WHANGAREI DISTRICT COUNCIL

Audit and Risk Committee

Notice of Meeting
A meeting of the Audit and Risk Committee will be held in the Council Chamber, Forum North, Whangarei on:

Wednesday
4 March 2015
9.30am

Committee of:
Council

Committee
Cr S L Morgan (Chairperson)
Her Worship the Mayor
Cr S J Deeming
Cr J D T Williamson
Philip Jones (Independent Advisor)

Audit and Risk Committee
Terms of Reference

Chairperson

Cr S Morgan

Members

Mayor
Section 41A(5) of the Local Government Act 2002 provides that the Mayor is a member of each committee of the territorial authority

Councillors

Councillors S J Deeming, J D T Williamson

Independent Advisor

The Chairperson has appointed Mr Philip Jones as an Independent Advisor. The Independent Advisor has voting rights.

Attendance at Meetings

All Councillors, the Chief Executive Officer, Group Managers, Department Managers and such other Council Officers as deemed necessary, may attend Committee meetings.

Frequency of Meetings

The Committee should meet at least four times per year, with the meeting schedule organised to coordinate with statutory reporting processes.

Quorum

A quorum for a meeting of this Committee shall be:

- half of the voting members if the number of voting members, including vacancies, is even or,
- a majority of voting members, including vacancies, if the number of voting members is odd.

Delegated Authority

1. Does not have the powers of Council to act in the following instances as specified by Clause (32) Schedule 7 of the Local Government Act 2002:

   a) the power to make a rate; or
   b) the power to make a bylaw; or
   c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
   d) the power to adopt a long-term plan, annual plan, or annual report; or
   e) the power to appoint a chief executive; or
   f) the power to adopt policies required to be adopted and consulted on under this Act in association with the Long Term Plan or developed for the purpose of the local governance statement; or
   g) the power to adopt a remuneration and employment policy.

2. Does have the ability to appoint Sub-committees to deal with any matters of responsibility within the Committee's Terms of Reference and areas of responsibility, and to make recommendations to the Committee on such matters and provided the

Sub-committee shall not have power to act other than by a resolution of the Committee with specific limitations where there is urgency or special circumstances.

3. Does have the ability to make decisions in accordance with the Terms of Reference.

Terms of Reference

- To review, consider, consult, advise and instruct Management on matters relating to the areas of responsibility of the Audit & Risk Committee.
- To ensure the fulfilment of Council's legal obligations and responsibilities, including compliance with legal and regulatory matters.
- To ensure Council develops strategies for identifying and managing risk and being satisfied risks are being properly managed (operational, financial and compliance risks).

Areas of Responsibility

- External Audit
- Internal Audit
- Risk Management, including Operational and Financial Control Systems
- Insurances
- Legal Issues
- Elected Members' Code of Conduct
- Policy for allowances and reimbursement of expenses to Elected Members
- Such other functions as may be delegated by Council from time to time.

Specific Matters

- Audit
  - Agree audit scope with Management
  - Provide direct input on audit scope to the external auditor
  - Consider auditor management report, taking appropriate action
  - Consider any internal audit needs, including probity, waste and performance
  - Hold a confidential meeting with the external auditors at least once every year.
- Risk
  - Ensure a comprehensive risk management framework is in place and it is being operated effectively
  - Identify and monitor risks related to major projects.
  - Ensure Council's assets are insured appropriately
  - Ensure Council has suitable business continuity arrangements in place,
- Code of Conduct
  - Oversee the management of any issues related to the Elected Members Code of Conduct, including dealing with complaints
- Policy for allowances and reimbursement of expenses to Elected Members
  - Review the Policy for allowances and reimbursement of expenses to Elected Members outside of a determination of the Authority, or a full review of the Policy by Council in the last year of the term.
- General
  - Consider such other matters as referred to the Committee by the Council or Management from time to time.
- Make recommendations to Council where appropriate.
- Facilitate a process for Councillors to formally review their performance and conduct self evaluations.

OPEN MEETING

APOLOGIES

CONFLICTS OF INTEREST
Members are reminded to indicate any items in which they might have a conflict of interest.

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1. Health and Safety Report

Reporting officer Jenny Antunovich (Human Resources Manager)

