

Audit and Risk Committee

AGENDA

Notice of Meeting:

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

Date: Wednesday 9 February 2022
Time: 1.30pm
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)

Covid-19 Protection

Council meetings will go ahead as normal under the Orange traffic light setting, but anyone aged 12 and older will require a vaccine pass to attend in person. Please sign/scan in and wear a mask. People without vaccine passes have the opportunity to view copies of agendas and minutes, and watch the live-stream of this meeting on our You Tube channel, Facebook page and website:

<https://www.ashburtondc.govt.nz/council/public-meetings-research-centre>

Audit & Risk Committee

Timetable	
1.30pm	Meeting commences

ORDER OF BUSINESS

- 1** Apologies
– Cr Braam (*Cr Falloon will chair the meeting*)
- 2** Extraordinary Business
- 3** Declarations of Interest

Minutes

- | | | |
|----------|---|-----------|
| 4 | Audit & Risk Committee – 10/11/21 | 3 |
| 5 | Fraud and Corruption Policy | 4 |
| 6 | Equal Employment Opportunities Policy | 14 |
| 7 | Civic Financial Services – Board Retirements and Appointments | 20 |
| 8 | District Swimming Pools on Reserves | 23 |

Business transacted with the public excluded

- | | | |
|-----------|--|--------------|
| 9 | Audit & Risk Committee
Section 7(2)(a) Protection of privacy of natural persons | PE 1 |
| 10 | Health & Safety
Section 7(2)(a) Protection of privacy of natural persons | PE 2 |
| 11 | Privacy Act update
Section 7(2)(a) Protection of privacy of natural persons | PE 10 |

4 February 2022

Audit & Risk Committee

10 November 2021



4. *Audit & Risk Committee Minutes*

Minutes of the Audit & Risk Committee meeting held on Wednesday 10 November 2021, commencing at 1.30pm, in the Council Chamber, 137 Havelock Street, Ashburton.

Present

Councillors Leen Braam (Chair), Carolyn Cameron, John Falloon, Liz McMillan, Stuart Wilson; and Murray Harrington.

Also present

Councillors Lynette Lovett and Diane Rawlinson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Paul Brake (GM Business Support), Sarah Mosely (Manager People & Capability), Michael Wong (Building Services Manager) and Carol McAtamney (Governance Support).

1 Apologies

Mayor Neil Brown

Sustained

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes – 22/09/21

That the minutes of the Audit & Risk Committee meeting held on 22 September 2021, be taken as read and confirmed.

Falloon/Wilson

Carried

Business transacted with the public excluded – 1.34pm

That the public be excluded from the following parts of the proceedings of this meeting, namely – 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:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
6	Residential Building Insurance	Section 7(2)(h)	Commercial activities
7	Health & Safety	Section 7(2)(a)	Protection of privacy of natural persons

McMillan/Wilson

Carried

The Committee resumed in open meeting at 2.27pm.

Annual Accounts

It was advised that due to the current pressures on the labour market and Audit NZ not being able to complete the audit work an extension has been granted to enable sign off to be completed by the end of December 2021. It is expected that the annual report will be ready for sign off by Council at the 1 December meeting.

The meeting closed at 2.32pm.

5. *Fraud and Corruption Policy*

Author	<i>Rachel Thomas; Policy Adviser</i>
Activity manager	<i>Toni Durham; Strategy and Policy Manager</i> <i>Sarah Mosley; People and Capability Manager</i>
Group manager	<i>Jane Donaldson; GM Strategy and Compliance</i>

Summary

- The purpose of this report is to consider the review of the Fraud and Corruption Policy (the policy) which sets out Council's approach to managing suspicions of fraud within the organisation.
- The Policy underwent an in-depth review in 2017, based on Ministry of Justice guidelines. It details Council's zero tolerance approach to fraud and corruption and sets out how Council will deal with any allegations that arise.
- A desktop review has determined changes are required to align the other Council policies and processes.

Recommendation

- 1. That** Council adopts the amended Fraud and Corruption Policy.

