information.

10 Fitness for Work

Mackenzie District Council strives to provide a safe and healthy workplace for all employees and that;

Workers are fit to undertake the tasks for which they are employed, the

- Monitoring of employees health and work environment and health and
- Is a drug and alcohol free workplace
- Supervision and managing worker fatigue

10.1 Fitness for work

Workers are responsible for:

- Reporting any health issues which may affect, or be caused wholly or partly by, their work, and
- Ensuring that, so far as practical, they arrive at work fit for work.

Council undertakes occupational environment assessments (& health monitoring if required) for employees:

- On an annual basis.
- Following any adverse event which may adversely affect a person's health or ability to undertake tasks.

10.1.1 Fatigue Management

For workgroups where workers may have an elevated fatigue risk associated with factors including:

- Hours of work (normal hours, but also considering seasonal peaks and overtime),
- Opportunity for adequate rest (during and between shifts), and
- Quantity and quality of sleep (eg disruption through night-shift or call-outs).

Where workers are exposed to potential fatigue a plan must be put in place with the manager considering staff rotation, flexible working, limiting work hours, providing adequate opportunity for rest and recovery etc.

This must be clearly communicated and agreed between the manager and worker(s).

In addition to considering work-related driving, consideration must also be made for any workers who are known to have a significant commute at the beginning and end of their shift.

11 Communication and Engagement

11.1 External Communication

Council must so far as is reasonably practicable consult, cooperate and coordinate activities with all stakeholders including other PCBU's, workers, community groups, visitors, contractors (*refer to Section 7.8*), clients, *regulators* etc., anyone that they share overlapping duties with.

Good preparation and planning is essential. For handling complaints, refer to section 13.3.

11.2 Internal Communication

Council conducts monthly staff meetings and regular HSE Committee and operational planning meetings, at which safety matters are raised. All actions which require follow up are entered into minutes to assigned responsibilities.

All meetings are a forum where feedback on hazards, incidents, concerns and good ideas are discussed, debated and appropriate actions taken. Worker participation and collaboration are encouraged.

Council strives to provide a safe and healthy workplace where everyone has responsibilities recognises the benefits of having open safety communication, it improves the impact and participation of workers in two way communication in building a mature safety culture. A variety of techniques are used to distribute information, such as:

Council Inductions Management, Staff and Operational Meetings HSE Committee Meetings	Newsletters, alerts, bulletins and posters Safety warnings signs Safety videos	Emergency and rescue procedures Policies, procedures, standards Executive Team Updates
Relevant information from WorkSafe NZ will be available for general reference.		

12 Emergency Management

12.1 Emergency procedures

- Assess the situation,
- Alert all persons in the danger area
- Evacuate danger areas to safe distance

Find nearest safe phone (or contact office by radio telephone) - office, cell phone, RT in vehicle.

DIAL 111 and -

- State type of emergency and provide address and details of event answer questions as prompted.
- Do not hang up until instructed,
- Action any instructions given,

- Meet emergency services at site entrance if possible.
- Explain situation and provide relevant information. In the event of a Serious Harm incident notify council management immediately.

CONTACT MACKENZIE DISTRICT COUNCIL 03 685 9010

Council or Contractor Management will arrange for necessary notification to be forwarded to WorkSafe NZ.

SECURE THE SCENE (Do not move or alter the incident scene) - Until the ALL CLEAR is given by Council Management or WorkSafe NZ.

Serious or Life Threatening Situations

- Contact emergency procedures as above.
- Do not move the patient unless absolutely necessary to do so eg: risk of further serious injury occurring – drowning etc. Beware of back/spinal injury.
- Keep warm and do not leave unattended if possible.

Non Serious Situations

- Where injury does not require urgent emergency treatment, arrest bleeding, wrap wounds in clean bandages etc.
- Deliver patient to nearest doctor or hospital if required.

Protection of Environment

- Stop or contain leakage.
- Notify management of any potential environmental damage.

The Media

If members of the media arrive, ask them to leave the site for their own safety. **Do not** answer any questions or engage in conversation with them. Inform them that Councils Communications Advisor is the only person who is permitted to speak to the media on the council's behalf. **DO NOT BECOME INVOLVED WITH THE MEDIA.**

Refer to [Annex L Emergency Contract Details](#)

13 Evaluation, Monitoring and Review

13.1 Supervision

The foundation of a robust health, safety and environmental risk management process is to ensure the right expertise has input and monitors the relevant health and safety risks. Council achieves this by selecting a team and contractors/suppliers that will bring the right mix of experience. This ensures the team has the right knowledge of the relevant activities to be able to identify, assess, control and monitor the associated health and safety risks. Staff selected will have developed this knowledge through years of experience plus specific training courses (refer to training matrix).

On certain tasks where it has been identified that there are specific expertise input required Council will engage specialist contractors/consultants (e.g. heavy lift experts, temporary works, contamination experts etc.)

13.2 Health, safety and environmental verification

Council has formal arrangements and processes in place for verification of our HSE performance. All records of accidents/ incidents and injuries reported are recorded within MAGIQ electronic database. This data is analysed monthly by the management teams.

Annually all data is measured and reviewed for opportunities and initiatives to improve our safety performance.

Employee H&S Committee Representatives are included in this review.

We will measure our performance against the HSE Plan.

Additional audits of all aspects of our work shall be completed by Managers and HSE Officer as appropriate. For example; Site Inspections, CoPTTM Audits, etc.

Reports to council meetings will record audits undertaken.

First Aid cabinets (including vehicle kits) & Fire Extinguishers must be inspected and maintained up annually.

