

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Subcommittee will be held on:

Date: Wednesday 31 August 2016
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Subcommittee

OPEN AGENDA

MEMBERSHIP

Chairperson	Cr W E R Bishop	
Members	Mayor B J Duffy	
	Mr B J Jackson	
	Cr C B Mitchell	
	Cr A D Rush	
	Cr P Tukapua	
Reporting Officer	Mr D Law	(Group Manager – Finance)
Meeting Secretary	Mrs K J Corkill	

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Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

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Internal Audit Report - Year Ended 30 June 2016

File No.: 16/467

1. Purpose

To present the Finance Audit and Risk Subcommittee with the Internal Audit Report undertaken on Horowhenua District Councils Procurement Strategy and Policy for the year ended 30 June 2016.

2. Recommendation

- 2.1 That Report 16/467 Internal Audit Report - Year Ended 30 June 2016 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

The Finance, Audit and Risk Subcommittee reviews the Internal Audit Report annually as part of monitoring Council's performance. The draft report has been received and is submitted for consideration.

Council's appointed Internal Auditor, Ernest Bernard, will be in attendance to answer any queries the Subcommittee may have.

4. Issues for Consideration

The report highlights areas of good performance and suggests opportunities to improve in the future

In summary:

- The report is designed to report findings of the Internal Auditor.
- The Subcommittee is able to talk to the auditor who will be present at the committee meeting.
- The Subcommittee is able to seek further clarification from the Internal Auditor or officers present.

Attachments



No.	Title	Page
A	Horowhenua District Council - Internal Audit - Procurement Review - FINAL - 24 August 2016	7

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Nicki Brady Senior Manager - Business Services	
Approved by	David Clapperton Chief Executive	

Horowhenua District Council

Procurement Review

August 2016

Issued To: David Clapperton Chief Executive
CC: Nicki Brady Group Manager Business Services

Author: Ernest Bernard

Date: 24 August 2016

EXECUTIVE SUMMARY

Procurement is defined as the process of acquiring goods, works and services. The process spans the whole cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. Council's approach to procurement is to obtain open transparent and competitive procurement that delivers value for money, does not discriminate against suppliers and meets agreed Office of Auditor General standards.

Council spends millions (approx. \$43 million) of dollars of ratepayer money each year on the goods and services needed to deliver public services. To achieve value for the ratepayer effectively managed procurement which is properly planned and executed is essential.

Council is a public body using the districts ratepayers' money to perform required service functions. Ratepayers have the following expectations with respect to procurement:

- Activities are carried out efficiently, economically and effectively;
- Appropriate standards of fairness and equity are observed;
- The requirements of relevant legislation and common law are met.

Horowhenua District Council's (HDC) procurement landscape is still maturing. Council has an approved procurement policy which is reviewed annually (next review April 2017), that includes good procurement practices and includes effective procurement policy guidelines to enhance the procurement framework and ensure that Council's practices are consistent and aligned with best practice. Procurement practices throughout HDC are consistent, higher value and lower values (generally up to \$20,000) of procurements are generally aligned with good practice procurements.

Contract management is an important component of procurement. Contract management includes the effective management and monitoring of the delivery of goods or services to the agreed level. The Council have a contract management process in place to guide staff with a contract management system. Management have a clear line of sight at any one time of the \$ value of contracts for each contractor, or the total number of open contracts that span a number of years.

Council has a procurement strategy that helps to ensure linkage of Council's objectives to category with specific targets and allows visibility of key cost, quality and service performance at various levels. The procurement strategy also provides the basis of formal continuous approach on all procurement activities.

Financial delegation is in draft at the time of the review and a review of the financial delegation amount assigned to all levels to determine a threshold appropriate to allow procurement oversight by senior management is required.

BACKGROUND

Procurement is the process that council follows to buy the goods and services they need to provide public services. Effective procurement is important in helping council achieve its local outcomes and priorities, secure value for money and deliver other benefits.

Effective procurement involves the following:

- Having the right people in the right place – council has adequate numbers of appropriately qualified staff and an appropriate organisational structures.
- Defining the supply need – council has a well-planned process for deciding what it needs, including deciding how it should provide services and looking at alternative ways of delivering services.
- Sourcing strategies and collaborative procurement – council has a good idea of how it can best meet its needs.
- Contract and supplier management – council manages its suppliers and contracts effectively.
- Purchasing processes and systems – council have effective and reliable processes and technology systems to support procurement.

Council's operational expenditure, excluding depreciation, payroll and finance costs is approximately \$22 million; Council also incurs approximately \$21 million on capital expenditure.

This review was commissioned as part of the approved Internal Audit Work Plan for the 2015/16.

OBJECTIVES AND APPROACH

Objectives

The objective of this review was to provide senior management with assurance that:

- An adequate management control framework with respect to governance and internal control is in place to effectively support procurement activities; and
- Procurement activities are processed in a manner that is compliant with applicable policies and procedures.

Approach

The approach for this review includes the following:

- Interviews with management and key personnel,
- A review of available financial and operational reports,
- Evaluation of policies and procedures associated with business processes,
- Compliance requirements,
- Consideration of key operational aspects,
- Assessment of the information and communication systems environment,
- Following completion of the general overview per above, professional judgment was used to select specific areas for additional focus and detailed audit testing.

FINDINGS

Council's best practice observations identified during our review are:

- Existence of a procurement strategy. There is a procurement strategy to assist in the planning of procurement activities. In addition, based on the results of audit's interviews with Council's management and staff, the Business Services unit where procurement resides under the Group Manager Business Services is consulted most of the time early enough in the planning stage to ensure that sufficient resources are available to complete the required procurement processes in the expected time frame
- Existence of an online requisition, purchase order and procurement policy
- Adoption of shared services initiatives that have resulted in cost savings, for example: E- Roads, Insurance, and Valuation Services
- Establishment of a governance structure to support procurement i.e. procurement champions in each business unit
- Existence of tender processes within Council
- Preparing reports for Senior Management to support a strategic approach to procurement and maintain effective control of procurement

- Communicating clear, timely, compelling and positive messages regularly to staff through newsletters or intranet to encourage continuous procurement improvements and educate staff on procurement initiatives in place, for example centralized IT procurement, travel bookings, etc
- Procurement training provided to all staff which reduces the risk that basic procurement processes and tools may not be known to and used by Council's staff, resulting in reduced time and delays in completing the procurement process
- Providing ongoing training of risk assessment/ mitigations, fraud indicators and procurement policies and procedures to everyone involved in procurement
- Council uses electronic purchase orders, which is supported by a purchasing policy, aligned with best practice. This strengthens the control environment by enforcing segregation of duties and requiring approval on a one up basis. The purchase order policy could be enhanced by including:
 - Councils Terms and Conditions for the provision of goods and provision of services where no formal written contract is in place
 - Additional wording in the purchase order process paragraph of the policy such as "any deviation from this is a breach of this policy and the procurement policy" and "that payment of invoices submitted will not be paid unless the purchase order number is detailed on the invoice";

Council has seized opportunities presented by shared services and procurement opportunities can further be achieved through:

- reviewing the financial delegation amount assigned to all levels and determine a threshold appropriate to allow procurement oversight by senior management;
- the checking of invoices for validity and accuracy by the accounts payable officer to ensure that items procured are valid and that goods and services are incurred for Appropriate business purposes;
- development of a centralized contracts register and engagement of a contract administrator to update and maintain the contract register, conduct procurement quality assurance and provide contract administration training;
- undertaking formal post procurement reviews to ensure procurement related processes are appropriate, best value was obtained for goods and services, and compliance with Council's policies and procedures;
- obtaining an independent assessment (i.e. finance representative) of procurement initiatives where there will be non-compliance with procurement policy, budget exceeded or opt out options for not open tendering are selected;

The results of this audit indicate that Horowhenua District Council's controls for the procurement of goods and services are properly designed and applied to ensure that procurement activities are performed in compliance with relevant legislation and related policies.

I would like to express my appreciation to the Group Manager Business Services for the leadership and implementing many of the best practices in procurement at the Council and also all the individuals from Horowhenua District Council who participated in this review for their input and support.



Ernest Bernard
Internal Auditor

Health and Safety - Quarterly Report

File No.: 16/463

1. Purpose

To provide an update to Elected Members on health and safety matters at Horowhenua District Council for the previous quarter.

2. Recommendation

- 2.1 That Report 16/463 'Health and Safety - Quarterly Report' be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

As outlined in the report to Finance, Audit & Risk Subcommittee on 27 July 2016, Council will undertake quarterly reporting on health and safety matters. This reporting aids Elected Members to exercise their due diligence as Officers of Council as a PCBU (Person Conducting Business or Undertaking). Specifically, Officers are required to be aware of the following in relation to their duties of due diligence:

- Keeping up to date with health and safety matters;
- Understanding the nature of the business and its hazards and risks;
- Ensuring the person running the business has appropriate resources and processes to manage risks to health and safety;
- Ensuring there are appropriate reporting and investigation processes in place;
- Ensuring the PCBU has and implements processes for complying with the Act (monitor);
- Ensuring process is in place to verify use of resources and processes such as audits, benchmarking, safety observations, and peer reviews (verify).