Attachment

Appendix 1 Draft Fraud and Corruption Policy

Background

The current situation

1. Council has had a policy in place to detail the organisational approach to fraud and corruption for a number of years. The policy applies to both staff and elected members.
2. In 2017, officers carried out a detailed review and developed a clear process for managing allegations. Audit NZ recommend Council maintain/update this policy.
3. Fraud always attracts a great deal of interest, irrespective of its scale. Questions are asked about how the fraud was perpetrated, and whether the controls designed to stop fraudulent activity were operating effectively. In the public sector, the interest in fraud is heightened because public money is involved, and because those individuals entrusted with public money are expected to exhibit the highest standards of honesty and integrity.
4. Corruption can take various forms, including secret commissions, kickbacks, bribes and other forms of unlawful payments. Corruption also encompasses a number of offences such as abuse of positions, of power and money laundering. Corruption damages the social fabric of society, destroying trust in democratic institutions and undermining the rule of law.
5. It is important Council has effective internal controls, ethics and compliance programmes for preventing and detecting fraud and corruption. A clearly articulated and visible policy that is well understood by all those to whom it applies is a key element of prevention.
6. This review has involved a desktop analysis, including:
 - obtaining feedback from key staff,
 - reviewing the approach of other councils, and
 - reviewing the Ministry of Justice information.

Previous Council direction

7. During the last review in 2017, several changes were made to the policy to ensure its usability for officers and alignment with Ministry of Justice guidelines.

Māori and tangata whenua participation

8. Officers have determined no consultation with iwi is required given the perceived low level of interest in this policy, and low level of impact on tangata whenua.

Interested and affected parties

9. These include:
 - elected members and Council officers,
 - the community in general as ratepayers, and
 - People & Capability, and Executive teams of Council.

Options analysis

Option one – roll over the policy

10. Officers have determined the current policy is not sufficient as it does not align with internal practice therefore this option is not recommended.

Option two – amend the policy (recommended)

11. This option is recommended as the new policy is fit for purpose and futureproof. It is also proposed to extend the review date to 5 years.

Option three – remove the policy

12. This policy is not a legislative requirement therefore it is possible to remove the policy. The only advantage is that no officer resource would be required for policy review.
13. There are several risks and disadvantages associated with removing the policy. Council would be in a vulnerable position regarding allegations of fraud and corruption. There would be no clear process for investigating allegations. Instances of fraud and corruption may increase and there would be no preventative measures in place.

Legal/policy implications

Local Government Act 2002

14. There is no legislative requirement to have such a policy. Council, however, has responsibility for financial management under s.100 and 101 of the Local Government Act 2002. Under s.101(1), Council has a responsibility to ensure financial prudence in the interest of the community. It is important Council maintains a Fraud and Corruption Policy to support this objective.

Council strategies, plans, policies, bylaws

15. This policy is related to the Council's Sensitive Expenditure Policy however differs as it is not just expenditure related. The policy supports the intent of Council's community outcomes and strategic priorities.

Health and safety implications

16. There are no operational health and safety implications with the preferred option. The amended policy supports the well-being of elected members and Council officers through providing a transparent and detailed account of Council's stance.

Strategic alignment

17. The recommendation relates to Council’s community outcome of ‘a prosperous economy based on innovation and opportunity’. The policy acts as a safeguard to protect ratepayers from the misuse of Council funds.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	This policy protects the use of ratepayer money through stating a zero tolerance approach to fraud and corruption

Financial implications

Requirement	Explanation
What is the cost?	There are no anticipated costs associated with either rolling over the policy or adopting the amended policy.
Is there budget available in LTP / AP?	Yes – the cost of policy development is covered
Where is the funding coming from?	Funding will be met from within existing budgets (Strategy & Compliance)
Are there any future budget implications?	No
Finance review required?	Not required – no additional funds required.

Significance and engagement assessment

18. This matter has been considered in regards to Council’s Community Engagement Policy and does not trigger a high level of significance.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	Changes proposed do not impact on current practice.
Level of engagement selected	Inform – the community will be advised on the adoption of this policy
Rationale for selecting level of engagement	This policy is of low significance given the proposed roll over. The policy is not a legal requirement, and has not in the past been subject to community consultation.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

Draft Policy

FRAUD AND CORRUPTION

RESPONSIBILITY:	Chief Executive
ADOPTED:	TBC
REVIEW:	Every five years or as required
CONSULTATION:	None required
RELATED DOCUMENTS:	Council policies and strategies include: <ul style="list-style-type: none">• Elected Members' Code of Conduct• Methven Community Board Code of Conduct• ADC Delegations and employment related policies• Protected Disclosures Policy• Corporate Risk Policy• Sensitive Expenditure Policy Relevant legislation includes (but is not limited to): <ul style="list-style-type: none">• Crimes Act 1961 (s.99, 105 and 105A)• Local Authorities (Members' Interests) Act 1968• Local Government Act 2002 (s.100 and 101)• Protected Disclosures Act 2000• Secret Commissions Act 1910

Policy Purpose

The purpose of this policy is to:

- provide clear guidance for Council officers and elected members who encounter or suspect fraud and/or corruption, and
- raise awareness among Council officers and elected members about how to recognise fraud and corruption, as well as associated behaviour and circumstances.

