

# Audit and Risk Committee

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## Notice of Meeting

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

**Wednesday  
2 September 2015  
1.00pm**

**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)

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# 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.

# 1. Health and Safety Report

**Reporting officer** Jenny Antunovich (Human Resources Manager)

**Date of meeting** 2 September 2015

## ***Vision, mission and values***

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

## **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.

## **Background**

The Health and Safety Reform Bill has a new duty for an officer of a PCBU (Person Conducting a Business or Undertaking, such as a director, board member or partner, to exercise due diligence to ensure that the PCBU complies with its duties.

This places a positive duty on people at the governance level of an organisation to actively engage in health and safety matters, reinforcing that health and safety is everyone's responsibility.

## **Definitions**

Term	Meaning
Serious Harm Injury (SH)	Where an injury occurs that this labelled serious harm or notifiable under Worksafe definitions as outlined in the Health and Safety at Work Act. Includes fractures, amputation, loss of consciousness and other serious injuries.
Lost Time Injury (LTI)	Where an injury occurs and the person has time off work (the day the injury occurred is not usually counted).
Medical Treatment Injury (MT)	Where an injury occurs and the person is attended by a health professional (can be a physiotherapist, doctor, hospital etc).
First Aid Injury (FA)	Where an injury occurs and either first aid equipment is used (such as a plaster) or first aid measures applied (such as ice to strain).
Pain & Discomfort Report	Where pain or discomfort is felt, sometimes from gradual process injuries or from injuries, where no first aid was applied (such as bruise or a headache).
Incident	Where an event occurred where someone narrowly missed being harmed (sometimes called near miss or near hit).
Hazard	Something that can cause harm.

***Table 1: Definitions of injury and incident terms***

## **Incident Management**

A new Accident Management Policy has been drafted and is currently being reviewed by the Health and Safety Committee to better clarify the processes and to ensure compliance to new legislation.

Incident Type	Staff	Contractors	Members of Public	Totals
Serious Harm Injuries	1	0	0	1
Lost Time Injuries	0	2	0	2
Medical Treatment Injuries	2	3	0	5
First Aid Injuries	2	7	0	9
Discomfort and Pain Reports	9	0	0	9
Incident Reports	8	20	4	32
Hazard Report	119	13	0	132

**Table 2: Quarterly Report: June -July 2015 (at time of report, August figures unavailable)**

The serious harm injury involved a broken toe after a staff member fell when exiting the lift by Council Chambers, when a commercial cleaner (who was unaware the staff member was there) pulled the vacuum cleaner cord taut, creating a trip hazard directly in front of the lift doors. Cleaners have been asked to avoid times when there are high staff movements. A new power point has been installed and improved signage is in place.

The two lost time injuries involved:

- A Recreational Services contractor who stepped back and had a large phoenix palm thorn enter the back of his leg, which became infected and
- A Northland Waste contractor who strained his back while attempting to lift a wet double mattress into a bin, after it was dumped at a transfer station.

Incident	2012-13			2013-14			2014-15		
	Staff	Contractor	Public	Staff	Contractor	Public	Staff	Contractor	Public
Serious Harm Injuries	0	0	0	0	2	1	1	4	2
Lost Time Injuries	1	6	0	1	12	0	2	11	0
Medical Treatment Injuries	11	34	1	9	28	0	4	10	3
First Aid Injuries	10	42	1	14	24	2	14	24	3
Discomfort and Pain Reports	15	0	0	9	0	0	9	5	0
Incident Reports	13	55	6	15	120	2	16	52	7
Hazard Report	42	25	0	51	12	1	149	30	2

**Table 3: Comparison of Reported Incidents over last 3 Years**

- A welcome sign is the number of reported hazards and incidents. This shows the organisation is evolving in terms of health and safety.

## Emergency Management/Civil Defence

A new Emergency Management Policy has been developed, with a complete review of all emergency systems undertaken. In the course of this exercise a number of gaps were uncovered and have been remedied. For example:

- The Fernery is heated by a gas fired boiler. There is now an emergency gas leak procedure on the wall.
- We now have bio-hazard emergency instructions to follow.
- Our mail opening instructions are more rigorous.
- We have panic buttons installed at a number of locations where armed robbery is possible.
- All first aid kits and defibrillators have been checked.
- Various security drills and emergency drills held.
- All wardens, documentation, emergency instructions and other systems have been review/developed, with wardens trained, emergency posters updated and in some instances developed.

## Hazard Management

A thorough review of all hazards has been completed with several items identified as requiring better controls. The reviews have been completed with both H&S personnel and staff and supervisors from each area. An annual review of all hazards will be ongoing.

Some areas where we are progressing well include:

- Venues and Events – Working at Heights controls, particularly in the theatre area.
- Water Treatment – Hazardous Substances tank certification requirements in regards to chemical storage tanks.
- Waste and Water – Health and Safety Audits at transfer stations, waste plant pumping stations and various water plant sites and pumping stations.