Electrical Testing and Tagging must be carried out in accordance with AS/NZS 3760:2010 on all office based 240V devices every 5 years. 240V field or site equipment must be tested and tagged annually.

13.3 Complaints

At times other stakeholders will be unhappy with the way we have undertaken our work, or they may just want to provide suggestions and feedback. Receiving feedback is an important part of our continuous improvement.

- Feedback and complaints can be received by phone, email, email or face-to-face
- Staff are asked to receive this feedback politely and refer them onto the Manager
- Record the complainant's name and contact details
- All complaints will be dealt with fairly and promptly

13.4 Corrective Actions

All corrective actions arising from Incident Investigation shall:

- Be monitored through MAGIQ
- Have a responsible owner
- Be implemented within agreed timeframes
- Be closed-out once completed
- All Incidents and related assigned corrective actions shall be managed via the MAGIQ database and closed out within a month where practicable.

Consider the need to alert the wider Local Government about an event or associated risk based on, for example:

- Severity of the incident,
- A risk associated with an identified incident trend, and/or
- Findings from an investigation
- Where it is determined appropriate to share the learnings, appoint a person to draft the Alert, Bulletin or Initiative

Potential sources of corrective actions, such as from:

- Incident Investigation (refer to section 9.1),
- Injury Management (refer to section 9.2),
- External or Internal feedback (refer section 11),
- Trial evacuation or emergency response (refer section 12), or
- Onsite HSE verification activity or complaints, as described above).
 - These are recorded, assigned and tracked to completion in MAGIQ, and who is responsible.

14 Legislative and External Requirements

14.1 National regulatory requirements

- Health Act
- Construction Act
- Local Government Act 2002
- Resource Management Act
- Health and Safety at Work Act 2015
- Health and Safety at Work Regulations 2016
- Councils Traffic Management Policy
- NZTA – CoPTTM
- HSNO Regs
- Asbestos Regs
- Environmental Canterbury Regional Plan
- Mackenzie District Plan
- Council memberships and communications provides links to all New Zealand Acts and Regulations relevant to health, safety and environment, and includes a facility for EnviroLaw and SafetyLaw e-mail updates.

14.2 Compliance tracking and assurance

Compliance tracking and assurance is maintained with all external health, safety and environmental requirements identified in the sections above.

Monthly Reports which include

- Health, Safety and Environment Performance and Activities
- Resources
- Summary of Major contractor works carried out
- Log of customer service request unplanned call outs and event details
- Photographs

Specific roles and responsibilities for monitoring and maintenance of associated records and reporting are included in role specific job descriptions.

15 Document Control

Council has an efficient electronic document control system Laserfiche that is used for recording and retaining all health and safety correspondence. Computer files and data are backed up daily. All users of personal computers, where business critical information is applicable, must ensure that files are backed up onto a suitable data storage device.

All HSE documents are easily accessible on the Council's Intranet or Laserfiche, document numbered and version controlled. Superseded documents are removed from the IMS system.

External documents such as contractor's documents (e.g. Contract Health and Safety Plans) are stored and controlled in Laserfiche or a manner defined by the responsible Manager.

16 Definitions

Access Control	The process to ensure that all people entering a worksite have been inducted to the minimum standards, rules and risk controls. Contract Access Approval does <u>not</u> give that person authority to undertake any physical work.
Control of Work	The process to ensure that all tasks are: <ul style="list-style-type: none"> ▪ Adequately planned, including hazard identification, risk assessment and assigning controls, and ▪ Assigned to be controlled by a person who is trained and competent, and who already has Contract Access Approval. <ul style="list-style-type: none"> ▪ For high-risk and non-routine tasks, this may involve Permit to Work (PTW) by council or its contractors.
DOC	<ul style="list-style-type: none"> ▪ Department of Conservation
Harm	Means injury, illness, and/or damage to property or the environment.
Hazard	Means anything which is an actual or potential source of harm (and includes a person's behaviour, where that behaviour has the potential to cause harm, whether or not the behaviour results from fatigue, drugs, alcohol, shock or some other temporary condition).

HSE	Health, Safety and Environment
MDC	Mackenzie District Council
Permit To Work (PTW)	<p>A risk-specific process used to authorise for a defined high-risk/ non-routine task to be done:</p> <ul style="list-style-type: none"> ▪ At a particular place; ▪ Within a particular period of time (up to a week); ▪ In a particular way (defined in a SWMS); ▪ Controlled by a particular person (Permit Issuer)
Permit Workers	All the people working under a PTW, supervised by a Permit Issuer
Reasonably Practicable	<p>Is the legal requirement to ensure the health and safety of people in a workplace, after a risk assessment which considers (based on what is known, or ought to be known):</p> <ul style="list-style-type: none"> ▪ The likelihood of the hazard or the risk occurring, and ▪ The degree of harm that might result from the hazard or risk (ie consequence), and ▪ The availability and suitability of ways to eliminate or minimise the hazard or risk (ie the controls), and ▪ Based on the risk assessment, the cost of the controls not being grossly disproportionate to the risk.
Risk	Means a measure of the hazard consequence, which takes into consideration the likelihood that the hazard will cause an incident and the potential severity of such an incident.
Risk Assessment	Is a methodical process to evaluate the level of risk associated with a particular hazard.
SFAIRP	Stands for "So Far as is Reasonably Practicable". This is an acceptable level of risk, considered sufficiently low such that costs associated with additional controls to further reduce risk would be grossly disproportionate to the benefit.
SWMS	Stands for Safe Work Method Statement, and is a document prescribing the way a task is done, based on the risk assessment (for health, safety and environmental risks). This may be contained within a single document or may be a combination of a separate Method Statement and Job Safety and Environmental Analysis (JSEA).
TRIFR	Total Recordable injury Frequency Rate (Lost Time Injuries + Medical Treatment Injuries / per million hours worked)

Annex A – Health and Safety Policy



HEALTH AND SAFETY POLICY STATEMENT

Mackenzie District Council and its management is committed to leading a workplace culture that prioritises health and safety for all our workers, customers, visitors, volunteers and contractors at all our places of work.