Date of meeting 4 March 2015

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

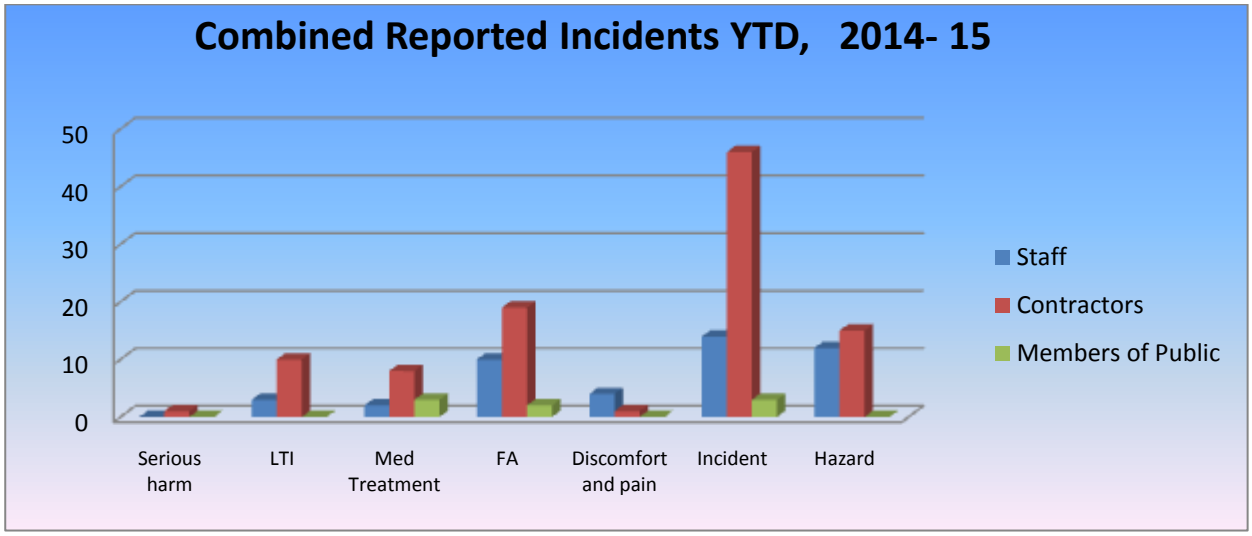
Background

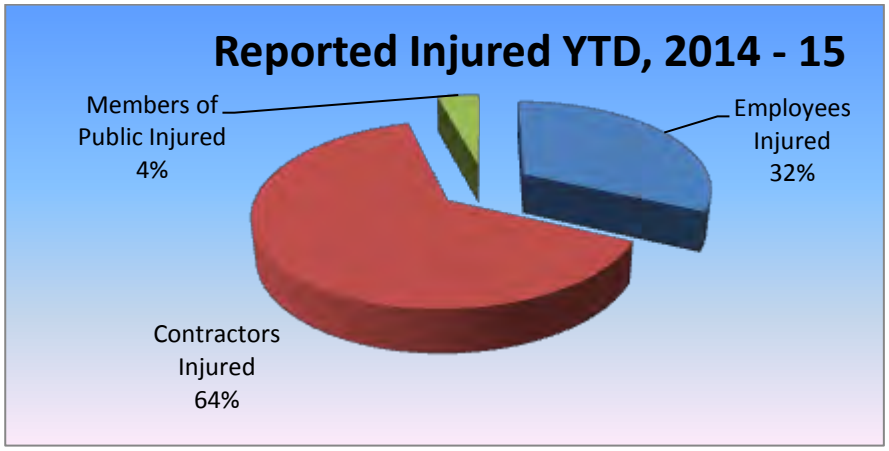
This is an update of Council's Health and Safety practice.

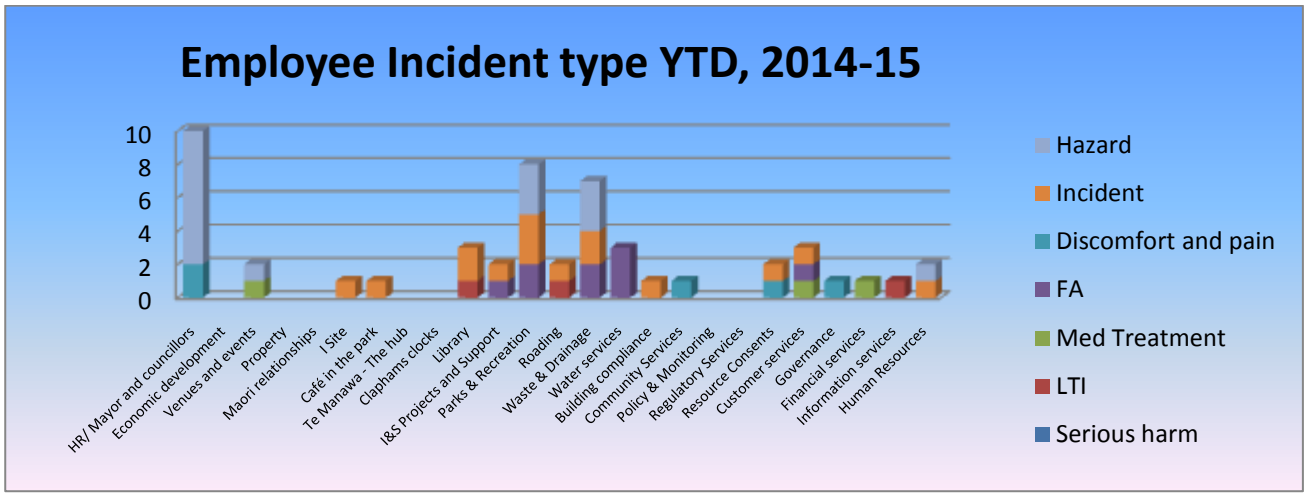
Significance and Engagement

Having considered the Significance and Engagement Policy this proposal or decision is not considered significant and the public will be informed via agenda publication on the website.

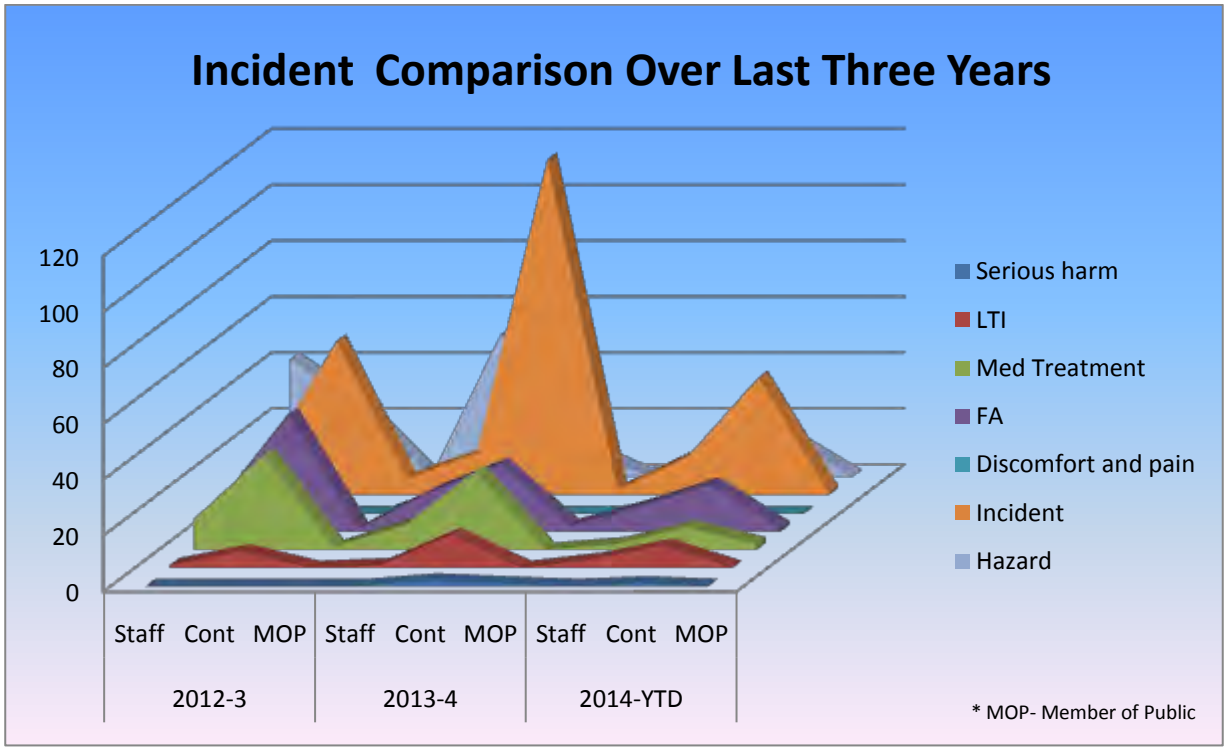
1. Year to date trends







2. Comparison of statistics over last three years



	2012-3			2013-4			2014-YTD		
Incident	Staff	Cont	MOP	Staff	Cont	MOP	Staff	Cont	MOP
Serious harm	0	0	0	0	2	1	0	1	0
LTI	1	6	0	1	12	0	3	8	0
Med Treatment	11	34	1	9	28	0	2	8	2
FA	10	42	1	14	24	2	9	17	1
Discomfort and pain	15	0	0	9	0	0	1	0	0
Incident	13	55	6	15	120	2	14	42	1
Hazard	42	25		51	12	1	3	15	0