Application

This policy applies to all Council officers and elected members in relation to all fraud and corruption incidents, whether suspected, alleged or proven, that are either:

- committed against Council by a person; or
- committed by a Council officer or elected member.

Policy Objectives

The objectives of this policy are to:

- prevent corrupt and fraudulent behaviour,
- instil responsibility and awareness amongst Council officers and elected members,
- establish an environment where fraud and corruption concerns can be identified and addressed,
- ensure compliance with internal control systems, and
- provide guidance on how to effectively progress an allegation of fraud and corruption.

Definitions

Corruption: means the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain. It includes foreign and domestic bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct. It also includes accepting favourable terms in a personal capacity in return for acting in a particular manner. Within this definition, corrupt conduct includes but is not limited to:

- any person who has a business involvement with Council, improperly using, or trying to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others, for example, fabrication of business travel requirements to satisfy personal situations,
- knowingly providing, assisting or validating in providing false, misleading, incomplete or fictitious information to circumvent Council procurement processes and procedures to avoid further scrutiny or reporting,
- disclosing private, confidential or proprietary information to outside parties without implied or expressed consent, and
- accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to Council (see Council's Corporate Gifts Policy for permitted exclusions).

Council: means Ashburton District Council.

Council officers: for the purposes of this policy includes:

- all Council employees,
- any contractor or consultant who agrees to be covered by this policy under the terms of their engagement agreement,
- temporary employees supplied through an agency,
- seconded personnel, and
- volunteers.

Fraud: is the deliberate practice of deception in order to receive unfair, unjustified or unlawful gain and, for the purposes of this policy, includes forms of dishonesty. Within this definition, examples of fraud may include (but are not limited to):

- unauthorised possession or use, or misappropriation of funds or other assets,
- impropriety in the handling or reporting of money or financial transactions,
- forgery or alteration of any document or computer file/record belonging to Council,
- forgery or alteration of a cheque, bank draft or any other financial instrument including those used for the purposes of online transactions,
- bribery, corruption or coercion,
- destruction, removal or inappropriate use/disclosure of records, data, materials,

- intellectual property or assets for gain, and
- any similar or related inappropriate conduct.

Policy Statement

1. Background

- 1.1 Council is committed to preventing, detecting and responding to fraud and corruption threats. Council adopts a ZERO TOLERANCE policy to identified behaviour or incidents involving fraud and corruption.
- 1.2 It is important that Council provides confidence to the community and officers regarding the administration of ratepayer's funds. This policy expressly states Council's view that corrupt and fraudulent behaviour is unacceptable, and clearly sets out how corruption and fraud will be dealt with.
- 1.3 All confirmed fraud and corruption incidents will be considered serious misconduct. All instances of suspected fraud and corruption will be thoroughly investigated. All credible suspicions of fraudulent or corrupt activity will be referred to an appropriate law enforcement authority.
- 1.4 This policy should be read alongside Council's Protected Disclosures Policies, which details the protection to be given to the person(s) making a disclosure ("whistleblower").

2. General statements

- 2.1 Council will undertake a comprehensive investigation of any suspected acts of fraud, corruption, misappropriation or similar irregularity. Investigations will be fully documented.
- 2.2 The Chief Executive has primary responsibility for the investigation of all cases of suspected fraud and corruption. Investigation may be delegated at the Chief Executive's discretion to an 'Investigation Officer'. The Mayor is responsible where the Chief Executive is the subject of an allegation.
- 2.3 The Chief Executive will notify the Mayor of the outcome of an investigation. The Group Manager Business Support will be made aware of all instances of fraud and corruption. The Group Manager Business Support will notify Audit New Zealand where applicable as per the Investigation Process (Appendix 1).
- 2.4 The Chief Executive will contact the Police in serious instances where it has been determined a crime has occurred as per the Investigation Process (Appendix 1). The commencement of legal proceedings will be determined by Police.
- 2.5 Council will pursue every reasonable effort, including court-ordered restitution, to recover its losses from the offender(s) or other appropriate sources.
- 2.6 Any Council officer who is subject to an investigation may be stood down on full pay for all or part of the duration of the investigation.
- 2.7 Council will regard all correspondence and records of correspondence such as letters, emails and phone calls made during Council work hours or using Council property as belonging to

Council and this may be examined as part of any investigation process.