4. Issues for Consideration

The report for 27 July 2016 also outlined that reporting will include a high level of health and safety statistics; Council's health and safety objectives; information about actions taken by the Health and Safety Committee around continuous improvement of health and safety practices and processes at HDC; outcomes of external health and safety audits; any significant matters arising; an overview of the hazards and risks associated with Council operations; and a copy of the Health and Safety Committee's annual action calendar.

The attachments listed in this report provide the abovementioned information. As this is the first report to Elected Members, the information may date further back than the previous quarter.

A copy of Council's new Wellbeing Framework has also been attached for your information. This framework outlines Council's commitment to psychosocial as well as physiological health and safety of our staff. Council has also undertaken a number of initiatives under this Wellbeing Framework umbrella.

A copy of our first benchmarking audit letter undertaken by the MW LASS Health and Safety Project Leader, Sylvie Hickton in March 2016 is attached. This audit was a gap analysis against the WSMP ACC Audit requirements. Substantial work has been done since this

report to close these gaps and HDC will be audited against these same requirements in September by an external auditor. Council is confident all these gaps have been addressed. A copy of this audit report will be provided in the next quarterly report.

Attachments



No.	Title	Page
A	H&S - Participation WSMP evidence - Horowhenua District Council - Health and Safety Planning Calendar 2016 - 2018	15
B	HR Strategy - Wellbeing Framework A3 PRINT VERSION(2) - 20 Apr 2016	18
C	HR - Metrics - Quarterly Report to the Elected Members - 12 Aug 2016	21
D	H&S - Process & Procedures - Health & Safety Objectives - Leadership Team signed off - 16 May 2016	29
E	H&S - Reports - MW LASS - Gap Analysis letter Horowhenua - Mar 2016	31

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Meredith Blackler Senior Manager - People & Capability	
Approved by	David Clapperton Chief Executive	

Horowhenua District Council - Health and Safety Planning Calendar: 2016 - 2018

Month	Activity	Responsible	Who needs to be involved or advised?	Comments	Status
January	H&S Aquatics Internal Review – DOC & self audit	Aquatics	Ves,		Completed
February	H&S Aquatics Internal Review – DOC & External Audit	Aquatics	Ves, & outside Auditor		Completed
	H&S Aquatics SOPs Review - All SOPs all areas	Aquatics	Ves, Sylvie	Underway, 95% finished. Has some questions for Sylvie. To be done by 24 August.	Underway
March	WSMP audit	MW LASS H&S Leader & staff	Overseen by Senior Mgr. People & Capability and Chairperson H&S Committee	Full gap analysis audit undertaken. Reported to Leadership Team on 21 st March.	Completed and recommendations accepted.
April	H&S Aquatics Internal Review – External Audit Results	Aquatics	Ves,	Pool Safe Certificates Received expires 2017	Completed – Pool Safe Certificates Received expires 2017
	H&S Manual Review - Introduction & policy (pages 2 – 5) - Roles & Responsibilities (pages 6 – 10) - Public Safety (page 31)	H&S Comm/Snr Mgr. People & Capability/H&S Project Leader	Chelsea, Sheryl, Shaun (Public safety)	Update against new legislation and WorkSafe guidelines	Draft worked on by H&S Committee April 2016 Completed (Pages 2 to 10) 2/5/2016
	Objective setting (what are our H&S objectives for the next two years) - Adopt and get LT sign off	H&S Comm	H&S Committee	To discuss the objectives and agreed upon by H&S Committee and then signed off by LT	Completed.
	Review reporting to LT of H&S - Ensure an annual report available (consolidated report)	Snr Mgr. People & Capability	Meredith	To ensure reporting is appropriate to both LT and Elected Members.	Completed.
	Invite PSA Rep (Dolly Larkins) to a H&S Committee meeting	Snr Mgr. People & Capability	Email to CC Stephanie Brizzle, Noel Hodson, Debra Key	E-mail received and very positive response being kept as evidence	Done and accepted. E-mail sent to Union and reply received. Completed
May	Develop/format Appendix (1) Approved Internal/External Trainers List & Appendix (2) Health & safety Representatives and First Aiders.	H&S Comm/Snr Mgr. People & Capability/H&S Project Leader	Everyone to ID people for this list	Remove from body of H&S Manual and establish Appendix at back of manual. This will allow for updating on an as need basis without affecting the H&S manual pages.	Completed 3 May 2016 Now at back of H&S Manual
	H&S Manual Review - Hazard (risk) identification (pages 16 – 18 & 32)	H&S Comm	Chelsea, Stephanie		Completed 3 May 2016
	H&S Aquatics SOPs Review Rename to SOPs instead of manual (link to HDC H&S manual)	Aquatics	Ves, Sylvie	Ves has reviewed all SOPs for Levin and Foxton and they are currently under review	Review of doc's underway 15/6/2016 On going
	Electrical Checking - Get report from a Contractor from most recent checks – add to TRIM	H&S Comm	Ann Clark, Ves, Sheryl	Check for schedule of when checks are due (6mths or 5 yearly?). Contractor will have schedule. Check against it.	Completed.
	Observation audits of HDC areas - Council main building - Aquatics (pools x 2) - Pound - Ensure all information is on hazard/risk register	H&S Comm	Mick, Stephanie, Christele	Use checklists for the various areas to identify such things as cabinets being screwed to wall, trip hazards etc.	Completed audits being typed up. 30/5/2016

Month	Activity	Responsible	Who needs to be involved or advised?	Comments	Status
	Audit H&S in meetings <ul style="list-style-type: none"> - Audit frequency of H&S Committee meetings - Departmental minutes or diary notes (i.e. Infrastructure Services) - All Staff meetings (ensure it is a standard item and show evidence) 	H&S Comm	Cathryn, Meredith, Chelsea	Create template for all teams to use and after meetings for H&S Rep to save into TRIM. Showing H&S section updates	Completed. Discussed with H&S Committee to add Health and Safety to all team meetings. Provide all evidence of notes (TRIM evidence in appropriate element).
June	H&S Manual Review <ul style="list-style-type: none"> - Contract Management (pages 19 – 22) - Emergency procedures (pages 27 – 30) 	H&S Comm	Shaun, Mick, Mike Lepper, Ann Clark		Completed 4 May 2016
	WSMP preparation sprint – Elements 1/2/6 June 14/15	H&S Comm/Snr Mgr. People & Capability/H&S Project Leader	Health & Safety Committee as and when required	Manual evidence against WSMP standard	Completed 15/16 June 2016
	H&S Aquatics SOPs Review <ul style="list-style-type: none"> - All SOPs all areas 	Aquatics	Ves, Sylvie	Ves has reviewed all SOPs and update all areas	Current under review. Areas being checked. On going
	WSMP preparation sprint – Elements 3 (50% to do) 4/5/7/8 June July 14 /15	Snr Mgr. P&C / MW LASS H&S Leader	Health & Safety Committee as and when required	All elements of H&S Manual completed	Completed.
	WSMP preparation sprint – Elements 4,5,6 June 13 - 15	Snr Mgr. P&C / MW LASS H&S Leader	Health & Safety Committee as and when required	Manual evidence against WSMP standard	Completed.
	Health & Safety Committee Elections	Chairperson H&S Committee / Snr Mgr. P&C	Leadership Team / Managers / Staff	Demonstrate that staff have been given an opportunity to pick their representatives on the H&S Committee Involve PSA. Look at rotation of Chairperson role.	Completed.
July	H&S Manual Review <ul style="list-style-type: none"> - Accident recording & investigation (pages 24 – 26) - Information, Training & Supervision (pages 11 – 13) - Safety Equipment Needs (page 14) - Recognition & Innovation (page 15) 	H&S Comm	Chelsea, Meredith, Christele	Develop template for investigating incidents / accidents that includes environment, people, equipment	Completed 3 May 2016
	Review WSMP preparation 14 - 15 July	Snr Mgr. P&C / MW LASS H&S Leader	Meredith, Sylvie, Shaun, Ves and Cathryn	Full review documentation against audit standard	Completed.
	Run focus groups x 2 (staff / management) based on their knowledge of health and safety July 2016	Snr Mgr. P&C / MW LASS H&S Leader	H&S committee to identify participants	Identify between 5 – 8 people for each group (must have one H&S Rep and one PSA Rep). To be organised pre audit.	Rescheduled until audit booked.
August	Review of systems and contract deliveries over following months	Snr Mgr. P&C / MW LASS H&S Leader	Anyone else who may be providing evidence	Final check pre accreditation audit application.	
	Apply for accreditation WSMP	Snr Mgr. P&C / MW LASS H&S Leader	Inform Staff / Leadership Team / CEO / Audit & Risk Committee		
September	Review of systems and contract deliveries over following months	H&S Comm			

Month	Activity	Responsible	Who needs to be involved or advised?	Comments	Status
	Hazard Scheduled over year				
October	Review of systems and contract deliveries over following months Review objectives post-audit Audits scheduled over year	H&S Comm			
November	Review of systems and contract deliveries over following months Employee Participation scheduled over year	H&S Comm	Whole Council input	Identify any training for next year	
December	Review of systems and contract deliveries over following months No reviews this month due to Christmas	H&S Comm			
January	Review of systems and contract deliveries over following months No reviews this month due to close down Council	H&S Comm			
February	Review of systems and contract deliveries over following months Meeting H&S Committee to validate Year Planner	H&S Comm SNR Mgr P&C	Staff identified to carryout/be involved and elements to be reviewed verified	Setting of yearly Planner for coming year.	