3. Health and Safety Initiatives

Month	Theme	Initiatives
January	Summer safety	Information provided about; sun, water and alcohol safety
February	Healthy eating	Healthy recipe competition, tips and healthy eating information, some fresh fruit provided in tea rooms for short period
March	Safe Driving	Planned; road code quiz, driving information and tips out to staff

4. Risk reduction

- Focus has also been spent on improving contractor management systems to ensure compliance to upcoming legislation, while streamlining to improve efficiency. The area of volunteer related health and safety is also planned to be improved.
- The Council hazard register is also being updated to accommodate the focus from ‘hazards’ to ‘risk’.

5. Legislative update

- Worksafe NZ have advised they are putting more emphasis into occupational ‘health’ and recruiting a large number of specialists to assist in this field.
- Worksafe NZ have also begun publishing a number of very user friendly booklets and guidelines, with strong emphasis on reducing workplace fatalities. In 2014 there were 45 deaths (provisional figures), down from 55 the previous year and they are also increasing resourcing in general to accomplish goals.
- Worksafe NZ are currently undertaking a series of hazardous substances assessments at our council Waste and Water treatment plants.
- The new date that the Health and Safety Reform Bill is liable to pass into legislation is not yet known, but not likely to be before October 2015.

Recommendation

That the information be received.

WHANGAREI DISTRICT COUNCIL

2. Policy on Elected Members Allowances and Recovery of Expenses

Reporting officer Dominic Kula (Governance Manager)

Date of meeting 4 March 2015

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

Background

The Policy on Elected Members Allowances and Recovery of Expenses (the Policy) is subject to a full review of Council in the last year of each term with Council then sending a recommended draft Policy to the Remuneration Authority for approval. In intervening years the Policy must be in accordance with values, limits and conditions set in any Determination of the Remuneration Authority. The Policy therefore provides for staff to make amendments as a result of any Determination of the Remuneration Authority.

Outside of a Determination of the Remuneration Authority, or a full review of the Policy in the last year of the term, Council may wish to consider changes relating to the process, administration or limits of allowances and expenses. While the Remuneration Authority has previously advised that it will consider changes via a recommendation of the Mayor the establishment of the Audit and Risk Committee provided a logical, and transparent, mechanism for providing recommendations to the Remuneration Authority. As a result of this Council delegated administration of the Policy to the Audit and Risk Committee at the meeting of 27 August 2014.

This delegation covers changes relating to the process, administration or limits of allowances and expenses that remain within the parameters outlined in any Determination of the Remuneration Authority. Where changes are recommended by the Audit and Risk Committee the revised Policy, with any proposed amendments, needs to be sent to the Remuneration Authority for approval and signature (in hard copy on letterhead).

Significance and Engagement

Having considered the Significance and Engagement Policy this matter is not considered significant and the public will be informed via Agenda publication on the website.

Proposed changes

While the Policy currently includes direction on the software and support for communications equipment provided to elected members (refer to section 8) this is not comprehensive and is supplemented by an internal operational policy held by Council's Information Services Department.

To avoid duplication and confusion it is proposed to amend the Policy to incorporate wording from both policies. This is considered to be a more efficient option than having a stand alone operational policy covering the support provided for devices.

The proposed revisions have been marked by way of tracked changes in Attachment 1 and cover the following points:

- Specifically aligning the provision of allowances and devices to Determinations and guidance of the Remuneration Authority.
- Clarifying requirements for access to the WDC network.
- Clarifying requirements for updating of software and for other maintenance purposes.
- Clarifying the scope of support provided by staff.
- Clarifying requirements and liability for the return of devices at the end of term.

The proposed revisions are considered administrative in nature and they remain within the parameters outlined in the current Determination and guidance of the Remuneration Authority.

If supported by the Audit and Risk Committee the revised Policy will be sent to the Remuneration Authority for approval and signature.

Recommendation

1. That this information be received.
2. That the Audit and Risk Committee resolve to recommend that the Remuneration Authority approve the revisions to the Policy on Elected Members Allowances and Recovery of Expenses as included in Attachment 1.

Attachment

Policy on Elected Members Allowances and Recovery of Expenses *(TRIM Policy0054)*

WHANGAREI DISTRICT COUNCIL

Whangarei District Council Policy

Policy On Elected Members Allowances And Recovery Of Expenses

Policy 0054

Date Adopted: September 2013 **By:** Council **Ref/Minute No**:

Policy On Elected Members Allowances And Recovery Of Expenses			
Audience (Primary)	Internal	**Business Owner (Dept)**	Governance
Policy Author		**Review date**	July 2016

1. INTRODUCTION

This policy sets out rules on the claiming of expenses by elected members and the resources that will be available to them during their term of office.

Contact person for queries: Judi Crocombe
Email: judic@wdc.govt.nz
Phone: 09 470 3029

2. TERM AND REVIEW OF POLICY

This policy was adopted by Whangarei District Council at its meeting of 25 September 2013.

Limits set in the policy and processes for approval are largely as recommended by the Remuneration Authority at the time of drafting. These limits were included in a Determination of the Authority which came into effect at the commencement of the new Council, 12 October 2013, and remain in place for the term of the next Council (i.e. until October 2016).

Limits are subject to periodic amendment as a result of any subsequent Determination of the Authority. As Council is required to comply with any Determination of the Authority amendments to the policy resulting from a Determination will not be bought to Council for a decision. To ensure visibility of any changes these amendments will however be captured in the following table.