We will provide a safe and healthy workplace and environment for all our workers, customers, visitors, volunteers and contractors.

We will provide, maintain and monitor an integrated health and safety management system that is based on continuous improvement with measurable outcomes.

We will work in a consultative and collaborative way with our workers and actively promote their participation in health and safety matters in our workplace.

We will provide leadership, supervision, information and training for all our workers, enabling them to practice safe work methods and to meet the health and safety requirements of their roles.

If an employee is suffering from an illness, has general wellbeing issues or is recovering from an injury, we will provide an Employee Assistance Programme and where possible we will support that person to an early return to work.

We will meet all obligations under the Health and Safety at Work Act 2015 and all other relevant health and safety legislation, regulations, codes of practice, guidelines and standards.

Signed:

A handwritten signature in blue ink, appearing to be "Suzette van Aswegen".

Date:

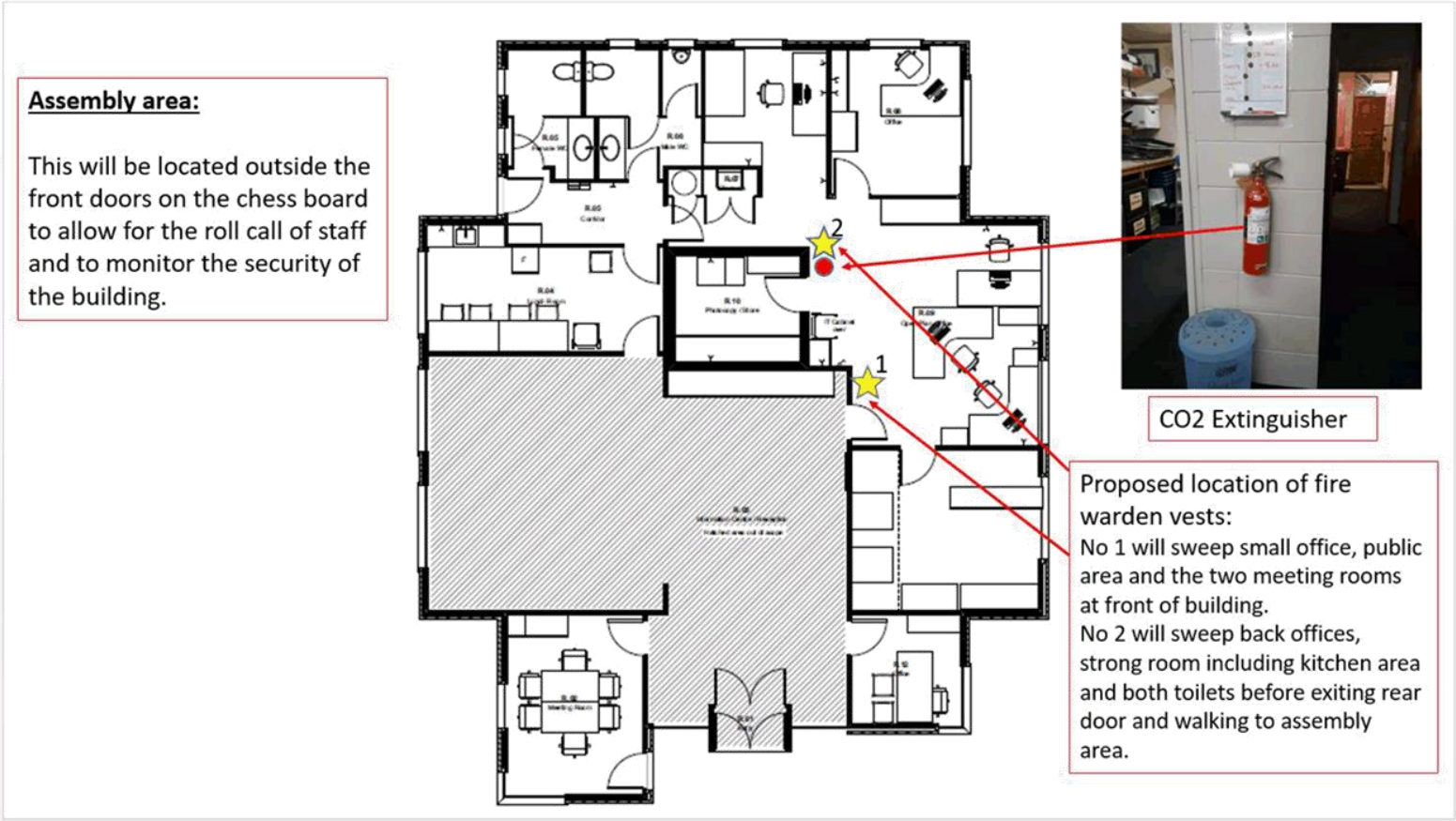
25/1/18

Suzette van Aswegen
Chief Executive Officer
Mackenzie District Council

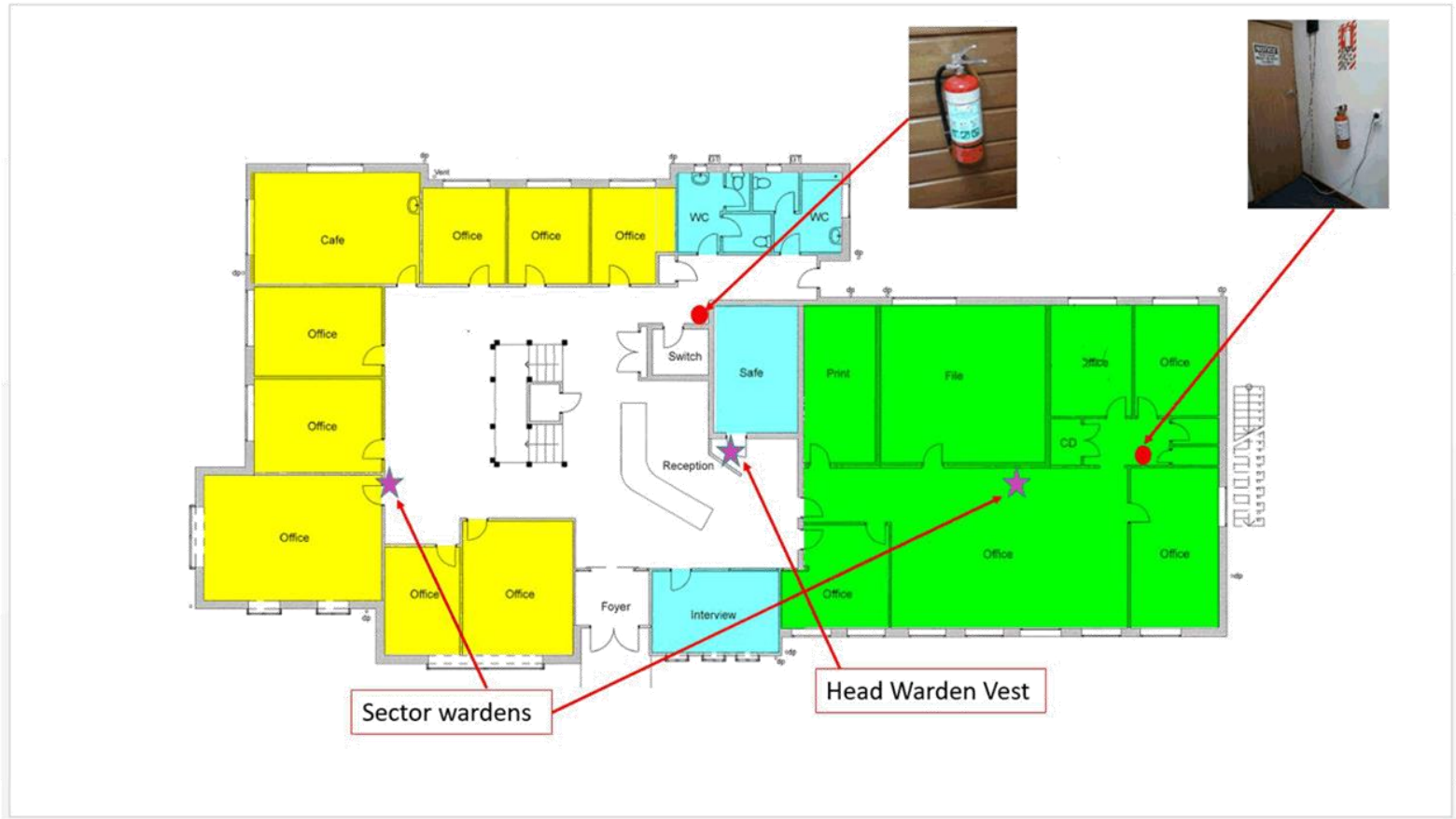
Health and Safety Policy Statement – January 2018 ver 4

Annex C – Council office emergency plans

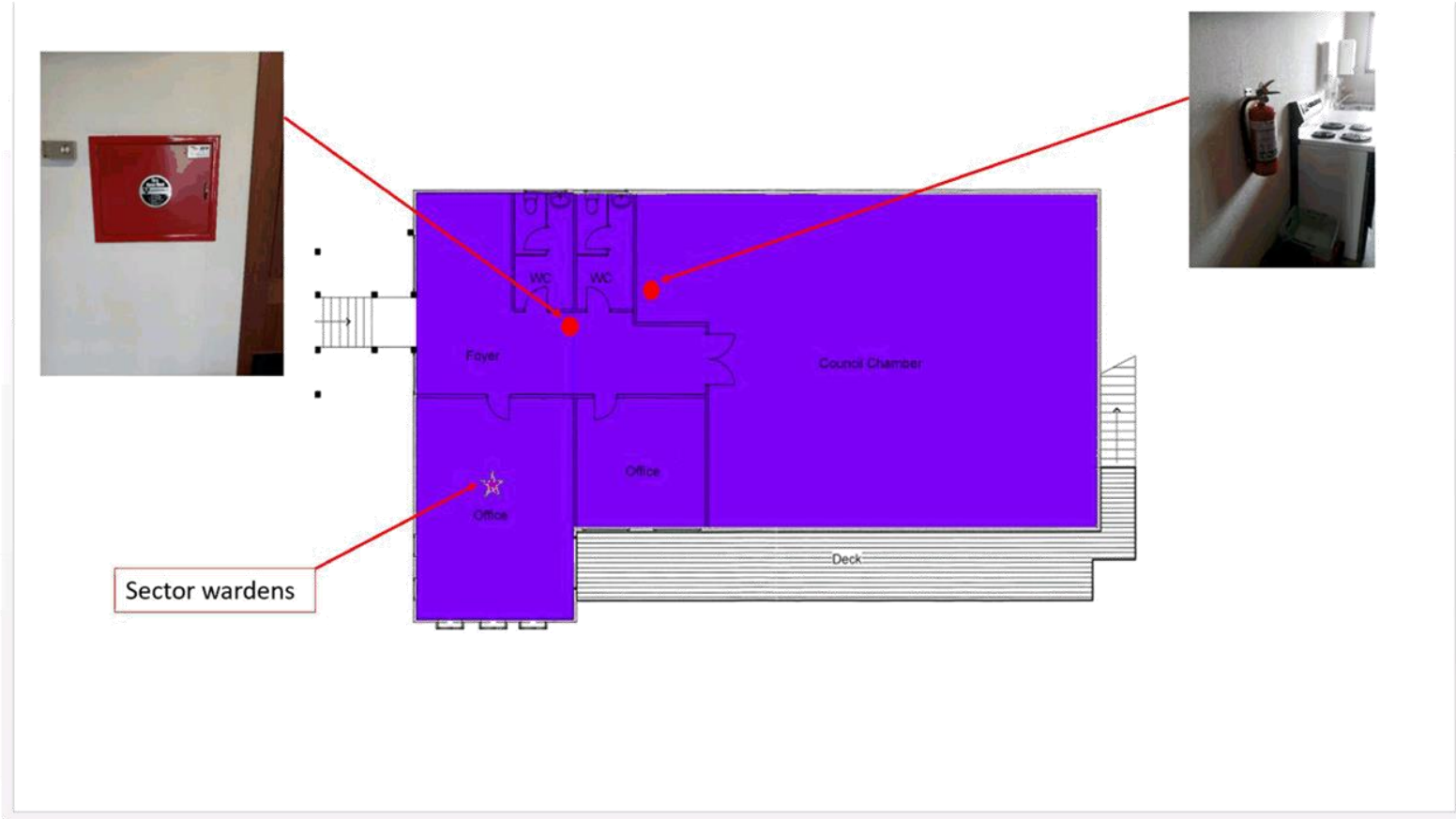
TWIZEL EMERGENCY LAYOUT + FIRE EXTINGUISHER