Objective:

To empower our employees to maximize their energy to improve their life both at work and at home.

Why wellbeing matters:

Maintaining an optimal level of wellbeing is absolutely crucial to living a higher quality life. Everything we do and every emotion we feel relates to our well-being. In turn, our well-being directly affects our actions and emotions - it is an ongoing circle. Therefore, it is important for everyone to achieve optimal wellbeing in order to reduce stress and the risk of illness, and to ensure positive interactions.

Wellbeing approach:

HDC's holistic approach to achieving a healthy workforce focuses not only on the employee, but also on their families and their interaction with the community.

Programmes available for HDC employees.

EAP

EAP provides confidential 'Professional Behavioural Health Services to New Zealand business and their subsidiaries throughout the world'. They can assist with; Marital & Relationship Problems, Alcohol, Drug or Gambling issues, Career Direction, Financial & Personal legal Problems, Workplace Relationships, Work Performance issues, Child & Family Concerns, Stress & Pressure, Anxiety & Depression and Grief.

www.eapservices.co.nz

Capability Framework (Training and Development / Study Policy)

Healthy Minds Framework

Dignity at Work Policy

Drug and Alcohol Policy

Leave Policy

Southern Cross

[@ Rachael.baker@southerncross.co.nz](mailto:Rachael.baker@southerncross.co.nz)

www.southerncross.co.nz/society

Annual Flu vaccinations

n3 Employee Benefits - Business buying power

Social Club

Programme	Emotional Wellbeing	Occupational Wellbeing	Physical Wellbeing	Intellectual Wellbeing	Social Wellbeing	Financial Wellbeing	Spiritual Wellbeing
EAP	👍	👍			👍	👍	
Capability Framework		👍		👍		👍	
Healthy Minds Framework	👍	👍	👍	👍	👍		👍
Dignity at Work Policy	👍	👍	👍	👍	👍	👍	👍
Drug and Alcohol Policy	👍	👍	👍	👍	👍	👍	👍
Leave Policy	👍	👍	👍			👍	👍
Southern Cross	👍		👍		👍		
Annual Flu Vaccinations		👍	👍				
N3 Employee Benefits						👍	



Emotional Wellbeing

Emotional wellbeing relates to understanding your feelings and coping effectively with stress. Emotional wellbeing enables one to pay attention to self-care, relaxation, stress reduction and the development of inner resources so you can learn and grow from experiences and remain grounded during stressful times.

Practices that enhance emotional wellbeing include:

- Recognising conflict as potentially healthy
- Taking responsibility for your actions
- Becoming more aware of your feelings through reflection
- Accepting your feelings rather than denying them
- Accepting the feelings of others
- Expressing your feelings in responsible ways
- Seeking support and guidance when feelings and emotions seems to be getting out of control
- Building a strong social network
- Being open to continual personal development
- Practicing positive behaviors that enhance security and emotional stability



Occupational Wellbeing

Occupational wellbeing is about enjoying your occupational endeavours and appreciating your contributions. This dimension of wellbeing encourages personal satisfaction and enrichment in one's life through work. Being occupationally well allows you to find personal self-fulfillment and to make a contribution to the wellbeing of the community at large.

Practices that enhance occupational wellbeing include:

- Developing functional and transferable skills
- Choosing a career which is consistent with your personal values, interests and beliefs
- Learning to accurately assess your strengths and weaknesses
- Exploring your talents and interest
- Maintaining healthy work-life balance
- Seeking professional development opportunities
- Participating in mentorship



Physical Wellbeing

Physical wellbeing relates to maintaining a healthy body and seeking care when needed. Physical health is attained through exercise, eating well, getting enough sleep and paying attention to signs of illness and getting help when needed. Physical wellbeing can lead to psychological benefits such as enhanced self-esteem, self-control, determination and a sense of direction.

Practices that enhance physical wellbeing include:

- Getting physical activity on a regular basis
- Practicing safe and responsible sex
- Getting enough sleep
- Nourishing your body by eating a balanced diet of healthy foods
- Maintaining a healthy weight
- Abstaining from tobacco / smoking
- Abstaining from recreational drugs
- Drinking alcohol in moderation or abstaining from alcohol
- Practicing good hygiene
- Getting regular medical check-ups and screenings
- Paying attention to the signs of symptoms and diseases and seeking medical attention when ill
- Taking safety precautions such as using a seat belt or practicing safe lifting techniques



Intellectual Wellbeing

Intellectual wellbeing involves having an open mind when you encounter new ideas and continuing to expand your knowledge. It encourages active participation in scholastic, cultural and community activities. Intellectually well people are open to new ideas, think critically and seek out new challenges. People who develop intellectual wellbeing are more likely to maintain good cognitive function as they age.

Practices that enhance intellectual wellbeing include:

- Obtaining good study and time management skills
- Learning to trust your ability to make good decisions
- Challenging yourself to see more than one side of an issue
- Recognising and valuing learning as a life-long process
- Develop creative and resourcefulness
- Practicing discernment when taking in information from TV, the internet, newspapers, etc.
- Keeping abreast of current events, issues and ideas
- Reading
- Developing new skills such as learning a language, how to play an instrument or engage in a new hobby
- Learning to manage your finances



Social Wellbeing

Social wellbeing entails valuing living in harmony with your fellow human beings, seeking positive, interdependent relationships with others, and developing healthy communications skills. Social wellbeing involves embracing interconnectedness and understanding how your actions affect other people and their community. Socially well people consciously choose to enhance personal relationships, nurture important friendships, and build a just and caring community.

Practices that enhance social wellbeing include:

- Building a strong social support network
- Learning and practicing healthy communication techniques
- Developing the ability to relate with people in a variety of settings
- Dealing with interpersonal conflict in a healthy and respectful manner
- Explore diversity by interacting with people of other cultures, backgrounds, and beliefs
- Being aware of the social concerns in your community and getting involved in solving community problems
- Volunteering in the community



Financial Wellbeing

Financial wellbeing involves the process of learning how to successfully manage financial expenses and plan for retirement. Money plays a critical role in our lives and not having enough of it impacts health as well as performance. Financial stress can also impact absenteeism, employee productivity, retirement, and healthcare cost.

Practices that enhance financial wellbeing include:

- Enhance employees' understanding and appreciation of benefit plans
- Learning sound financial skills for every day life situation
- Increase comfort with making choices
- Peer-to-peer support
- Reading financial literature
- Retirement planning

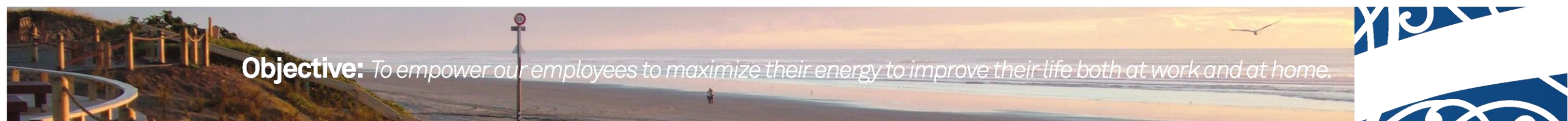


Spiritual Wellbeing

Spiritual wellbeing allows you to develop a set of values that help you seek meaning and purpose. Spirituality can be represented in many ways, for example, through relaxation or religion. A sign of spiritual wellbeing is the ability to integrate your beliefs and values into your actions.

Practices that enhance spiritual wellbeing include:

- Pondering the meaning of life / reflection
- Respecting the beliefs of others
- Living in a way that is consistent with your values and beliefs
- Serving your community through volunteering, giving or service projects
- Taking time for quiet reflection prayer or meditation
- Spending time in nature



Objective: To empower our employees to maximize their energy to improve their life both at work and at home.

Health & Safety Quarterly Report to the Elected Members

July 2016

Horowhenua
District
Council

1. HEALTH AND SAFETY MATTERS

a. Overview from last quarter

- **Health and Safety WSMP Audit Preparation:**

With the WSMP H&S audit looming, Meredith has been working on gathering evidence and preparation for the audit with Cathryn Pollock, Shaun Edwards, Ves Geldenhuys and Sylvie Hickton. HDC will be the first Council (possibly first equal) with Rangitikei District Council to be going for Tertiary Accreditation through the MW LASS Health and Safety (H&S) Programme.
- **Health and Safety in Employment Manual:**

Council has reviewed and updated the Health and Safety Manual, which includes our Health and Safety Policy; Active Management Commitment; and overviews of various areas. Standard
- **Contractor Management: Pre-Qualification Workshop 1 July:**

HDC held its first Contractor Health and Safety Pre-Qualification Workshop, with 59 attendees. This workshop outlined HDC's expectation regarding H&S practices and requirements of our contractors. We have been working hard on ensuring all our contractors are able to fulfil their obligations under Health and Safety at Work Act 2015. Contractors have mostly returned the appropriate documentation for Council to assess their health and safety practices. A second workshop will be held for those contractors who were unable to attend the first. Feedback has been positive, with contractors stating they have been glad to have the assistance from Council about understanding their health and safety obligations.
- **Health and Safety Committee Elections:**

Elections were undertaken in June 2016 resulting in a number of new Committee members and a larger Committee with representatives from across the Council groups. Our new Health and Safety Committee Chairperson(s) are Jane Pearson and Ewen Robertson.
- **Health and Safety Training:**

New H&S Committee Members have commenced their compulsory H&S training with Dave Griffith, Council's Health and Safety Training Provider. The first was held 28 July on 'Successful Health and Safety Committees'.