Prepared/reviewed/updated by			
Date	**Name**	**Designation**	**Status/Update**
02/09/2013	Dominic Kula	Governance Manager	Draft policy for Group Manager consideration.
12/09/2013	Alan Adcock	GM Support Services	Policy completed for consideration by Council
25/09/2013	Council	Council	Adopted Policy
25/10/2013	Dominic Kula	Governance Manager	Claim forms amended to include a prorated mileage threshold of 3548km as required by the Remuneration Authority declaration
11/11/2013	Dominic Kula	Governance Manager	Typo in introductory paragraph amended. Communications allowances amended to include a prorated amount as required by the Remuneration Authority declaration. Claim forms updated and renamed to provide clarity.
23/01/2014	Dominic Kula	Governance Manager	Mobile phone usage and internet/landline allowances amended to reflect Remuneration Authority declaration.
30/07/2014	Dominic Kula	Governance Manager	Expense forms cost centre codes updated to reflect changes made for the new financial year.
08/08/2014	Dominic Kula	Governance Manager	Expenses and allowances updated to reflect 2014/15 determination of the Remuneration Authority. Amounts changed from pro-rated to full financial year quantum.
17/02/2015	Dominic Kula	Governance Manager	Proposed changes covering support for communications device drafted for consideration of the Audit and Risk Committee.

As a result of the discussion above this policy has a three year term from October 2013 - October 2016. The policy will be updated by staff to comply with any Determination of the Remuneration Authority during this term with a full review of the policy will be undertaken and reported to Council at the end of this term.

3. DOCUMENTATION OF RELATED POLICIES

In addition to this document, the following documents set out the policies, rules and procedures relating to the expenses and allowances payable to elected members, or are relevant supporting documents**:**

- Travel Policy (12/29009) Approved April 2012
- Fleet Management Policy Manual (10/21359) Approved September 2012
- Sensitive Expenditure Policy (13/32037) Approved June 2013

4. CONDITIONS FOR EXPENSE REIMBURSEMENTS AND ALLOWANCES

From time to time elected members incur expenses on the Council's behalf which need to be reimbursed. This reimbursement and the use of council supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.

Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects. Transparency is achieved through the monthly publication on the Council's website of all expenses for elected members over the past month.

The process for reimbursement of claims includes the following principles:

- being in accordance with Council's Travel Policy
- any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy
- expense claims must be provided and full original receipts and GST invoices are required
- cost reimbursements will be made via the payroll system.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage, travel time and communications, all limits set in this document are as recommended by the Remuneration Authority and will be included in a Determination of the Authority. Council has no ability to change these limits.

All expenditure that falls under this policy will be approved on the condition that it can be met within relevant budget provisions.

5. DEFINITIONS

"Actual" means as evidenced by the original receipt attached to the claim form.

"Reasonable" means that it is within the amount specified by this policy or as deemed reasonable by the Mayor/Regional Chairperson and/or Chief Executive.

"Council business" includes: formal council, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

"Remuneration Authority" is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

6. ALLOWANCES AND EXPENSES BY GROUP OF MEMBERS

Position	Expense/ Allowance	Description/process	Approval
All elected members	Taxis	Taxis may be used for Council business, instead of private vehicles or public transport, for safety/security reasons, and when travelling outside Whangarei if a taxi is the most appropriate form of transport. Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective	Governance Manager

Position	Expense/ Allowance	Description/process	Approval
		option. Rental cars booked by either the PA to His Worship the Mayor (for the Mayor) or Councillor Support (for councillors) should be considered as an option in such circumstances. Taxi charge vouchers should be used for planned travel within New Zealand. Costs paid for directly by the individual for unanticipated travel within in New Zealand or for international travel will be reimbursed on presentation of actual receipts.	
	Rental Cars	Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.	Governance Manager
	Travel and attendance at conferences/ seminars /training programmes	All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at these events, held both within New Zealand and overseas, subject to: a) being in accordance with Council's Travel Policy, and b) related expenditure being accommodated within existing budgets, and c) the appropriate approvals as outlined in this policy and excluding reimbursement for purchases from hotel mini-bars and charges for in-room video or cable movies. All travel and accommodation arrangements for elected members are to be made with the Council's preferred travel agents, at the most economic cost available (when possible) at the time of booking, unless all travel costs are being met privately or by an outside party. In the case of councillors a request can be made by providing the completed form in Appendix A to Councillor Support. In the case of the Mayor this can be provided to the PA to Her Worship the Mayor.	Council, Mayor, Deputy or CEO depending on position and circumstances (refer below for detail)
	Exceptional circumstances for Council related meetings	Councillor Support or the PA to His Worship the Mayor may arrange overnight accommodation in accordance to Council's Travel Policy when travel or business requirements do not allow for the return on the same day, e.g. if it is unreasonable for an elected member to travel to their home after a late meeting.	CEO
	Domestic air travel	All elected members are entitled to utilise domestic air travel for Council related travel, generally where travel by air is the most cost effective travel option. Travel must be in accordance with Council's Travel Policy using the form attached as Appendix A.	CEO
	International air travel	As a general policy all elected member international air travel is by way of economy class, where all or part of the costs of the fares are to be met by Council. Travel must be in accordance with Council's Travel Policy using the form attached as Appendix A. The approval of the Council is required for exceptions, e.g. where	Council

Position	Expense/ Allowance	Description/process	Approval
		Premium Economy (or any equivalent seating class) is desirable for health or other compelling reasons.	
	Air points	No airpoints accumulated while on Council business can be utilised for personal use.	N/A
	Private accommodation provided by friends/ relatives	Payment of $50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.	Governance Manager
	Car parking	Car parks at Forum North are provided for elected members for use for Council business only	N/A
	Stationery and consumables	Councillor Support will supply reasonable amounts of 'standard' paper and printer consumables for Council business.	N/A
	Communication equipment*	Option of either: Provision of a mobile phone, PC or laptop, iPad or Tablet and printer. Full technical support is provided for Council business, or Where demonstrated that these assets are held by the elected member and that the use of personal assets would better meet their needs, provision of an annual allowance for any or all equipment provided by the elected member, as follows*: $150 for a PC $150 for an iPad or tablet $40 for a printer $60 for a telephone (mobile or handset). The provision of hardware will be co-ordinated by Councillor Support Staff and allowances can be sought by lodging the claim form attached as Appendix B.	Governance Manager
Mayor	Car	If sought the Mayor will be provided with a vehicle that will also be available for his/her private use in accordance with any declaration to the Remuneration Authority. A deduction will be made from his/her salary as determined by the Remuneration Authority. The Mayor will then not be able to claim for vehicle mileage.	N/A
	Travel and conferences, courses and seminars	The prior approval of the Chief Executive is required for travel within New Zealand for: a) Council business b) attendance at conferences/courses/training events/ seminars c) other purposes associated with the position of Mayor. The prior approval of the Council is required for all international travel, where costs or partial costs are paid for by Council funds. Where the Mayor or the Mayor's authorised	Council or CEO depending on the circumstances