FAIRLIE GROUND FLOOR EMERGENCY LAYOUT + FIRE EXTINGUISHER



FAIRLIE FIRST FLOOR EMERGENCY LAYOUT + FIRE EXTINGUISHERS



Annex D – Plant and Equipment Register

Registration Number & Year/Make/Model	Selection Criteria	Maintenance Requirements	✓
KDW21- 2016 Subaru Outback	TESTED 2015 ★ ★ ★ ★ ★		
JZU641- 2016 Mitsubishi Outlander	TESTED 2014 ★ ★ ★ ★ ★		
MET167, MET166, MET165, MET164, MEF120, MJJ886, MJJ885- 2019 Mitsubishi ASX	TESTED 2014 ★ ★ ★ ★ ★		
MET168, MHM877- 2019 Mitsubishi Outlander	TESTED 2014 ★ ★ ★ ★ ★		
LCB448, LCB447- 2018 Mitsubishi ASX	TESTED 2014 ★ ★ ★ ★ ★		
MFK622, MDJ159- 2019 Mazda BT50	TESTED 2011 ★ ★ ★ ★ ★		
KBU632, KBU631- 2016 Ford Kuga	TESTED 2013 ★ ★ ★ ★ ★		
HSY873- 2014 Toyota Camry	TESTED 2011 ★ ★ ★ ★ ★		
HUG302- 2014 Toyota Rav4	TESTED 2013 ★ ★ ★ ★ ★		
EHP466- 2008 Subaru Impreza	TESTED 2008 ★ ★ ★ ★ ★		
HSY880- 2014 Toyota Corolla	TESTED 2012 ★ ★ ★ ★ ★		

Annex E – Hazardous Substances Register

Master folder with all Safety Data Sheets (SDS) is held in MDC office. Site specific SDS are held in both MDC offices.

Substance Type	Substance Name	UN Number	Storage Location	Hazard Class	Container Size	Total Quantity	Controls

Annex F – Contractor Induction

To be confirmed.

Annex G – Training Needs Matrix

To be confirmed.

Annex H – Emergency Contact Numbers

Provider	Normal Hours	After Hours
Emergency Services	111	111
Electricity – Meridian / Genesis		
SPARK	124	124
Poison & Hazardous Chemicals	0800 764 766	http://poisons.co.nz/
Environment Canterbury	03 353 9007	03 353 9007
Mackenzie District Council	03 685 9010	03 685 9010
Twizel Medical Centre	03 435 0777	027 438 2777
Fairlie Medical Centre	03 685 8211	03 685 8211
CEO- Suzette van Aswegen	03 685 9013	027 808 6146
Emergency Management Officer- Phill Mackay	03 685 9010	021 836 623
General Manager Operations- Simon Mackenzie	03 685 6394	027 808 8372
General Manager Corporate Services- Paul Numan	03 685 9015	027 434 2247
Engineering Manager- Bernie Haar	03 685 9014	027 548 4815
Roading Manager- Scott Mackenzie	03 685 6393	027 548 4823
3 Waters Manager- Geoff Horler	03 685 6389	027 668 2002
Community Services Officer - Fairlie	03 685 9010	03 685 9010
Community Services Officer - Twizel	03 685 9010	03 435 0737