## Legislative Compliance and Update

### New Health & Safety Legislation

The Select Committee report on the Health and Safety Reform Bill has been completed and presented to Parliament, where it is currently being debated. The current Bill is likely to be enacted part way through next year, although it is also anticipated that the third reading should be completed before the end of this year, giving us time to put in place the necessary changes.

One area which does not seem likely to change is who is an ‘Officer’ of a PCBU (Person Conducting a Business or Undertaking). While the organisation has responsibility of primary duty of care to have and maintain a safe workplace, elected local government councillors will be exempt from personal liability for breaches of Sections 42, 43 & 44 of the legislation, however, the Chief Executive *will* be considered an ‘Officer’ with incumbent liabilities.

The most significant recent change likely to affect our organisation is the clarification of the definition of a workplace. It was initially unclear whether a public place (such as a park) could be defined as a workplace. The Select Committee Report defines workplaces as being places of work where work is being undertaken. Therefore public places where there is no work being undertaken, are not considered workplaces. If a contractor were mowing the lawn in a park for council for example and someone was injured as a result, then it will be deemed a workplace.

There are more requirements to keep volunteers, who will also be considered to be ‘workers’, safe along with staff and contractors. At this stage this only applies to volunteers we actively engage, who are seen as an integral part of the organisation and who work for us on an ongoing basis. Council already has very good methods for managing volunteers, however a policy is being drafted to provide clearer responsibilities for those bringing in volunteers.

The requirements for participation of workers is likely change as well. This will not affect Council as we have good systems already in place that meet these requirements.

### Asbestos Management

This has continued to remain a focus with all areas of Council being asked to identify likely asbestos. This is being entered into an “Asbestos Register” with some effort required to ensure details are accurate. An Asbestos Management Plan has been developed, which will show the planned actions to take and will receive ongoing annual review.

### Hazardous Substances

A Chemical Register is being developed to identify all chemicals used within council, with a plan developed going forward. Any hazardous chemicals will be further reviewed to ensure all controls in place are adequate. We are aware this is a focus area for Worksafe.

## Health, Wellness and Safety Initiatives

Month	Theme	Commentary
June 2015	A good night's sleep	A slide show provided on the importance of sleep in terms of overall health, including a competition for best tips on getting a good night's sleep.
July 2015	Pain & Discomfort Reporting	A push to ensure staff understand the reasons for early reporting of pain and discomfort – sorting out small problems before they become bigger ones.
August 2015	A healthy mind	A slide show on why a healthy mind contributes to overall good health and ways to achieve. Includes brief coverage of mental health issues. Articles also on mindfulness (and benefits of the new craze of adult colouring in).
September 2015	Emergency Preparedness	To cover key ways staff can ensure they are prepared for various emergency situations and events.

*Table 4: Health and safety themes*

## People

### Participation and Involvement

The health and safety committee continued to meet monthly. One of the key areas H&S Reps have become interested in is the process we use to manage reporting of workplace stress. Some members of the HR team have discussed the process with the committee.

### Training

During this quarter from June to August health and safety training has included:

- More Fire Wardens trained (in house)
- Four Contractor Management briefings held (in house), following implementation of new Contractor management policy for those responsible for engaging contractors.
- First Aid training for several staff and refresher training for those already certificated, across council
- Two dog behavior awareness sessions held for council staff who might encounter aggressive dogs in the course of their job. Presented by our main contractor, ENL
- Two hazardous mail opening (in house) presentations were run, in conjunction with the Police and Fire Service, following several other local government councils receiving in 'white powder' parcels/mail.
- A number of Building Compliance Officers attended Site Safe Passport construction sessions, with all of them now current
- Another H&S Rep attended Level 1 training, at a course held in conjunction with Northland Regional Council.
- Several workshops (in house) were held for H&S Reps on how to use the new Hazard and accident registers.

## Contractor Management

A new Contractor Management Policy has been finalized which clarifies a number of processes. A fine balance has been required to ensure legislative requirements met, yet to keep simple enough for small contractors to be able to participate. Key efforts in this area have been to:

- Promote awareness of the new policy.
- Work with the Maori Relationships team to ensure future work involving cultural hapu supervisors on project sites are safer.
- Assist with updating the H&S components of Council tender documents.
- Update of the contractor handbook given out.

## Wider Safety Issues for your information

As workplaces have become further defined as only being places of work, member of the public injuries are no longer considered 'work related injuries' if they occur in a public place, where no actual work is occurring. However the following injuries involving members of the public were reported in to us:

- A medical treatment injury when a woman fell down on the new Hatea Loop walkway, on some wooden planking – this is being replaced with a different material.
- A contractor reported a woman falling in the CBD, near where they were working and was taken to hospital.
- A young girl slipped and fell and broke her leg by Reyburn House. This is currently being looked into in view of improving the surface of the tiled area.

## Recommendation

That the information be received.



## 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.*