3. Fraud and corruption minimisation

3.1 The primary means to prevent or minimise fraud and corruption is by implementation and continued operation of adequate systems of internal control, supported by written policies and procedures. These controls include, but are not limited to:

- Segregation of duties
- Appropriate delegations and authorisation levels
- Enforcement of mandatory holidays
- Active risk management through an effective internal control function
- Financial planning, reporting and monitoring.

3.2 All officers have a responsibility to adhere to Council's systems of internal control and Managers need to ensure officers are aware of the reasons for such controls and the expectation that they will be complied with.

3.3 Council's systems of internal control are evaluated each year by Council's auditors. Any weaknesses identified need to be addressed on an ongoing basis.

4. Recognising fraud and corruption risks

4.1 Council recognises that generally there are three particular conditions often associated with fraud and corruption:

- **Incentives/pressures:** Management, Council officers or external parties have an incentive or are under pressure, which motivates them to commit fraud or act in a corrupt manner (for example, personal financial trouble).
- **Opportunities:** Circumstances exist that allow Council officers to commit fraud or act in a corrupt manner, such as an organisation not having appropriate fraud and corruption controls in place, or officers are able to get around or override ineffective controls (for example, managers being able to approve and authorise their own sensitive expenditure).
- **Attitudes:** Officers are able to rationalise committing fraud (for example, holding attitudes or beliefs such as "everybody else is doing it nowadays" or "they made it so easy for me") or acting corruptly.

5. Reporting suspected fraud, corruption or other irregularities

5.1 Any Council officer may report alleged fraud or corruption. Any suspicion of these instances must be reported immediately following the process detailed in the Protected Disclosures Policy.

5.2 In consideration of the specific circumstances, the person reporting the activity/behaviour may remain anonymous.

5.3 The person reporting the activity/behaviour will be informed not to contact the suspected individual in an effort to determine facts or demand restitution; and not to discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the Chief Executive or Investigation Officer.

5.4 All enquiries concerning the activities under investigation from the suspected individual, his or her lawyer or representative, or any other enquirer must be directed to Chief Executive or Investigation Officer.

5.5 If there is any question as to whether an action constitutes fraud or corruption, the Group Manager or Chief Executive should be contacted for guidance.

6. Investigation process

6.1 The investigation process will begin to establish whether the allegations may be founded.

6.2 In undertaking an investigation care must be taken to secure and preserve the integrity of any evidence. Immediate action will be taken to prevent theft, alteration or destruction of relevant records. Such actions include, but are not limited to:

- removing the records and placing them in a secure location,
- limiting access to the location where the records are currently held, and
- preventing the individual suspected of committing the fraud from having access to the records. The records must be adequately secured until the audit investigation begins.

6.3 The Protected Disclosures Policy details the full investigation process. A summary of this process is provided in Appendix 1.

7. Disciplinary action

7.1 Where fraud or corruption is proven, disciplinary action shall be taken up to and including dismissal, in accordance with Council's internal disciplinary procedures.

