

Audit and Risk Committee

AGENDA

Notice of Meeting:

A meeting of the Audit and Risk Committee will be held on:

Date: Wednesday 10 February 2021
Time: 1pm
Venue: Council Chamber
137 Havelock Street, Ashburton

Membership

Chairperson	Leen Braam
Deputy Chairperson	John Falloon
Members	Carolyn Cameron Liz McMillan Stuart Wilson Murray Harrington (external appointee) Mayor Neil Brown (ex-officio)

Audit & Risk Committee

Timetable	
1pm	Meeting commences

ORDER OF BUSINESS

- 1 Apologies**
- 2 Extraordinary Business**
- 3 Declarations of Interest**

Reports

- | | | |
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| 4 | Playgrounds Compliance and Safety Audit | 3 |
| 5 | Audit NZ – LTP | 7 |

Business transacted with the public excluded

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| 6 | Health & Safety | PE 1 |
| | Section 7(2)(a) Protection of privacy of natural persons | |

3 February 2021

Audit and Risk Committee

10 February 2021



4. Playgrounds Compliance and Safety Audit report

Author *Beverly Petersen*
Activity manager *Beverly Petersen*
General Manager *Steve Fabish*

Summary

- The purpose of the report is to inform Council of the outcome of the asset identification, condition grading and compliance assessment that was completed on the district's playground assets. It also outlines plans to make improvements to the asset to ensure a higher level of compliance.

Recommendation

That the Audit & Risk Committee receives the playgrounds compliance and safety audit report.

Attachment

Ashburton District Council Playground Report 2020, prepared by Park Central

(circulated with agenda)

Background

The current situation

1. The Ashburton district has significant investment in playground equipment, with 230 individual play assets at 27 sites throughout the District.
2. The installed replacement value of the asset is \$3,280,090.
3. The maintenance and capital works associated with these play assets are the responsibility of the Community Services Group, with the work being undertaken by the Open Spaces Team and Reserve Boards.
4. In November 2020 staff engaged Park Central, a playground compliance specialist, to undertake a compliance audit and information gathering exercise on Council's public playground activity to help guide the future direction and expenditure in this area. Both from an asset management perspective, health and safety and expenditure planning aspect.
5. This involved Park Central undertaking a
 - Site visit to all Council controlled or associated public playground sites
 - Providing a written report on, but not limited to, individual play unit/module identification, condition grading, age range utilisation, maintenance required, renewal profile and unit replacement costs.
 - Three hour refresher training session with staff that undertake playground inspections aligned with the relevant standards.

Playground Report Summary

6. The playgrounds were measured against various standards depending on when the equipment and safety surfacing were installed.
7. Playgrounds installed after April 2005 were measured against standard NZ 5828:2015/2004 of which 106 items of equipment or surface complied.
8. Playgrounds installed prior to April 2005 were measured against ASNZ 4486 & 4422 of which 21 items of equipment or surface complied.
9. 93 items of equipment did not comply with any standard
10. 10 items not applicable to playground standards, where not inspected or not there.
11. The overall compliance rate of 57% was given for district's playground equipment and safety surfaces.
12. Summary of the condition rating of district's playground equipment and safety surfaces,

- 36 Items of equipment had a condition rating of 1 – excellent
 - 48 Items of equipment had a condition rating of 2 – very good
 - 105 Items of equipment had a condition rating of 3 – good
 - 33 Items of equipment had a condition rating of 4 – poor
 - 6 Items of equipment had a condition rating of 5 – very poor
13. There are 117 listed maintenance issues that require attention. These have been given a priority rating, with the value of maintenance repairs estimated at \$42,000 (labour not included). Items with a maintenance priority 1 have a repair value of \$27,000.
14. Capital renewal priorities and costs are,
- Priority 1 value of works \$136,500
 - Priority 2 value of works \$423,300
 - Priority 3 value of works \$1,489,700
 - Priority 4 value of works \$494,500
 - Priority 5 value of works \$736,000

Planned actions moving forward

15. Relevant staff have been provided with additional training to allow for more robust maintenance inspection and issues reporting.
16. Priority 1 maintenance issues identified are being addressed, with any items unable to be made safe will be isolated or removed. Any removal will not be undertaken without communication with the public and if applicable Reserve/ Domain Boards.
17. Existing play equipment and cushionfall type safety surface top ups highlighted for renewal as a priority one and two are being assessed and planned to be completed over the next 2 years, but budget and materials dependant.
18. An annual independent compliance audit will be undertaken over the next 3 years to ensure we are on track to make the necessary improvements to gain a more satisfactory compliance rating.