Several staff attended the WorkSafe Duty Holder Review Forum in Wellington with Sylvie Hickton, MW LASS H&S Project Leader. This was a worthwhile event with plenty of resources being shared by WorkSafe for us to use.
- **PeopleSafe:**

Council's electronic H&S system was implemented in mid-2015. This system enables all staff to easily report near misses, accidents, hazards and risks, 'good job' stories, and training. HDC will be working on customising the reports in the coming months to ensure greater analysis is able to be undertaken. Currently, we have no way of separating staff from customers and the statistics for accidents are not sufficiently reflective of HDC as a workplace.
- **Lower North Island LG Health and Safety Forum:**

On 31 May, HDC hosted multiple Councils (55 attendees) from as far as Wairoa and New Plymouth. The agenda for this forum was as follows:

 - Duty Holder Review Team (WorkSafe) / Notifiable Events
 - Bowtie Risk Assessment Model (Dave Griffith)
 - Reporting to Elected Members (Simpson Grierson)
 - MW LASS H&S Initiative (Sylvie Hickton)

- General business.
- **Completed Site Audits by H&S Committee:** Generic health and safety audits are undertaken on a regular basis by the Health and Safety Committee. These differ to those conducted by staff who manage contracts and carry out separate work site audits i.e. road works; water treatment plant. Alongside the MW LASS H&S Project Leader, Sylvie Hickton, the H&S Committee members undertook audits on the following sites.
 - Pound (30 May)
 - Aquatics Levin (9 March)
 - Aquatics Foxton (30 May)
 - Foxton Service Centre / Library (30 May)
 - HDC Main Building (30 May)
 - Te Takere – (14 July)Recommendations were made in the areas that required action and these have been addressed.
- **Wellbeing Framework:**

Council launched its Wellbeing Framework earlier this year. The objective of this framework is to empower employees to maximise their energy to improve their life both at work and at home. The framework is a holistic one and is made up of physical, emotional, occupational, intellectual, social, financial, and spiritual wellbeing. Council's first Wellbeing Day for 2016 was held on 15th August.
- **PSA (Union):**

As part of our mandate, HDC ensures it has a staff representative from the Union. Council's Union is the PSA (Public Service Association). The PSA Union Organiser, Dolly Larkins, was invited to attend Council's 13 June H&S Committee meeting. Dolly complimented Council on being so open and transparent around health and safety and being progressive enough to invite the union.
- **WorkSafe:**

WorkSafe have a number of new staff to assist in each area of the new Health and Safety at Work Act 2015. It is pleasing they are becoming appropriately resourced and all our interactions with WorkSafe have been constructive and in line with WorkSafe's mandate to educate and form partnerships with businesses rather than be about punitive actions. We were assured by WorkSafe that they see their role as being the "ambulance at the top of the cliff" and working with businesses to proactively avoid accidents and harm from occurring.

Health & Safety Inspector(s):
HDC met with Sam Koronui, WorkSafe Health and Safety Inspector for Manawatu / Whanganui. This was a constructive meeting and Sam has offered his proactive service, including aiding us in conducting audits if required. Sam will be attending HDC's H&S Committee meeting in September.
- **Health and Safety Objectives:** Objectives were set with the H&S Committee and signed off by Leadership Team in May 2016. These objectives form the basis of our actions for the next two years. They are due to be reviewed again in January 2018.

Identified Hazards and Risks:

- 39 Risks sit in the PeopleSafe Register. Of these 39, three are deemed to be significant. These include;
 - Using Council Fleet Vehicles
 - Abuse, threatening behaviour
 - Low hanging fixtures in basementSafety Plans have been put in place for each of these risks.

Focus for next quarter:

- **H&S Committee Training:** Continuing the remaining training for H&S committee members.
- **H&S Training:** Organising H&S training for Elected Members post Elections.
- **Health & Safety WSMP ACC Audit:** Undertake WSMP ACC Audit.
- **Continuous Improvement:** Embark on review programme to ensure continuous improvement of H&S activities, standard operating procedures, policy.
- **Te Takere:** Ensure Te Takere is transitioned smoothly into PeopleSafe so that reports can include all HDC staff.
- **PeopleSafe:** Work with PeopleSafe on improving reporting capability to split public / staff incidents.

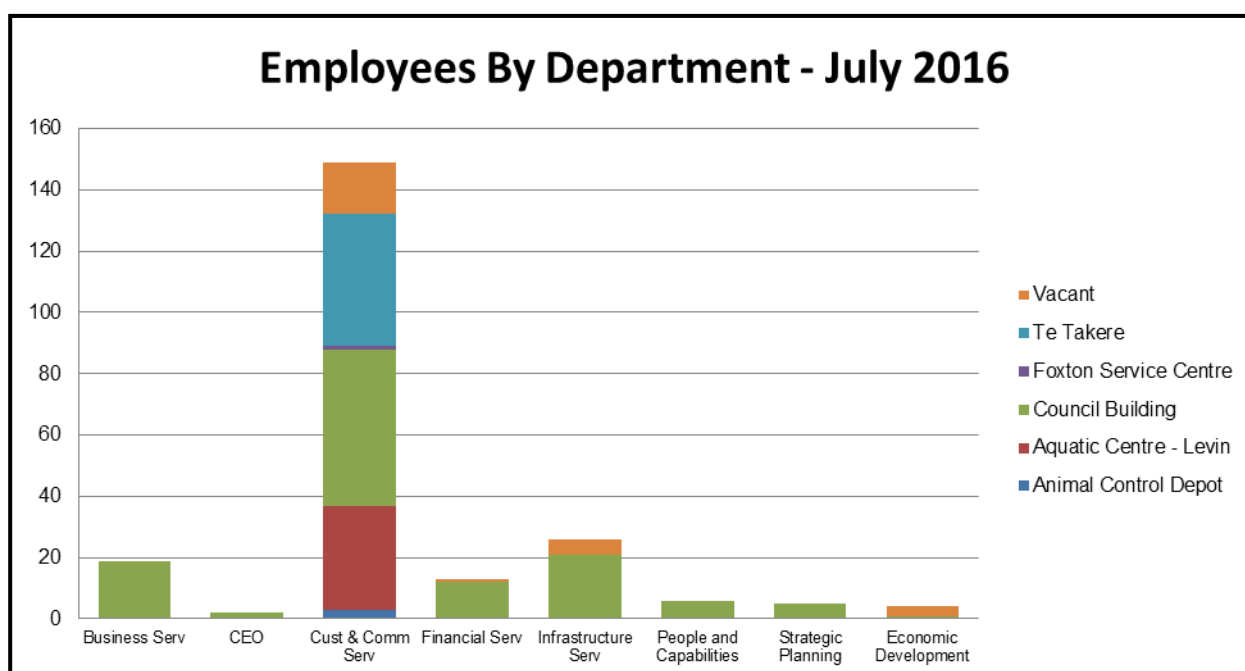
b. Health and Safety Scorecard

Area	Measure	Target	July 2016	Jan-Jul 2016	Last 12 Months	
Staffing	Employee Numbers (Actual / Vacancies)		12%			
	Turnover	Total Turnover	15.7%	2%	17%	12%
		Planned	(12.7%)	1%	1%	34%
		Un Planned	(3%)	2%	16%	22%
Health and Safety	Near misses		0	15	3	
	Accidents Vs Accidents with Injury Council Building Aquatic Centre		0 vs 0 21 vs 12	5vs 2 131 vs 98	5 vs 3 88 vs 68	
	Employee Participation (Training)		39	236	202	
	Hazard Identification		3	18	58	

c. Statistics

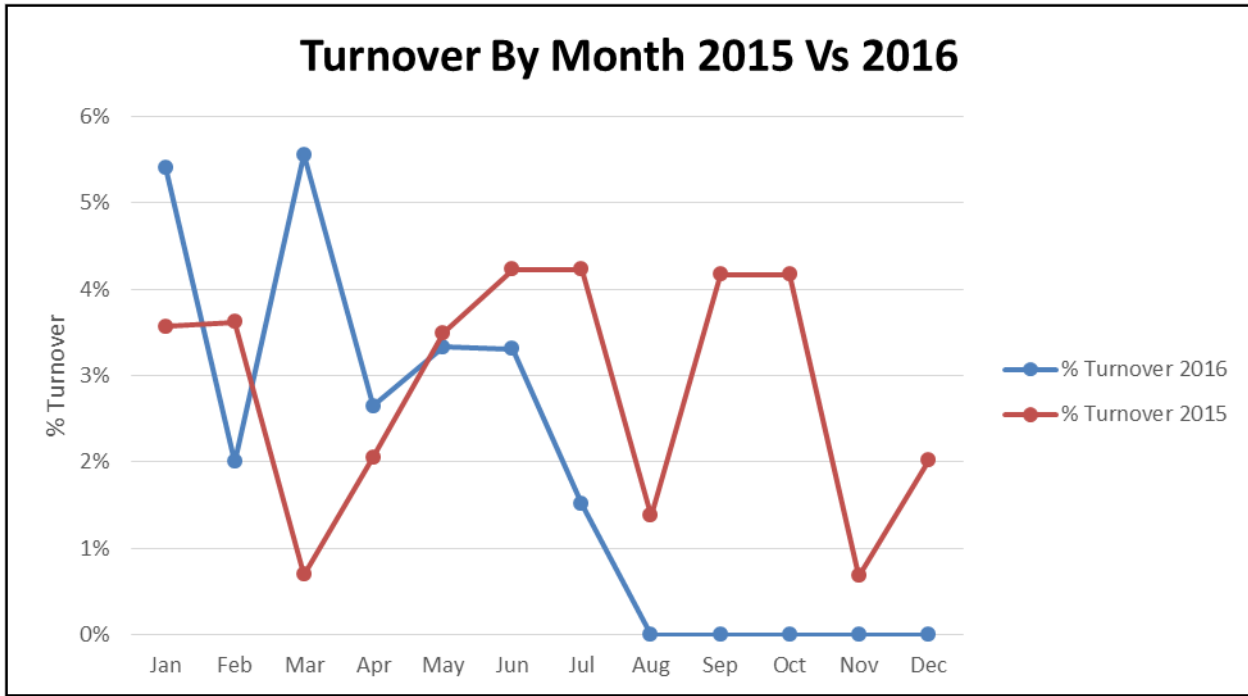
Number by Site

Active Employees Vs Vacant positions in Council by Department - Current.