Annex I – Incident Classification

Severity (or potential severity) Ranking	Severity (Category) Rating Level	Health and Safety	Environment and Community
Extreme	6	<ul style="list-style-type: none"> Multiple fatalities or significant irreversible effects to numbers of people. Damage or harm with catastrophic loss that has the potential to impact Councils Viability. Includes multiple Level 5 Incidents Loss of licence to operate. 	<ul style="list-style-type: none"> Catastrophic, widespread impact on the Environment resulting in irreversible damage. Complete loss of trust by affected community leading to long term social unrest and outrage
Very High	5	<ul style="list-style-type: none"> Single fatality and/ or severe irreversible disability to one or more persons. Damage or harm with permanent loss of capability and has the potential the impact on the Divisional viability. Limitations to 'licence to operate. 	<ul style="list-style-type: none"> Significant impact or serious harm on the Environment reversible. Prolonged community outrage.
High	4	<ul style="list-style-type: none"> Damage or harm with Permanent loss of function. Moderate irreversible disability of impairment to one or more persons. Lost time injury, more than 28 days lost. Includes Dangerous Occurrences. 	<ul style="list-style-type: none"> Significant impact or material harm on the environment or a notifiable incident. Long term community irritant leading to disruptive actions and requiring continual management attention.
Medium	3	<ul style="list-style-type: none"> Lost Time Injury. Damage or harm with temporary loss of function. 	<ul style="list-style-type: none"> Moderate impact to the environment or material harm or a notifiable incident. Short term community unrest and dissention.
Low	2	<ul style="list-style-type: none"> Medical Treatment injury. Damage or harm with no loss of function. 	<ul style="list-style-type: none"> Minor impact on the Environmental.

			<ul style="list-style-type: none">▪ Community complaint requiring intervention and management attention.
Very Low	1	<ul style="list-style-type: none">▪ First Aid treatment required.▪ Insignificant disruption.	<ul style="list-style-type: none">▪ Negligible impact on the Environment. No potential for community complaint.

Health & Safety KPI's for inclusion into Position Descriptions and Performance Reviews**General roles (no direct reports):**

- Ensure that all activities undertaken in accordance with the Mackenzie District Council health and safety policy, plan and procedures
- Ensure compliance with responsibilities under the Health and Safety at Work Act (2015), Regulations 2016 and any amendments
- Ensure compliance with requirements of the Motor Vehicle Policy
- Actively participate in the hazard identification and risk management process
- Report all accidents, incidents and near misses in a timely manner
- Raise any health and safety related issues or areas of concern with manager or Health, Safety and Wellbeing representative as soon as possible
- Engage in any Health, Safety and Wellbeing related training and complete all applicable course work
- Comply with all client site requirements

Tier 3 roles with or without direct reports:

- Ensure that all activities undertaken in accordance with Mackenzie District Council health and safety policy and procedures
- Ensure risks associated with the business operation are understood and practically managed
- Ensure compliance with responsibilities under the Health and Safety at Work Act (2015) and any amendments
- Ensure compliance with requirements of the Motor Vehicle Policy
- Undertake regular audits and reviews, demonstrating visible leadership to the wider business
- Review statistical measures of health and safety performance and identify emerging trends
- Lead and participate in organisation-wide initiatives to demonstrate the Mackenzie District Council's commitment to safety at all places MDC undertakes business activity
- Act as a champion for safety, health and wellbeing within the Mackenzie District Council; demonstrating this by 'walking the talk' with all employees, contractors and suppliers
- Proactively demonstrate authentic commitment and visible leadership of health and safety, holding self and others accountable
- Demonstrate leadership that endorses safety as a core value of the business and promotes the Mackenzie District Council as a safe place for employees, contractors, and visitors
- Provide governance where required and ensure active Health and Safety teams operate within their area of responsibility
- Actively develop the Mackenzie District Council's Health, Safety and Wellbeing culture

CEO and Executive Team:

- Ensure that all activities undertaken in accordance with Mackenzie District Council health and safety policy and procedures
- Ensure risks associated with the business operation are understood and practically managed
- Ensure compliance with responsibilities under the Health and Safety at Work Act (2015) and any amendments
- Ensure compliance with requirements of the Motor Vehicle Policy
- Undertake regular audits and reviews, demonstrating visible leadership to the wider business
- Review statistical measures of health and safety performance and identify emerging trends

- Lead and participate in organisation-wide initiatives to demonstrate the Mackenzie District Council's commitment to safety at all places MDC undertakes business activity
- Act as a champion for safety within the Mackenzie District Council; demonstrating this by 'walking the talk' with all employees, contractors and suppliers
- Proactively demonstrate authentic commitment and visible leadership of health and safety, holding self and others accountable
- Demonstrate leadership that endorses safety as a core value of the business and promotes the Mackenzie District Council as a safe place for employees, contractors, and visitors
- Provide governance where required and ensure active Health, Safety and Wellbeing teams operate within their area of responsibility
- Actively develop the Mackenzie District Council's Health, Safety and Wellbeing Culture



NZ 0800 327 669
AU 1800 726 474

www.eapservices.co.nz
Intl +64 9 353 0906



A suite of awareness programmes to
enhance the wellbeing of your organisation



EAP Services springboards are a series of one (1) hour awareness sessions developed by our senior professionals. These sessions are designed to give employees a basic understanding of relevant issues whilst also reminding them about their Employee Assistance Programme.

Stress and You

Stress is our perception of daily pressures and challenges. While some thrive on stress others crumble. This session provides understanding about positive and negative stress. You will learn about sources and symptoms of stress on body and mind along with a range of stress management strategies for exercise, sleep, breathing and relaxation to help achieve calm and balance.

Resilience and You

Stress and resilience are closely linked. If we lack resilience stress can impact negatively on our lives. Resilience builds the capacity to manage stress mentally, physically and emotionally. This session shares understanding of resilience, attributes of resilient people and supports you with strategies to build mental, physical and emotional resilience to stress.

Mindfulness and You

Mindfulness has its roots in ancient meditation practice. Extensive research is available on its benefits on physical and mental wellbeing as well as improved relationships and communication. This session will provide you with an overview of the research to allow understanding this simple approach to living, and share some mindfulness techniques to try out at home and work.