Legal/policy implications

Legislation

19. Playground safety standards that apply
- NZ5828 1986 1996 previous to April 2005
 - ASNZ 4486 & 4422 1997 previous to April 2005

- NZS 5828:2004 April 2005 to December 2016
- NZS 5828:2015 Current standard

Financial implications

20. The existing 2020/21 playground maintenance and capital budgets will be used to address any urgent maintenance issues and renewal of very poor rated items. Funds available for these works are approximately \$35,000 (Maintenance) and \$254,000 (Capital).
21. The 2021-31 LTP open spaces budgets have been increased, both maintenance and capital, for Council's consideration, to ensure we continue to improve the condition and maintenance of our play equipment and safety surfacing in the long term.
 - Year 1 2021/22 Capital \$205,000 Maintenance \$80,000
 - Year 2 2022/23 Capital \$395,000 Maintenance \$80,000
 - Year 3 2023/24 Capital \$150,000 Maintenance \$80,000

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Level of engagement selected	Comment – two way informal conversation with relevant communities
Rationale for selecting level of engagement	This level will allow the public to share preferences for equipment replacement during renewals.
Reviewed by Strategy & Policy	Toni Durham : Strategy & Policy Manager

5. *Audit NZ - LTP*

Audit New Zealand have commenced the audit of Council's Long-Term Plan 2021-31.

They are initially focusing on Council's draft Infrastructure Strategy, associated activity management plans and Council's background assumptions including the significant forecasting assumptions and key policies.

The consultation document and associated financials will also be audit reviewed before consultation begins in mid-March.

Auditors will be on-site from 9 February.

Paul Brake

Group Manager Business Support

Audit and Risk Committee

Terms of Reference

Purpose

The purpose of the Audit & Risk Committee is to provide oversight of Council's audit processes, statutory compliance and internal risk management in a manner that promotes the current and future interests of the community (Local Government Act 2002).

Membership

Membership of the Committee comprises:

- Cr Leen Braam (Chair)
- Cr John Falloon (Deputy Chair)
- Cr Carolyn Cameron
- Cr Liz McMillan
- Cr Stuart Wilson
- External appointee
- The Mayor, Neil Brown (ex-officio)

The quorum is four members.

Meeting Frequency

The Audit & Risk Committee will meet on a six-seven weekly cycle, or on an as-required basis as determined by the Chair and Group Manager Business Support.

Committee members shall be given not less than 5 working days' notice of meetings.

Delegations

The Audit & Risk Committee has no delegated authority to make decisions. Its role is to consider and review matters of strategy, policy or significance in its sphere of Council business, and (if appropriate) to make recommendations to full Council.

Sphere of business

- To receive and consider the project plan and timetable for the following projects –
 - Long Term Plan (LTP) and any amendments
 - Annual Plan & Budget
 - Annual Report and Audit
- To receive progress reports on the above projects, where appropriate, and review significant issues and risks arising.
- To establish and maintain effective relationships with Council's auditors, including meeting with the audit representatives regarding significant policy and planning processes as appropriate, reviewing the Annual Audit Plan, and considering matters of significance raised by Council's auditors and action required.
- To receive reports on all external party audits of any and all Council activities, and review significant issues and risks arising.

- To be the primary monitoring mechanism for Council's Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) and shareholdings. Review the CCOs' draft statements of intent and advise CCOs of any comments.
- To provide overview of Council's performance management framework as included in the Council's LTP and Annual Plan documents.
- To provide overview of Council's statutory compliance and legal matters, monitoring any areas of statutory non-compliance.
- To provide overview of risk management and insurance. Review corporate risk assessment and internal risk management practices. Review insurance arrangements annually and monitor insurance claims.
- Monitor and review Health & Safety related matters. Participate in national risk management practices and implementation of risk management processes.
- To consider matters of organisational services in the area of Health & Safety

Reporting

The Audit & Risk Committee will report to the Council.

Adopted

17/12/20