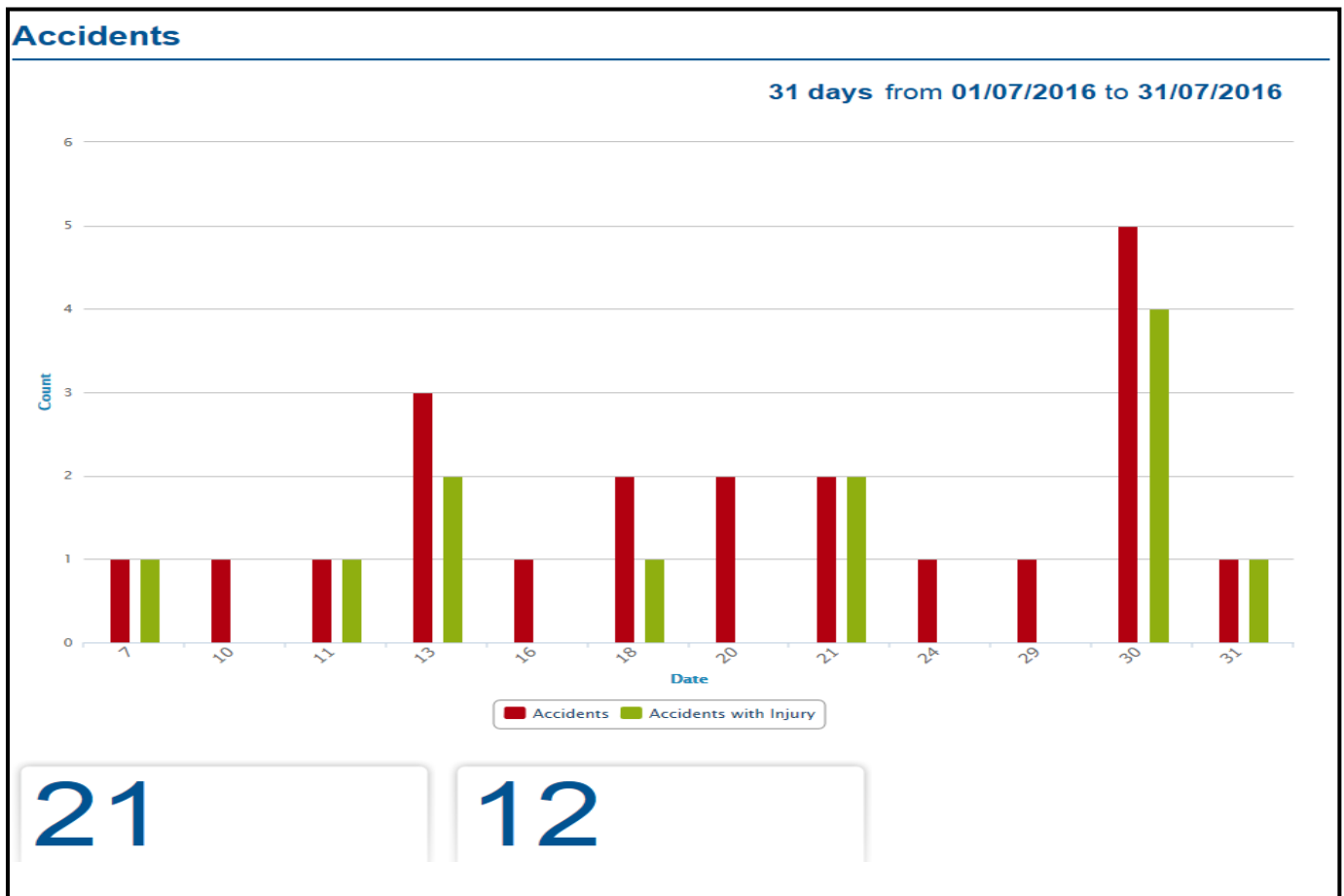
Turnover – Annual

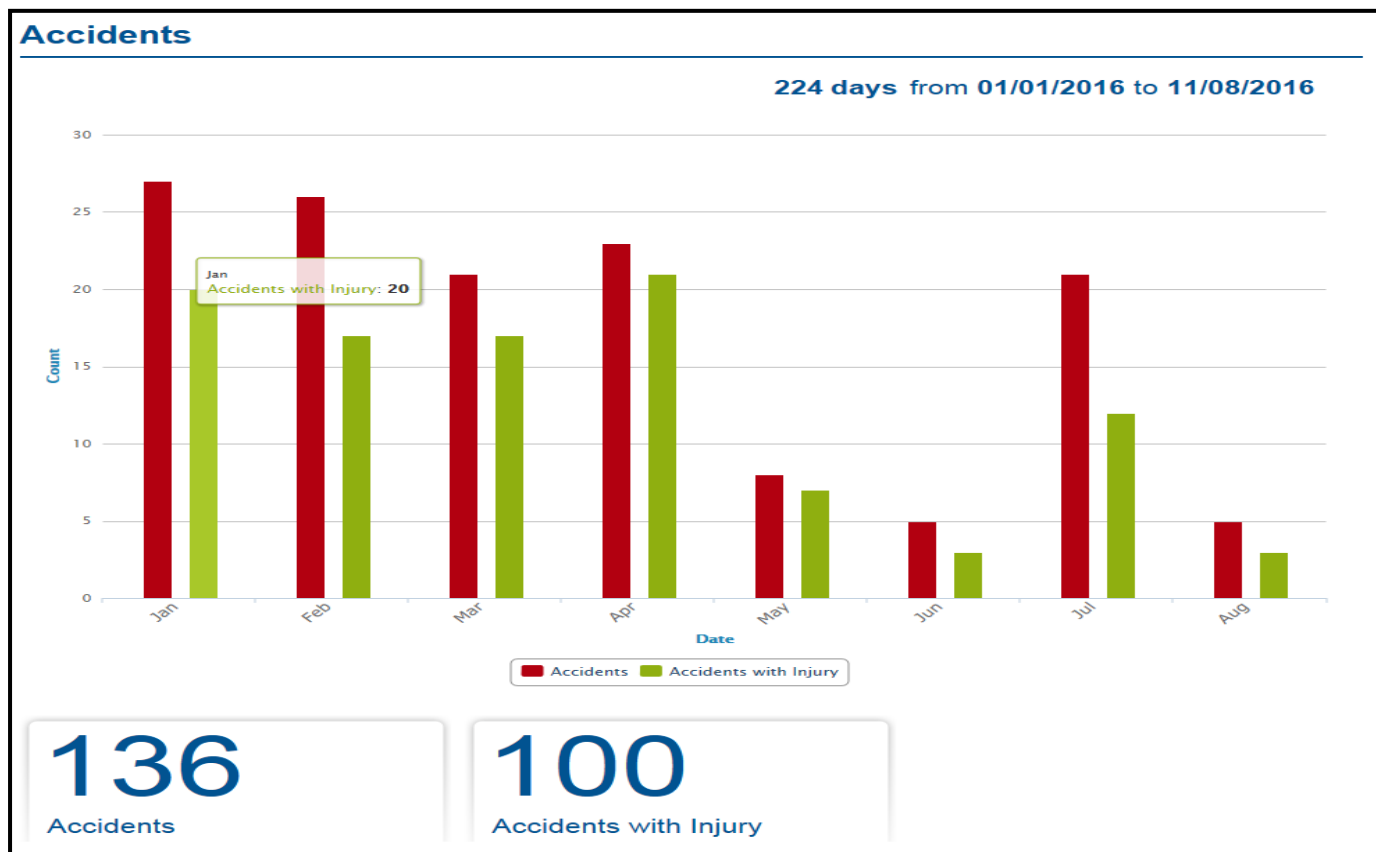
HDC continues to have lower turnover than the national average.