Position	Expense/ Allowance	Description/process	Approval
		representative is accompanied by his/her partner on international travel, the Council will meet the cost of their travel, accommodation and incidental costs. The Council will authorise such expenditure only where the partner's involvement directly contributes to a clear business purpose.	
	Telephone costs	Full payment by the council of: • home telephone line rental, and • cellphone based rental and all associated call charges. Reimbursement can be sought by lodging the claim form attached as Appendix B.	Governance Manager
	Entertainment and hospitality	The Mayor may hold a purchasing card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided. All expenditure on this card is approved by the Chief Executive. Particular regard must be given to Council's Sensitive Expenditure policy so that the risks associated with transactions of this nature are managed effectively.	CEO
Council-lors	Conferences, courses, seminars and training	The conference, course, seminar or training event must contribute to the councillor's ability to carry out Council business. Attendance at these events when held in New Zealand must be approved by both the Mayor (or the Deputy Mayor) and the Chief Executive. Attendance at these events when held overseas must be approved by the Council.	Council, Mayor, Deputy and/or CEO depending the circumstances
	Entertainment and hospitality	Reimbursement of costs incurred while hosting official visitors to the Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to, tea/coffee, and catering including alcohol with meals. Reimbursement can be sought by lodging the claim form (attached as Appendix B) with relevant documentation.	Governance Manager
	General community related expenses	From time to time councillors may have unforseen costs arise for items relating to community events, e.g. payment of koha, or purchasing a wreath for attendance at a commemorative event. Reimbursement of such expenditure should be previously approved by the Chief Executive. The items should be appropriate to the occasion and expenditure should be moderate and conservative. Reimbursement can be sought by lodging the claim form attached as Appendix B.	CEO
	Vehicle mileage	Vehicle mileage will be paid for all travel on Council business that exceeds, in any one day, the relevant	Governance Manager

Position	Expense/ Allowance	Description/process	Approval
		threshold distance. The threshold distance will be personal to each elected member. It will depend on the distance of a round commuting trip from the elected member's home to their nearest council office: a) members living more than 15 kilometres away from their nearest office may claim the allowance for round trip distances travelled more than 30 kilometres in any one day b) members living less than 15 kilometres away from their nearest office may claim mileage for round trip distances travelled more than their round trip from home to their nearest council office, in any one day. Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination. Reimbursement can be sought by lodging a mileage claim on the form attached as Appendix C.	
	Mobile phone expenses*	An allowance towards Council generated calls, text and data through mobile phones of up to $400 for councillors. This allowance can be sought by lodging the claim form attached as Appendix B.	Governance Manager
	Internet connection*	For an Internet connection (with or without a telephone connection), $250. Reimbursement can be sought by lodging the claim form attached as Appendix B.	Governance Manager

*Note: the cumulative total amount payable to a member for communications/equipment allowances marked * for the period from 01/07/14 - 30/06/15 must not exceed $1,050.

7. INSURANCE

Council's insurance portfolio includes a Trustees Liability Policy covering elected members for appointments to trusts where such representation is at the request of Council in connection with Council business. The limit of indemnity of this policy is $5,000,000.

8. SOFTWARE AND SUPPORT FOR COMMUNICATIONS EQUIPMENT

All elected members requiring Information Technology devices will be eligible for either allowances or the provision of devices as outlined in any Determination and guidance from the Remuneration Authority.

Relevant communications equipment will be loaded with the following software:

1 Latest suitable Microsoft PC Operating System

2 The version of Microsoft Office currently in use at WDC

3 Software necessary for connection to WDC Network.

Any other software required by individual elected members will be installed subject to the following rules:

1 The software must be compatible with software already loaded

2 Installation must be done by WDC IT staff

3 Software to be provided at elected member's expense.

Connection to the WDC Network will not be provided unless an exception is approved by the Chief Executive. Access will be subject to completion of the Application for Remote Access and compliance with all WDC internal ICT policies.

Any elected member issued with a device must comply with all the following support requirements:

From time to time WDC will request the return of equipment in order to update core operating software, anti-virus protection and for other maintenance purposes, councilors must ensure that upon request and within the time frame requested that the equipment is brought back to WDC for the appropriate support and maintenance.

WDC will not provide support for any other peripheral device or Internet connection that is connected to the device that has not been expressly provided by WDC.

WDC will not provide support for any non-WDC owned and operated software loaded onto the device.

At the completion of a term in office, WDC will request the return of all issued equipment including any device and associated equipment and or software. Elected members must ensure that these are returned within the requested timeframe. Elected members may be held liable for the replacement cost of any equipment not returned at the completion of their term in office.

~~At the conclusion of an elected member's time in office, any laptop, tablet or other computer equipment supplied by Council to that member must be returned to Council.~~

9. APPROVAL PROCESS

Where pre approval is required under section 6 of this policy this must be attended to prior to incurring expenses.

Claims for expenses, accompanied by the relevant receipts or GST invoices should be forwarded on the prescribed form (included as Appendix B) to Councillor Support in the case of councillors or the PA to His Worship the Mayor in the case of the Mayor.

The claim will then be checked for compliance with this policy before being forwarded to either the Mayor, Deputy, Chief Executive or Governance Manager for review and approval as determined by section 6 of this policy.

Where a travel booking is required via Council's preferred supplier the booking request and approval form in Appendix A must be completed and provided to the PA to His Worship the Mayor in the case of the Mayor and Councillor Support in the case of councillors.

Mileage claims should be forwarded to Councillor Support on the form included as Appendix C.

10. APPROVAL OF EXCEPTIONS

There may be times when expenses may be incurred that do not fall within the scope of this policy.

On these occasions, reimbursement may be approved by the Mayor or Deputy Mayor and the Chief Executive Officer jointly. If they feel the reimbursement is particularly sensitive they can elect to pass it to Council for approval.