Five ways to Wellbeing

Established research has revealed five key ways we can increase our mental health and wellbeing in order to generate resilience to stress. This session shares details of these five simple approaches which can be easily implemented into everyday life, along with the benefits expected with these changes.

Sleep and Fatigue

Sleep is essential for health yet a third of us suffer with insomnia. This session explores the impact of poor sleep on health; provides understanding about the sleep-wake cycle and the importance of our body clock. Tips to ease a busy mind, achieve good sleep and a regular sleep pattern are included.

Financial Wellbeing

A healthy financial future is dependent on an understanding of financial principles like budgeting flow and options to create financial security. This springboard provides employees with a sound knowledge so that they are empowered, able to plan and make informed decisions in relation to their financial health.

Putting Positive Psychology into Practice

Positive psychology helps us develop optimism by cultivating our best traits. It is possible to think our way to happiness, by changing how we perceive events. This session explores the benefits of positive emotion and shares an established model that can be used to increase personal happiness.

Work-Life Balance

In order to achieve wellbeing, we must commit to achieving work-life balance. When we can define our unique work-life roles and values we can implement strategies to manage the demands of multiple commitments. This session helps you define a programme of action, based on your roles and values, to create the work-life balance that will ensure optimum performance and well-being.

Emotional Intelligence

Emotional intelligence is the capacity to perceive, control and assess our emotions. It has been linked to better health, productivity, relationships and communication. This session shares the benefits of this concept and techniques to access higher levels of emotional intelligence.

Open Communication in the Workplace

Being comfortable and confident enough to express your thoughts and feelings, is key to open communication at work. This session explores courageous conversations and shares tips on how to communicate your message or needs calmly and effectively in the workplace.

Effective Teamwork

Successful teams are an asset to an organisation. Understanding the key ingredients, and barriers to developing, effective teams and barriers are covered in this session. Discover your own key strengths and weaknesses as a team member and interaction style to help you develop as an active team member.



5.4 RISK MANAGEMENT REPORT

File Reference:

Author: Tim Mulcock, Transition Manager

Authoriser: Suzette van Aswegen, Chief Executive Officer

Attachments:

1. MDC - About Managing Risk - Elected Members  
2. MDC Risk Register - top risks 2020-01 - Confidential (under separate cover)

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

The report updates the Audit and Risk Committee on risk management activities at Mackenzie District Council for the period from November 2019 to January 2020.

The report provides an update on risk activities for Mackenzie District Council to enable the committee to fulfil their governance and oversight role in relation to effective risk management.

STAFF RECOMMENDATIONS

1. That the report be received.
2. Note the update of the risk management work performed by Council executive and senior managers.

EXECUTIVE SUMMARY

The quarterly review of the council's top risks register was completed in February 2020. The register has 25 top risks. Nineteen of these are regarded as 'managed' while a further six risks require further mitigation actions.

One of these, the impact from Climate Change, while being managed is rated as 'extreme' risk, 16 are rated as 'significant' risk and a further 8 as presenting a 'moderate' risk.

The implementation of our revised Risk Management Framework which encompasses council's refreshed risk matrix is underway along with ongoing embedding and continuous improvement activities.

A slide presentation pack is included with this report providing an overview of the revised risk management and governance processes.

RISK MANAGEMENT OVERVIEW

The slide presentation pack "MDC - About Managing Risk - Elected Members" is included within this report as Attachment A.

TOP RISKS REVIEW

Council's top risks are reviewed on a quarterly basis with the Executive Leadership Team and internal subject matter experts to continually validate and update the risk descriptions, causes, mitigations and risk assessments.

The objectives of the quarterly top risks review are to:

- confirm current risks identified, assessments and ownership
- identify any new or emerging risks that pose a legitimate threat to the achievement of council's strategic objectives in the next 12 months
- ensure council's material risks, together with related controls, are well documented to enable effective risk oversight by council management staff, and the Audit and Risk Committee.

The current top risks register has been included within this report as Attachment B.

RISK MANAGEMENT FRAMEWORK

Council's risk management framework was reviewed in 2019 with a revised Risk Management Policy formally adopted in August 2019. The framework is a living document and is subject to regular reviews and updates to ensure it continues to be fit for purpose.

MĀORI IMPACT STATEMENT

Given the specific legislative responsibilities to Māori and Te Tiriti o Waitangi (Treaty of Waitangi) across many of council functions, there may be some incidental impact to Māori by the risks council faces. Whilst no specific consultation has been undertaken with Māori for this report, the risk management activities will have benefit for the council's Māori Responsiveness activities.

CONSIDERATIONS

Financial

There are no financial implications directly arising from this information report.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

Managing Risk



Mackenzie District Council - Tim Mulcock

December 2019



Why?

- Can't fix what you can't see
- Sensible
- Statutory
- Helps use limited resources effectively
- ?



< A local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region. >

Local Government Act 2002



What?