**Unemployment rate is published every second year on Statistics New Zealand

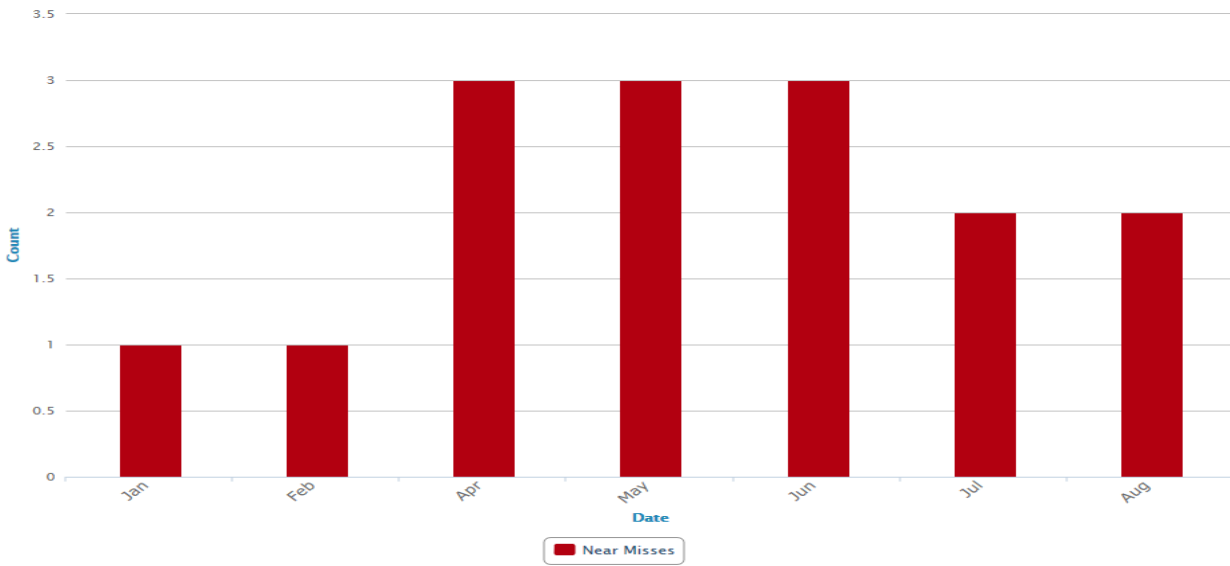
Health & Safety Accidents Vs Accidents with Injury – All Organisation





Near Misses

224 days from 01/01/2016 to 11/08/2016

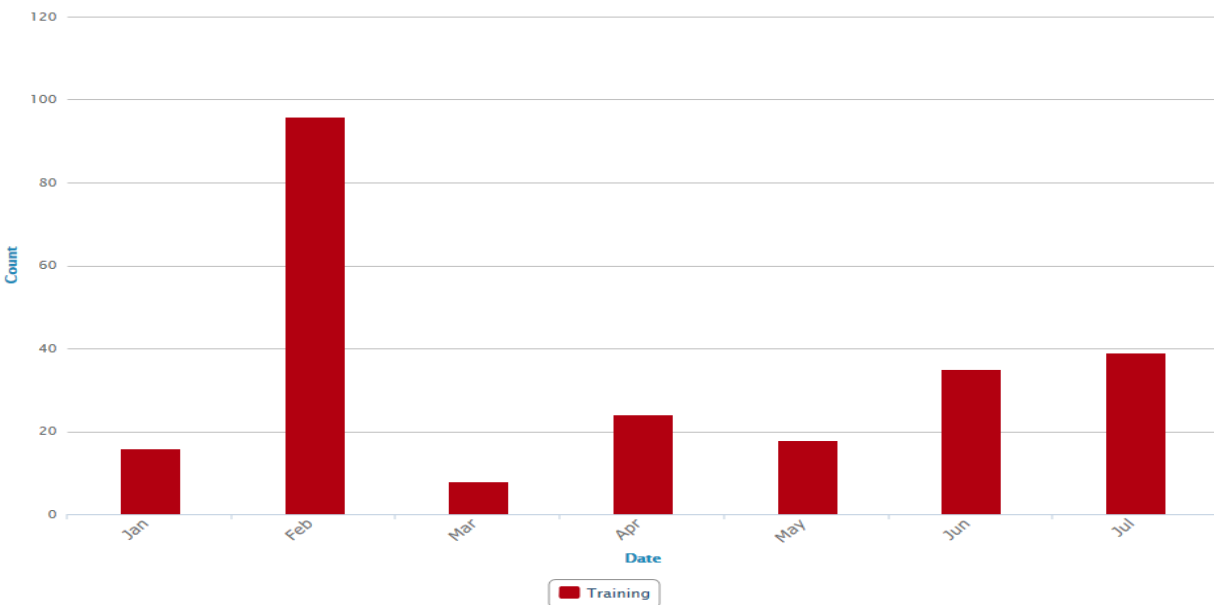


15

Near Misses

Training

224 days from 01/01/2016 to 11/08/2016



236

Courses



Section	Health and Safety Committee
Contact	Senior Manager People & Capability
Approval	Leadership Team
Date Approved	16 May 2016
Next Review	January 2018
TRIM Doc. No.	D16/64472

Purpose

Being safe at work means looking out for yourself, your workmates, our contractors and customers so that we can go home healthy and safe each day to your loved ones. Horowhenua District Council is committed to a healthy and safe workplace. This year we are introducing health and safety objectives which will be reviewed and changed on a one to two year period. These objectives relate to the new Health & Safety at Work Act which came into force on 4 April 2016. The intention of this document is to outline and agree upon the health and safety objectives for Horowhenua District Council for 2016 / 2017.

Objectives

- 1. Implementation of the new Health & Safety at Work Act 2015. Develop systems and procedures that ensure that people defined as Officers under the HSWA can satisfy the six requirements of due diligence.**

The Health & Safety at Work Act came into force on 4 April 2016. We need to ensure that our systems and procedures are aligned with the requirements of the new Act so that people defined as Officers under the Act are aware of what is required of them.

- 2. To implement training for all staff so that they have an understanding of their responsibilities under the new Health & Safety at Work Act.**

That training is given to staff so they can obtain an understanding of the new Health & Safety at Work Act and what their responsibilities are. That Health & Safety Representatives understand their obligations under the Employee Participation section of the new Health & Safety at Work Act.

- 3. To pass ACC Workplace Safety Management Practices Programme at a tertiary level.**

Working together to achieve the top level of accreditation in the ACC programme, creating peace of mind for both staff, managers, their families, elected members, and the public that Horowhenua District Council is a safe and healthy place to work.



Horowhenua
DISTRICT COUNCIL

Signed by Leadership Team:

Chief Executive:		Date: 17/05/2016
Group Manager Customer & Community Services		Date: 17/05/2016
Chief Financial Officer:		Date: 18/05/2016
Senior Manager People and Capability:		Date: 17/05/2016
Senior Manager Business Services:		Date: 17/05/2016
Group Manager Infrastructure Services:		Date: 17/05/2016
Senior Manager Strategic Planning:		Date: 18/05/2016
Economic Development Manager:		Date: 17/05/2016
Projects Manager:		Date: 9/08/2016



14 March 2016

File ref: PEM0906
SMH

Horowhenua District Council
126 Oxford Street
Levin

Attention CE – David Clapperton

Dear David

HOROWHENUA DISTRICT COUNCIL HEALTH & SAFETY GAP ANALYSIS AUDIT

As outlined in the project brief to MW LASS, the Health and Safety Project aims are to discover how MW LASS Councils are placed in regards to their readiness for the new Health & Safety at Work Act which will become law on 4 April 2016 and their readiness for WSMP Accreditation.

Horowhenua District Council elected to be part of this Health & Safety Project. The first step has now been completed with a Health & Safety Gap Analysis Audit being conducted on 8th and 9th March 2016 at the Horowhenua District Council main administration building. The visit also included the Public Swimming complex but this will be covered under a separate audit report and include the Foxton complex.

The Health & Safety Gap Analysis audit report identifies possible risk areas and gaps within the supporting systems relating to the delivery of Health & Safety at Horowhenua District Council and their preparedness for the changes under the new Health & Safety at Work Act.

By now, most council have a good understanding of PCBU, Officers and Workers responsibilities and that penalties will be much higher if we do not manage our Health & Safety obligations.

Officers must exercise due diligence in taking reasonable steps and to do this they will need to

1. Acquire knowledge of work OHS matters
2. Gain an understanding of the nature of work and hazards/risk associated with it
3. Ensure the PCBU has resources and processes to manage risks, and uses them.
4. Ensure PCBU has processes for collecting information in incidents, hazards and risks and responding to that information.
5. Ensure the PCBU implements compliance with the Act
6. To verify the provision and use of resources and processes in 3 – 5 above.

Officers have to play an active and knowledgeable health & safety role in their business. The six duties above do not require an accident or event before they are activated (although clearly, that is one way to get noticed). It will be an offence in itself not to comply.

So this Health & Safety Gap Analysis audit will be a critical document in helping to identify all the areas/risks that need addressing over a defined time period.

I have included recommendations at the end of the audit report for all areas that are currently non compliant and also for areas that need some tidying up or reviewed based on the evidence presented at this audit.

Audit Findings based on ACC WSMP Audit Programme Elements:

Element 1 – Employer commitment to safety management practices

Seventeen areas passed audit out of twenty requirements.