Appendix A: booking request and approval form

To: Travelsmart

Email: shannell@tswhangarei.co.nz

(Note: all questions must be completed)

Elected member name *(full Christian and surname)* _____ Phone _____ Ext _____

Email address _____ _____

Reason for travel Conference / Training / Technical Meeting / Government Dept meeting (please delete or add details)

Approval of Travel (refer to policy for approval details) _____ _____

Cost Code _____ Natural Account 2021 – conference travel or 2391 – general business

Flight Destination _____ **Date** _____

Preferred time of travel _____ Please provide cheaper alternative if available ❒ yes ❒ no

Start time of event _____ (to allow time for travel from airport to venue)

Return Flight to **Whangarei** (or state if different) _____ **Date** _____

Preferred time of travel _____ Please provide cheaper alternative if available ❒ yes ❒ no

Air Points Number _____ (if applicable)

Accommodation (nights) _____ Style/location preference _____

Do you require a flexible fare to allow for alterations in your schedule ❒ yes ❒ no

Shuttle required to / from airport ❒ yes ❒ no

Rental car required (NZ Rentals) ❒ yes ❒ no If yes ❒ Manual ❒ Auto

Car hire dates required _____

Car type required e.g., Standard car , Mini van (please specify) _____

Do you wish to store your vehicle at Whangarei Airport? **Yes** ❒ **No** ❒ **Vehicle Reg No** _____ **Type** _____

Notes and/or special needs or instructions:

Please note Alternative airline flights are often available at very low rates, staff should be aware that their service is notoriously unreliable and should you decide to take one of these flights the fares are non refundable or transferrable. Care should be taken given this risk as a lot of extra cost could be incurred.

Appendix B: Claim form for expenses covered by this policy

Employee No._____

From ***(print name)*** _____ **Date** _____

Purpose of travel, allowance and/or expense _____

at ***(city)*** _____ **on** ***(dates)*** _____

Amount *(incl GST)*

Expenses Tax invoices must be provided for a claim to be accepted. An EFTPOS receipt is not a tax invoice – refer to note below	Cost Centre	Natural account	$	c
		Total $		

I certify that the above claim is correct, reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members

Signed_____ **Date** _____

(Claimant)

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.
Please arrange reimbursement. **Cost Centres** **Signed**_____ **Date** _____
Councillors 15001 **(Governance Manager (where required))**
Mayor 19500

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.
Please arrange reimbursement. **Cost Centres** **Signed**_____ **Date** _____
Councillors 15001 **(Chief Executive Officer (where required))**
Mayor 19500

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members.
Please arrange reimbursement. **Cost Centres** **Signed**_____ **Date** _____
Councillors 15001 **(Mayor or Deputy approval (where required))**
Mayor 19500 **)**

Note Tax Invoice must have:

- the words 'tax invoice' in a prominent place
- the name and GST number of the supplier
- the date the tax invoice was issued
- a description of the goods and/or services supplied
- the total amount payable for the supply
- a statement that GST is included if not stated separately.

Appendix C: Elected Members Mileage Claim

Employee No_____

Name _____ **Month** _____

Date	Event	Actual KMs	Threshold adjustment	Kms Claimed
			Total Kms Claimed	
			Up to 5000km @ 77cents*	
			Balance of kms over 5000kms @ 37 cents	

*Note: once the 5000 km threshold for any financial year has been met the rate payable for kms claimed reduces to 37c per km, elected members will be advised when the threshold is met with the amount due being adjusted by staff if necessary.

I certify that the above claim is correct **Signed**_____ **Date** _____

(Claimant)

I certify that this claim appears reasonable and complies with the Policy for Allowances and Reimbursement of Expenses to Elected Members (*adopted at Council Meeting held 25 September 2013*)
Please arrange reimbursement. **Cost Centre 15001** **Natural Acct 2042**

Signed_____ **Date** _____

(Governance Manager)

I approve this claim for expenses. **Signed**_____ **Date** _____

(Chief Executive Officer)

3. Council Insurances

Reporting officer Dominic Kula (Governance Manager)

Date of meeting 16 February 201

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

Background

One of the areas of responsibility for the Audit and Risk Committee is insurances. Since the two Canterbury Earthquakes there has been increased focus on insurance and the ability of councils to meet their obligations in the event of a natural disaster.

Every year departments of Council undertake a full assessment of insurance policies to determine whether there is adequate cover within their business area. Where necessary additional cover is taken with the full programme of insurances then being placed under financial delegation. This process was reported to the Audit and Risk Committee in June 2014 with the majority of Council's insurances being placed on or before 30 June 2014.

An Agenda to the 16 December 2014 Audit and Risk meeting updated the Committee on the outcomes of the renewal programme, ongoing work since placement on 30 June 2014 and the renewal programme for 2015. This Agenda will provide a brief summary of the adjustments to cover made under financial delegation since that time.

The Committee will be provided with a more comprehensive review of Council insurances in the informal Audit and Risk meeting.

Significance and Engagement

This Agenda is for information purposes only and is not considered significant. The public will be informed via Agenda publication on the website.

Adjustments to cover

As outlined previously 2014 was a revaluation year which, along with the roll out of a new database for infrastructure assets, added complication to the renewal process. As cover for commercially insured assets was placed as at 30 June 2014, the same date that Infrastructure and Services (I & S) asset revaluation data was due, commercial cover had to be placed on draft revaluation data.

This resulted in an additional work stream to review insurance schedules and allocations following placement. This work has now been completed with following adjustments made to the value of assets insured.

Policy	Sum Insured		
	2013/14 (at asset data renewal*)	**2014/15 (at asset data renewal*)**	**2014/15 (adjusted)**
Commercially insured – Material Damage	$389,076,777	$411,948,212	$361,013,367
Mutually insured – LAPP	$872,602,806	$935,179,283	$937,783,352
Total	$1,261,679,583	$1,347,127,495	$1,298,796,719
*Note: asset data for commercial insured assets is provided at 30 June each year while data for mutually insured assets is provided in October each year			

The review saw a total increase in assets insured from $1,261,679,583 in 2013/14 to an adjusted sum of $1,298,796,719 for 2014/15. Of note is a $50,934,845 decrease to assets commercially insured by I & S since the time of placement. This is expected to flow through to a premium credit of $19,338 (excl GST).