- Uncertain event that may occur
- Might delay or impact achievement of goals
- Likelihood can only be estimated
- Not all risk is bad – taking no risk = slower progress





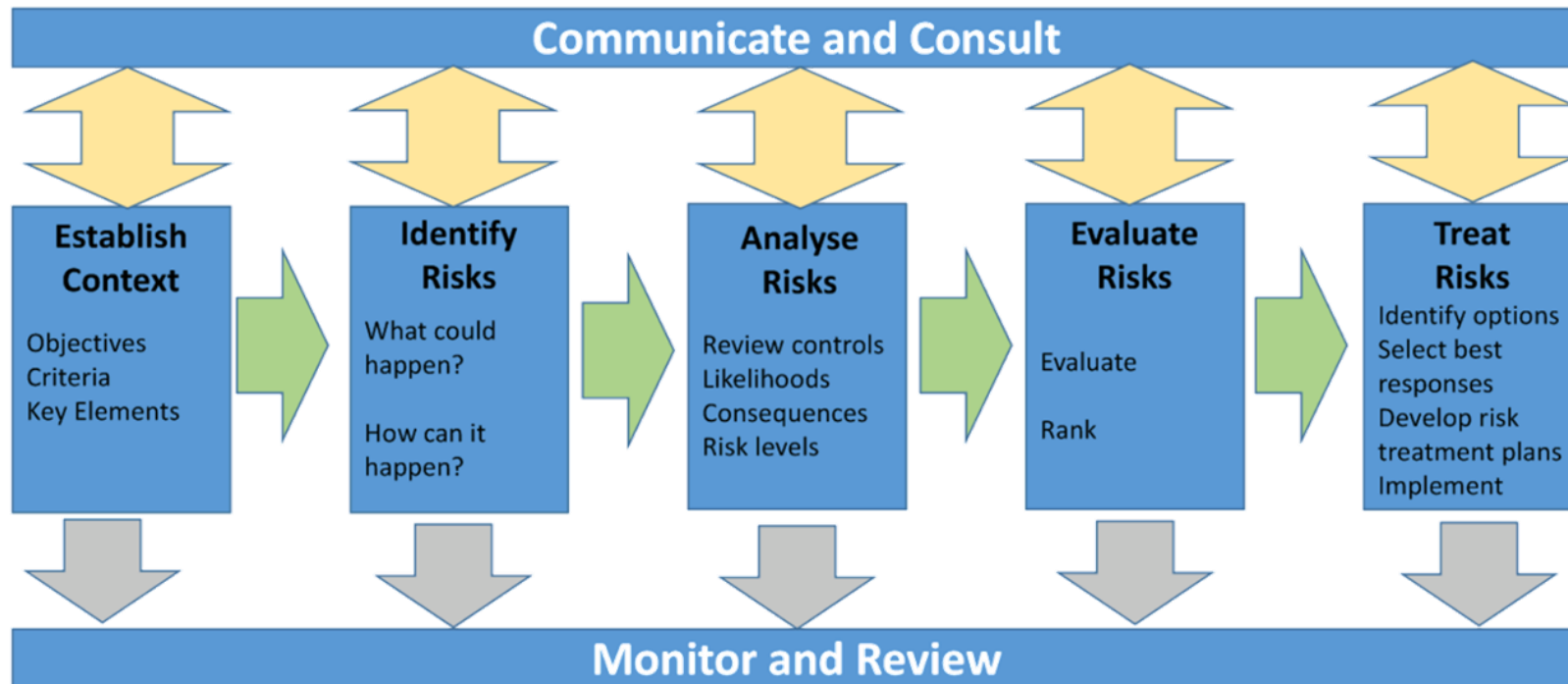
How?

- Identifying
- Mitigating
- Monitoring
- Communicating





ASNZS Risk Framework





Categories of risk

- **Financial**

- Fraud
- Poor budgeting

- **Operational**

- IT system failure
- Health & Safety risks

- **Reputational**

- Bad behaviour
- Poor stakeholder relations

- **Governance & Compliance**

- Lack of oversight
- Legislation compliance

- **Strategic**

- Engaging in activity not aligned with LTP
- Failing to engage stated objectives



How do we @MDC do it?

- We have a Policy
- We have a Risk Register
- We review & assess every two weeks

Mackenzie District Council Risk Register

Key									
Action Required		Monitor		No Action					
Risk #	Type	Category	Risk (If...)	Likelihood	Consequence (If...)	Score	Risk Level	Mitigation	
28	Operational	Compliance/legal	Lakeside Drive Tekapo property sale has legal cost and reputation impact due to email varying terms	Possible	Major	8	Significant Risk	Legal counsel sou	
29	Strategic	Compliance/legal	Pukaki Airport Board and Forestry Boards directly engaging with contractors with no Council Management involvement	Possible	Major	8	Significant Risk	Proposed Corproq Service re-alignm and committees structure proposa	
30	Operational	Political/Reputation	Very poor data network security leaves Council information open to remote attack.	Possible	Catastrophic	10	Significant Risk	Network re-design underway	
31	Operational	Safety & Welfare	Building access control systems	Possible	Major	8	Significant Risk	New system	



Mackenzie District Council

Risk Management Policy

STATUS:	Draft
VERSION:	2019-09-17
POLICY OWNER:	Group Manager Corporate Services
POLICY APPROVER / S:	Chief Executive Officer, Mackenzie District Council
DATE:	2019-09-17

"Fostering Our Community"



Elected Officers' role

- Define risk profile (Audit & Risk)
- Understand key risks
- Community view - Raise risks identified
- Ensure risks are managed (Audit & Risk)
- Is there a plan?
- Ensure controls are in place (Audit & Risk)





Audit & Risk Committee

- Review, approve and monitor the implementation of the policy, framework and strategy
- Review and approve the council's "risk appetite" statement
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and / or emerging risks, and any subsequent changes to the Risk Register





Examples

- Financial Risk – aligning with budgets
- Strategic Risk – statutory compliance, reputation
- Operational Risk – Health, Safety & Wellness
- Programme Risk – Big Projects
- Asking questions
- Promoting Continuous Improvement



6 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Desktop Computer Audit Report	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Property File Report	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - Mid-yearly Organisational Performance Update	s6(b) - the making available of the information would be likely to endanger the safety of any person s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for

	persons, including that of deceased natural persons	withholding would exist under section 6 or section 7
--	---	--