- Areas that need attention are management responsibility reviews which could form part of the annual performance review process.
- A review of the Health & Safety Manual to reflect the new Act requirements and terminology.
- An updating of job descriptions to reflect the Health & Safety responsibilities set out in the new Act. This could be done as positions become vacant.

Element 2 – Planning, review and evaluation

Six areas passed audit out of thirteen requirements.

- Health & Safety objective setting would help to clean up this area. This should be done in consultation with staff which will ensure buy in and it will also provide very useful information for reports at all levels through Council.
- The establishment of a year planner showing all reviews which are time bound and who was part of that review team.
- That the CE Policy statement and Health & Safety manual be updated to reflect the new Health & Safety at Work Act..
- That a documented process be put in place to capture all review and date completed.

Element 3 – Hazard identification, assessment and management

Twenty Two areas passed audit out of the thirty two requirements.

- That specialist and competency assessment of staff are recorded and reviewed on a regular basis.
- That baseline monitoring is practiced as part of contract management.
- That a process is put in place for post critical event testing.
- That there is a consistency of systems throughout Council i.e. contract management and visitor sign in.

The rest of the requirements need evidence of consultation between all parties showing reviews have taken place. Some general clean up in the Health & Safety manual will address most other areas.

Element 4 – Information, Training and Supervision

Fourteen areas passed audit out of the seventeen requirements.

- That inductions are signed and dated at each stage by employee and manager.
- That the induction process shows consideration for on job task specific training.
- Document control is a very important part of any system. Auditors will look to valid type of document, review date, and version number as they review documents. This can easily be achieved by the addition of footers on all documents.

Element 5 – Incident and injury reporting, recording and investigation.

Sixteen areas passed audit out of the twenty one requirements.

- That the Health & Safety manual time binds reporting of Incident, Accident, Near Misses and Notifiable Events.
- That Corrective Actions (CAR; s) are actioned in a timely manner.
- That when logging health & safety incidents that a flag or timeline is applied to identify it from other incidents.
- That all Serious Harm (Notifiable Event) documentation is kept in one central place.

Element 6 – Employee Participation in Health & Safety Management.

Seven areas passed audit out of the eight requirements.

This area need some revision to documentation to record what you currently do and updating to reflect the new provisions within the new Health & Safety at Work Act given the empowerment of H&S representatives. It would also benefit from the introduction of the year planner as this would assist management in the due diligent area.

Element 7 – Emergency Planning and Readiness

Five areas passed audit out of the eleven requirements.

- That a flip chart be introduced covering all emergency situations and is placed around the offices for easy staff access.
- That after debrief meetings staff received communications on how well they went.
- That a process be put in place to deliver refresher courses annually. This could be done by joining other Councils in their refresher exercises.

Element 8 – Protection of employees from on-site work undertaken by contractors & subcontractors.

Three areas passed audit out of the ten requirements

This is the highest risk area for any Council so systems must be robust and well managed.

- *That Pre Qualification of Internal and External Contractors become part of the Contractor Management System. That Pre Qualification of contractors is completed this year.*
- *That a designated person delivers the Pre Qualification process every 2 years, to go over the Health & Safety requirements and information required by Council when they are awarded Contracts.*

By pre-qualifying contractors you will cut down on the documentation that is submitted with every contract and contract managers would be able to just focus on the site requirement sign offs etc.

- *That a form be developed to help site visit audits identifying what areas should be monitored so there is a consistent approach by all contract managers.*
- *That a statement be inserted in the Health & Safety manual regarding “post-contract evaluation” requirements and this be part of the contractor management system for all council staff that oversees the delivery of contracts.*

As we are all aware it is not sufficient to assume “things are under control unless told otherwise” and this process has allowed for validation of systems and information so we can concentrate on what we need to do or fix within an agreed timeline.

I also make the following two recommendations:

1. That Horowhenua District Council prepare for WSMP Secondary Accreditation towards the end of this year subject to the above areas identified in the audit being completed/implemented.
2. That additional time/resource may be required to meet this deadline.

In conclusion, I would like to thank, Cathryn, Shaun, Ann and Meredith for their time and commitment to Health & Safety. It was evident during the audit that all of them had put a lot of time and effort into establishing the current systems and manuals and they were very knowledgeable on what the Council does overall.

I would also like to thank all the staff that I met for making me feel so welcome and for all the staff contributions to this audit process.

Yours sincerely

Sylvie M Hickton
Health & Safety Project Leader
MWLASS
Accredited Safety Auditor

Risk Management Framework Update

File No.: 16/464

1. Purpose

The purpose of this report is to provide the Audit, Risk and Finance Committee with an update on the development of HDC's Risk Management Framework.

2. Recommendation

- 2.1 That Report 16/464 Risk Management Framework Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

In September 2015 HDC embarked on a journey to develop a risk management framework with the end goal of achieving a synergized approach to risk across the organisation by December 2017.

The project milestones were agreed as follows:

Phase One - Risk Management Foundations (Completion September 2016)

- Understand the organisation and its context
- Risk management toolkit (framework, policy and guides)
- Risk communication and reporting mechanisms
- Risk champions

Phase Two – Implementing Risk Management (Completion December 2016)

- Implementing the risk management framework, policy and processes

Phase Three – Monitoring and Review (Completion December 2017)

- Audit, Risk and Finance Committee
- Internal audit
- Feedback
- Continuous improvement

4. Issues for Consideration

All major milestones for phase one are complete as outlined below:

Risk Appetite Statement

Workshop sessions and feedback from HDC management and elected members fed into the development of a risk appetite statement. It is intended that this statement going forward will be reviewed annually and approved alongside HDC's strategic plan. This will ensure that the risks HDC is willing to take to achieve its strategic objectives are measured, consistent and compatible with our capacity to sustain and manage risk and do not expose HDC, or its stakeholders, to an unknown, unmanaged or unacceptable degree of risk exposure.

Risk Hierarchy

HDC's overall key risk categories and areas have been defined. The next step is to apply these to a matrix where we assess the risk, look at likelihood and impact and our treatment.

Risk Policy

Developed and adopted.

Risk Framework

Developed and adopted.

Risk Guides

Developed and currently under peer review.

Hand outs of the Risk Appetite Statement and Risk Categories will be provided on the night for committee member review and feedback to Group Manager Business Services, Nicki Brady.

It is intended that our risk framework documents (appetite statement, hierarchy and guides) will be reviewed annually.

Over the next month work will be undertaken with the Communications Team focusing on developing consistent communication mechanisms. Communication is critical to good risk management and an important mechanism which will be focused on over the coming weeks is how we will report risk across our organisation including to the Audit, Risk and Finance Committee. We will also be looking at the linkages with other corporate processes such as procurement.

Ongoing progress reports will be provided to the Audit, Risk and Finance Committee as we progress into phase two.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Nicki Brady Senior Manager - Business Services	
Approved by	David Clapperton Chief Executive	

Monitoring Reports to 31 August 2016

File No.: 16/460

1. Purpose

To present to the Finance, Audit & Risk Subcommittee Monitoring Reports covering:

- Requested actions from previous meetings of the Subcommittee;
- Issues identified during the 30 June 2015 Audit.

2. Recommendation

- 2.1 That Report 16/460 Monitoring Reports to 31 August 2016 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments


No.	Title	Page
A	Finance Audit & Risk Subcommittee - Monitoring Report	38
B	Monitoring Report - issues identified during the 30 June 2015 Audit	42


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Group Manager - Finance	
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Approved by	Doug Law Group Manager - Finance	
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MONITORING REPORT
HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee

Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
24 Feb 2016 25 May 2016	16/63	Attendance by Audit Director and Audit Manager at March 2016 FARS meeting		D Law	March 2016	Completed	The Audit Director will attend the July 2016 FARS meeting
25 May 2016		Health & Safety	From a risk perspective this was something the Subcommittee should be considering. Officers to come back with a suggested regular reporting structure for the Subcommittee's consideration.	D Clapperton	July 2016	Completed	A report will be written for the July meeting.
25 May 2016	16/245	Financial Report for the ten months to 30 April 2016	<ul style="list-style-type: none"> Agenda page 9 – query as to the relevance of the Interest to rates revenue data provided. Explanation – this related to the LGFA covenants that Council had to work within. Officers would look at bringing to the table a 	D Clapperton	July 2016		A discussion report will be available for the September meeting to inform future monthly financial reports.