Key drivers for the changes included:

- A requirement to use draft I & S revaluation data for the 2014/15 placement.
- Greater refinement in the I & S asset database resulting in more accurate allocation of risk and better quality data (i.e. removal of anomalies and duplication).
- A lower escalation rate being applied to I & S assets than was applied in the previous 2011 revaluation.
- The value of I & S assets being inflated by LGCI in between the 2011 and 2014 revaluations which smoothed the total increase in value of assets insured (note: the value of non I & S assets are reviewed by business owners annually while buildings are also valued on a three year cycle with inflationary adjustment between valuations).

Following this review commercial insurers were notified of changes under financial delegation and the insurance schedule was finalised.

Recommendation

That the information be received.

4. Procurement Policy

Reporting officer Rob MacKenzie (Procurement Co-ordinator)

Date of meeting 4 March 2015

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

Background

The Procurement Policy has been devised for two main reasons, firstly to bring Council's procurement practice into line with current conditions in terms of compliance, transparency and value for money purchasing. Secondly to install a best practice culture throughout the organisation that reduces risk to the organisation.

The Procurement Procedures Manual is the internal reference which has been developed as an operational tool to inform and guide staff through the process of purchasing goods, services and infrastructure.

Significance and Engagement

Having considered the Significance and Engagement Policy this proposal or decision is not considered significant and the public will be informed via Agenda publication on the website,

Discussion and options

The Procurement Policy (attached) is designed to provide the framework from which all procurement is structured in Council. It also provides Councillors the structure which staff, in terms of expenditure, and type of spend, need to procure and report to Council, either internally to management at the lower spend level or to full Council when risk and expenditure are important features of procurement. The Policy has been kept simple but succinct and will once approved, be the definitive document that must be followed.

The Procurement Procedures Manual (available upon request) is the operational tool which staff can use as a reference to discover the detailed rules and processes that they must work to. It covers for example, the best way to manage procurements, how much time they should be in the public arena, how to evaluate the receipted tenders, and what record keeping must take place amongst many other important processes. The manual has been built on the back of the" Government Rules of Sourcing" which are now the rules that all Government Departments must use.

Recommendation

1. That the Procurement Policy be recommended to Council for adoption.
2. That the Chief Executive Officer be authorised to make any minor amendments, typographical/formatting/editing changes if required.

Attachments

Procurement Policy *(Trim 14/74458)*

Available upon request (Contact Sen

Procurement Manual *(Trim 13/46841)*

WHANGAREI DISTRICT COUNCIL

Procurement Policy

2015

Document control

Version	Date
Draft	September 2014
Final	February 2015

Review period	
Every three years midterm (minimum)	By Council resolution

Publication
Internal document published on the intranet

Approval
Group Manager, Infrastructure and Services

Contact	
Procurement Coordinator	

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1 Introduction

Whangarei District Council (Council) is a territorial local authority under the Local Government Act 2002. It has statutory and common law obligations to ensure that its procurement activities are undertaken appropriately with a view to achieving the following core principles:

- sustainable business practice
- best value for money
- fair and transparent processes
- best use of electronic business capabilities, including e-commerce
- compliance with good practice, government and Office of the Auditor General guidelines and local government guidelines.

This strategy complements, and should be read in conjunction with, detailed guidance contained in the Procurement Procedures Manual (TRIM 13/46841).

2 Purpose

2.1 The purpose of this Policy is to:

- inform Council's staff, contractors and consultants of the behaviour that it considers appropriate when conducting procurement activities;
- encourage a common understanding and consistent management practices across Council;
- capture Council's core values and guiding principles and support the delivery of Council's vision.

2.2 This policy applies to all procurement by purchase, hire, lease, rental, exchange, competitive tendering and contracting arrangements, but does not apply to:

- procurement during a state of emergency;
- employment;
- disposal or acquisition of land and interests in land (including leases and licences);
- disposal of assets (other than land and interests in land).

3 Core Principles

3.1 Sustainable

Council will conduct its procurement activities in a manner that best meets the current and future needs of its communities for efficient and effective procurement, including cost-effective, local infrastructure, local public services and the performance of regulatory services which are appropriate to present and anticipated future circumstances. This will be achieved by making procurement decisions that:

- achieve value for money, support sustainable business practices drive innovation and improve market competitiveness;
- minimise adverse environmental impacts;
- facilitate strategies to avoid unnecessary consumption of, and to manage demand for, goods and services purchased by Council.

3.2 Best value

Council will seek best value for money from its procurement activities by:

- encouraging effective and open competition through the use of contestable processes when it is cost effective and practical to do so;
- ensuring that goods or services are fully specified as appropriate and fit for purpose (with no unnecessary frills);

- rigorously assessing the relative costs, benefits and risks of the intended procurement process;
- providing an opportunity for suppliers to demonstrate innovation and to develop unique and cost effective solutions to meet Council's procurement needs;
- considering whole-of-life costs;
- negotiating with prospective suppliers over price and/or terms of supply in contestable processes (if the conditions of tendering permit negotiation) to attempt to achieve Council's pricing expectations or to avoid the need to re-tender;
- using sound and robust contracts;
- establishing effective contract management resources and processes to sustain performance through the full contract term.

3.3 Fair and transparent

Council will conduct its procurement activities with professionalism, integrity in accordance with the law. All staff, contractors and consultants who are involved in Council procurement or contract management activities must comply with the Code of Conduct (TRIM 08/4267) and will:

- conduct all procurement activities in a fair, consistent, accurate and unbiased manner;
- act in good faith throughout all phases of the procurement process
- comply with this strategy and the Procurement Procedures Manual;

3.4 Electronic business capabilities

Electronic business capability will be encouraged to maximise the efficiency and effectiveness (including cost-effectiveness) of Council’s business processes and procurement activities. This will be achieved by:

- making best use of Council systems, information and business processes that relate to the sourcing, ordering, invoicing and payment of goods and services;
- minimising transaction and processing costs to Council
- collaborating with suppliers to streamline and integrate the ordering, invoicing and payment systems and business processes
- encouraging and promoting the use of electronic business and e-commerce for ordering, invoicing or payment where this delivers clear business benefits
- encouraging the use of e-tenders as technology allows.

4 Procurement framework

4.1 It is Council's policy to allow and encourage decision making at the lowest possible level within the organisation, consistent with the Delegations Manual (TRIM 14/23622) and with appropriate support from peers, management and external advisers.