MONITORING REPORT

**HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee**

Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p>discussion document in terms of setting an imposed target that could be regularly reported on to the Subcommittee.</p> <ul style="list-style-type: none"> • Page 15 - SW18 – Leachate pre-treatment: Mr Clapperton to send an e-mail to Members as to what this covered. • Page 19 – Development Contributions Old Policy: Query - how many sections were there still under the old scheme? • Query in relation to the distinction between the Old and New DC Policies with the total outstanding debt to be checked and Members 			Completed	<p>E-mail to be sent before the meeting</p> <p>A report on the Development Contributions will be done as part of the Annual Report reconciliations for the end of June and reported to the Committee in July</p>

MONITORING REPORT

**HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee**

Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p>advised.</p> <ul style="list-style-type: none"> Page 9 – query as to the “348% more than budget” included under Financial Operation – Operational Surplus/(deficit), with it suggested that showing that as a dollar amount would be less confusing. Page 17 – WW35: the wording was somewhat loose with “It is understood” to be removed. Page 17 – PRES44: The status of this project was discussed. This project was part of the LTP and removal from the schedule would require further conversation with 	D Law		<p>Completed</p> <p>Completed</p> <p>Completed</p>	<p>This has now been completed with new wording showing in this section of the report</p> <p>The explanation has been expanded, as have many others, to endeavour to make the comments more understandable.</p> <p>Because this project appears in the LTP it will need to be reported on although no action on this project may be taken</p>





MONITORING REPORT




**HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee**






Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p>stakeholders. Whilst its removal from the Project list had been discussed by the Projects Committee, it had not yet gone to Council. It was suggested there should be some notation with regard to the project's status.</p> <ul style="list-style-type: none"> Page 17 – WS46: An explanation was requested as to the reported \$600,000 under-spend. 	D Clapperton		Completed	The explanation has been expanded.
27 July 2016	16/305	Financial Report for the twelve months to 30 June 2016	Cost of Service Statements having the Income and Expenditure Items in the same order	N Brady			
			SSP's objectives not matching with the Reporting Performance Targets to be addressed	N Brady			






FINANCE, AUDIT & RISK SUBCOMMITTEE

Monitoring Report – Issues identified during the 30 June 2015 Audit


- Number Complete and or Complete and Ongoing [blue light] 
- Number complete or on track [green light]: 
- Number off track but mitigation in place [orange light] 
- Number off track [red light]: 

Ref	Recommendation	Urgent	Necessary	Beneficial	Status	Officer Comment
2.1.1	Systems for mandatory performance measures Implement appropriate systems in place as soon as possible to ensure Council can report against the mandatory performance measures in 2015/16	✓				Full 12 months of data has been reported and initial investigations as reported to Council via Audit New Zealand's interim audit report is positive. Audit New Zealand are currently on site completing their final review.
2.1.2	SPP – Completeness of supporting documentation held by Contractors All supporting information be held by the Council and reviewed for completeness. Perform spot checks to ensure that the supporting information provided by the contractor agrees to the CRM and other reports from the contractor	✓				Full 12 months of data has been reported and initial investigations as reported to Council via Audit New Zealand's interim audit report is positive. Audit New Zealand are currently on site completing their final review.
3.1.1	Independent review of creditor Masterfile Implement an independent review over the creditor Masterfile changes made to ensure that changes made to the creditor Masterfile are legitimate. Reinstate a monthly review of the creditor Masterfile, evidenced with a dated signature	✓				Creditors Masterfile will be signed off each month.

3.1.2	<p>Independent review of payroll Masterfile</p> <p>Implement an independent review of the payroll Masterfile changes from the pay run ended 15/02/2015 to date to provide assurance to management that changes made to the payroll Masterfile are legitimate. Complete future independent reviews of the changes made to the payroll Masterfile in a timelier manner</p>	✓				<p>This item has been closed off by audit and marked as complete in the Interim Audit New Zealand report.</p> <p>There is an independent review of the payroll Masterfile is undertaken for each fortnightly payroll.</p>
3.1.3	<p>Internal assurance over landfill revenue</p> <p>Obtain assurance that the landfill revenue information received in the last three quarters was appropriate. Complete quarterly audits in a timelier manner</p>		✓			<p>The information received from the contractor will be audited against Council records.</p>
3.1.4	<p>Reviews of users and their access levels within Authority (IS)</p> <p>Perform a review of Authority users and their access levels to ensure that they remain appropriate</p>			✓		<p>This item has been closed off by audit and marked as complete.</p> <p>Review complete. Decision made to implement role based security within Authority which will enable us to manage permissions and delegations by role and then allocate a person to that role. This will also streamline the process for people leaving and joining the organisation and ensuring appropriate access and delegations are inherited as per their role.</p>
3.1.5	<p>Patching and Virus Management Improvements (IS)</p> <p>Review patch and virus management procedures to ensure that the systems are managing all of Council's current devices.</p> <p>Establish an after-hours outage window so that IT staff are able to take servers down to perform maintenance and configuration.</p> <p>Establish reporting on the status of patching and virus management to ensure Council's systems are protected</p>			✓		<p>The Audit NZ IT Audit finalised in May 2016 has highlighted that significant improvements to the management of Microsoft patching have been made, including development of automated software for ensuring the patch management database is up to date and that patches are being applied on a regular cycle.</p> <p>It has been suggested that a database is developed to manage all devices that require anti-virus updates. This will be taken on board in the IT roadmap for the coming year.</p>
5.2.1	<p>Reporting of unplanned and deferred maintenance</p> <p>Report planned, unplanned and deferred maintenance to Council</p>		✓			<p>Planned and Unplanned maintenance will be reported to Council on a monthly basis. We will co-ordinate with Asset Management to identify deferred maintenance.</p>

6.1	<p>Maintenance of fixed asset register (FAR)</p> <p>Perform a full review of the FAR to ensure valid data is contained in the module. Review accounting policies to ensure depreciation rates appropriate and detailed enough for assets which are commonly added to the schedule.</p>		✓			A review of both FAR and CVR will be undertaken in 2016.
6.2	<p>Maintenance of fixed assets WIP schedule</p> <p>Monitor WIP balances on a regular basis to ensure that any WIP that should be capitalised is done so.</p>		✓			We will work to improve the identification of WIP and capitalise assets when they are operational.
6.3	<p>PPE additions – missing contract documentations</p> <p>Retain all contract information and ensure it is appropriately filed and archived to enable monitoring of key KPIs and contract conditions. All contracts should be appropriately approved and payments approved in line with delegated authority</p>		✓			<p>Contract register established and populated. A reporting system has been developed attached to this to identify a number of key elements relating to the contract. The register has been established within the Council corporate system (Authority) to enable all contract register entries to be linked to wider areas such as the accounts payable modules and associated delegated authorities. The register entries are also linked to our procurement register which enables us to see the connection between the original procurement plan and view the documentation which outlines the market process, evaluation criteria and panel attached to the procurement decision.</p> <p>With all information gathered into a central portal, Council will look in the coming year into how we can establish links to the contract conditions and their monitoring as part of our wider investigation into a performance management system.</p>
6.4	<p>Classification of “assets held for sale”</p> <p>Implement a review process at year end to identify any assets for sale which meet the criteria as held for sale in the financial accounts</p>			✓		A review process will be put in place to identify any assets that are held for sale.
6.5	<p>Appropriateness of procurement process</p> <p>Future significant procurement should follow a tender process</p>		✓			<p>Council undertook an external review of its procurement practices and as reported from the external audit report at the Finance, Audit and Risk Committee meeting on the 31st August, HDC has been rated favourably regarding its procurement practices.</p> <p>Initial verbal feedback from Audit New Zealand of their progress</p>

					<p>review approaching end of June 16 is positive.</p> <ul style="list-style-type: none"> • Procurement Policy reviewed. Version 2.0 of the policy and guidelines adopted by the leadership team in March 2016. • Procurement documentation under way to provide staff with guides for each stage of the procurement process and appropriate procedure documents for all stages including tenders. • Contract register developed to record all existing contracts and a process developed for addition of any future contracts. • Annual procurement plan currently under development to identify all planned procurement as per annual plan budgets. • All staff training being undertaken for the months of June/July 16
6.6	<p>Enforcement of the delegated financial authority</p> <p>Remind staff of the need to comply with delegated financial authority and remind processing staff to be more diligent in making sure the delegated financial authority is appropriately followed.</p> <p>Encourage staff to use of the Online Requisition system to reduce the risk of payments being approved outside staff delegation</p>	✓			<p>●</p> <p>Role based security implemented and live.</p> <p>AP workflow has gone LIVE on 15 March 2016 that requires an OLR for goods and services supplied to Council.</p> <p>Report developed (as part of the procurement policy review) to provide an internal control around all purchase orders raised included those which are self-approved. This report has been reviewed by Audit New Zealand and confirmed as meeting their requirements.</p>
6.7	<p>Project management improvements</p> <p>Formalise the methodology for managing projects and ensure that there is a planned approach to post implementation review in place</p>		✓		<p>●</p> <p>Council has in place a formal documented system for Project reporting to the Projects Committee which outlines how these projects are managed. These reports include progress costs (budgeted, actual and projected), resourcing, risks register, opportunities as well as any Health and Safety matters for each individual projects. Reports are submitted to the Projects Committee on a monthly basis.</p> <p>Following completion of projects, Council meets with the contractor</p>

						to review the project. Key points are documented.
6.8	<p>Keeping the interest register up to date</p> <p>Remind elected members and other key management personnel to update the interest register on a regular basis</p>		✓			The interest register will be updated.

Explanation of priority rating system

Audit's recommendations for improvement and their priority are based on Audit's assessment of how far short Horowhenua District Council is from a standard that is appropriate for the size, nature, and complexity of the business.

Audit has developed the following priority ratings for recommended improvements.

<p>Urgent</p> <p>Major improvements required</p>	<p>Needs to be addressed urgently</p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm</p>
<p>Necessary</p> <p>Improvements are necessary</p>	<p>Address at the earliest reasonable opportunity, generally <i>within 6 months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency</p>
<p>Beneficial</p> <p>Some improvement required</p>	<p>Address, generally <i>within 6 to 12 months</i></p> <p>These recommendations relate to deficiencies that result in the District Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in Audit's view, it is beneficial for management to address these.</p>