4.2 The empowerment of staff in this way carries with it a corresponding responsibility to analyse each procurement situation and to appropriately document that analysis in order to provide an audit trail of the process, decision making and the approvals given.

4.3 In certain special circumstances the Council may need to undertake procurement outside of the procedures in the Procurement Policy. In such situations the Chief Executive, on the recommendation of a Group Manager, may authorise a variation to the procurement policy. Variations shall be reported to the appropriate Committee at the next opportunity.

4.4 Council does not allow self approval of purchase orders.

5 Health and Safety

No creditor may carry out work for Council until properly screened and approved to do so

6 Exceptions

- Any work carried out under New Zealand Transport Authority (NZTA) procurement rules is excluded from this policy
- From time to time in exceptional situations procurement may need to be proceeded with outside the rules of this policy. A variation to operate in this manner must be signed by the Chief Executive or in their absence a Group Manager

7 Tools for guidance

The following is included in this strategy for guidance:

- Procurement Procedures Manual – will be available to provide general assistance in relation to establishing the business case, approvals, procurement method, contractual, arrangements and risk factors

8 Review

Council will review the Policy every 3 years.

WHANGAREI DISTRICT COUNCIL

Procurement Value	Business Case requirement	Standard of specification required	Legal Approval	Pre Approval Department Manager	Pre Approval Group Mgr	Pre Approval CEO	Report to Council	Price comparison	Type of Contract	Process via procurement for contract control
$0 - $10,000	no	no	no	yes	no	no	no	no	Purchase order	no
$10,001- $50,000	Procurement Plan[1]	Clear detail of requirement	If high risk	yes	no	no	no	3 or more Quotations	Purchase order	yes
Professional Services See below	Procurement Plan under $10,000. Project Plan over $10,001[1]	Detailed reason for employment	Standard IPENZ contract except for existing vendor consultants	yes	yes	no	Over $10,000 to appropriate Committee	Transparent selection process	Standard IPENZ contract except for existing vendor consultants	yes
$50001- $100,000	Procurement Plan which must include a detailed specification[1]	Detailed specification as appropriate	Advisable for other than I&S contracts	yes	yes	no	Report to Council committee	Open or closed tender	Either NZ 3910 for Construction or Standard WDC contract Docs for all others[1]	Goods and services only
$100,001 - $250,000	Procurement Plan and/or Project Plan[1]	Detailed specification as appropriate	Advisable for other than I&S contracts	yes	yes Except Positive Growth who must use CEO	no	Report to Council committee	Advertised Open Tender	Either NZ 3910 for Construction or Standard WDC contract Docs for all others[1]	Goods and services only
$250,001 - $2million	Procurement Plan and Project Plan[1]	Detailed specification as appropriate	Yes, for other than I&S contracts	yes	yes	yes	Report to Council committee	Advertised Open Tender	Either NZ 3910 for Construction or Standard WDC Contract Docs for all others[1]	Goods and services only
$3,000,001 - $10Million	Procurement Plan and Project Plan[1]	Detailed specification as appropriate	Yes, for other than I&S contracts	yes	yes	yes	Report to Council committee	Advertised Open Tender	Either NZ 3910 for Construction or Standard WDC Contract Docs for all others[1]	Goods and services only
$10 million Plus	Procurement Plan and Project Plan[1]	Detailed specification as appropriate	Yes	Yes	Yes	yes	Full Council approval	Advertised Open Tender	Either NZ 3910 for Construction or Standard WDC contract Docs for all others^	Goods and services only

1 See notes below under Special Guidance.

Appendix 1 Guidance Notes

All work needs to be evaluated on both cost and risk.

Risk Factors that must be considered are:

1) Political
2) Health and Safety
3) Complexity
4) Liability
5) Performance or the consequences of non performance
6) Competitive pricing
7) Sound procurement Practice

Budget must be in place before any purchase is made.

Budget and a signed Procurement/ Project Plan must be in place before commencement for any procurement requiring 3 quotes or more.

All procurements require careful planning and should details need clarifying ask the appropriate manager before proceeding.

Health and safety conditions must be approved before commencement of work.

All supplier credit information must be approved and in place before any purchase is made.

All Documents are to be correctly filed in either Tech one or Trim which ever is the proper receptacle. Hard copies with references to the trim detail must be kept for all activity that requires an approach to market of 3 or more quotes or greater. As guidance, any written evidence of market search against a Purchase order should be stored with it (i.e quotes, brochures etc).

Before any contract is signed or purchases are made the correct approvals in writing must be obtained and securely stored in both hard and electronic formats.

Contract templates for Goods and Services are available from the Procurement Coordinator.

Special Guidance[1]

Templates

NZ3910 or its approved variants are to be used for Infrastructure Projects such as drainage, construction and the like which requires a project plan and a consenting process. It may not relate to the Infrastructure and Services group when they are purchasing Goods and Services, i.e. small building projects, transport, equipment etc. On those occasions the procurement may be on the Standard WDC templates as shown in the Procurement Manual (Trim no 13/46841).

Procurement Plans and Project Plans

Procurement Plans (Trim 13/87006)

Are to be done on all procurements and registered against the project file. They are a short form to advise the leadership team of a projects inception before the project plan is done. It sets in place a short outline of the project, such as who is doing which task, how risk is to be managed, how conflicts of interest will be managed. It is signed off by the Department Manager and the Group Manager responsible as being aware of the project and its commencement.

A Procurement Plan is all that is required for purchases from $10,001 - $250,000 for Goods and Services. Unless the project carries potential risk a Department Manager and Group Manager should insist a full Project plan be instituted.

Project Plans means the Project Management Framework (PMF) (TRIM No. 09/14116).

These need to be used in any procurement which either exceeds the purchase value threshold above, or carries risk that needs to be managed or mitigated. Before commencement of any such procurement WDC staff are required to ensure they have investigated potential risk (as described above) and discussed it with their project leader to ascertain the requirements for the PMF.

Professional Services

It is a requirement that the selection of Professional Services consultants be transparent and be managed to ensure value for money, best consultant for the process and a clear specification for the task to be undertaken. This must include timeframes for completion, rates of payment, and terms of payment. Standard IPENZ contracts are to be used for all engagements. If there is only one possible avenue of engagement a variation to purchasing policy must be signed off by the Group Manager with the relevant delegated financial approval for the value of the engagement.

RESOLUTION TO EXCLUDE THE PUBLIC

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

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i)}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because_____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.