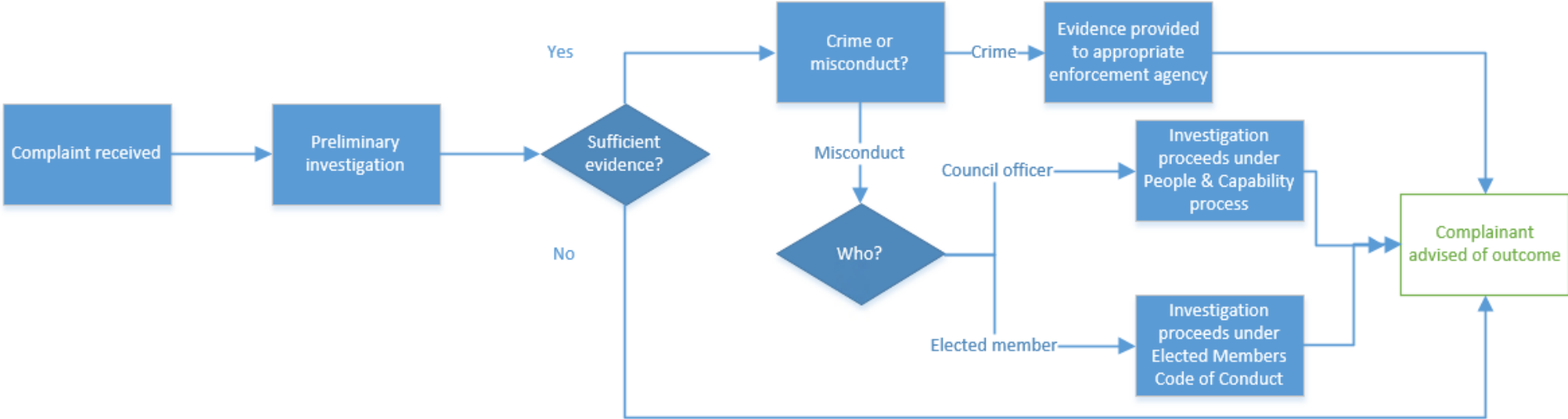
7.2 As per Appendix 1, Council officer misconduct will be dealt with under the internal process utilised by People & Capability; and elected member misconduct will be dealt with under the Elected Members Code of Conduct.

8. Confidentiality

8.1 It is acknowledged that alleged or actual instances of fraud and/or corrupt behaviour can affect the rights and reputation of anyone implicated. Individual identities should be protected wherever possible without detriment to Council.

8.2 All participants in an investigation under this policy shall keep the details and results of the investigation confidential.

Appendix 1 – Investigation Process



6. Equal Employment Opportunities Policy

Author *Rachel Thomas; Policy Adviser*
GM responsible *Sarah Mosley; Manager People & Capability*
Hamish Riach; Chief Executive

Summary

- The purpose of this report is to advise Council that the Equal Employment Opportunities Policy was recently reviewed and adopted by the Executive Team.
- The Policy communicates Council's non-discriminatory approach to employment.
- It is a requirement under the Local Government Act 2002 to have an Equal Employment Opportunities Policy. Upon review of the current policy a number of improvements were identified.

Recommendation

1. **That** Council receives the Equal Employment Opportunities Policy report.

Attachment

Appendix 1 Equal Employment Opportunities Policy 2022

Background

The current situation

1. The Equal Employment Opportunities (EEO) Policy was last adopted in 2014, with the intention the policy would be reviewed 'as required'. The policy sits as an external document which makes it available for prospective employees through Council's website.
2. Equality in employment opportunity is crucial to the advancement of a diverse and tolerant workplace culture. It is important that the Council policy and practice ensures discrimination in employment does not occur through providing equal opportunity and valuing diversity.
3. There is a requirement under the Local Government Act 2002 s.40(1)(k) to make details of Council's EEO Policy available in the Local Governance Statement (shown below for 2019-22):

Council is an Equal Employment Opportunity (EEO) employer, has an EEO policy and a commitment to EEO principles. The recruitment/selection, opportunities for training, promotion and transfer, and conditions of employment are to be undertaken or offered without preference being given on the basis of gender, marital status, religious or ethical belief, race, age, ethnic or national origins, and regardless of any disability irrelevant to an individual's ability to carry out the job.

4. The most recent community diversity workforce stats compiled by the Welcoming Communities Advisor show the ADC workforce is culturally diverse but that Pacific and Māori people are currently underrepresented when compared with our community's diversity.

	ADC workforce	Community diversity
European	88.6%	83.8%
Asian	7.5%	7.4%
Māori	2%	8.2%
Pacific	0.4%	5.1%
MELA (Middle Eastern, Eastern European, Latin American and African)	1.6%	1.3%

Legal/policy implications

Local Government Act 2002

5. Under s.40(1)(k) of the LGA 2002, Council must include an EEO Policy as part of its Local Governance Statement (adopted following the triennial general elections of members).
6. Section 39(d) requires local government to be a good employer.

Treaty of Waitangi Act 1975

7. The Treaty of Waitangi Act recognises the Treaty in New Zealand law. Article III of the Treaty of Waitangi sets out the right to equality before the law. This right is also protected under the New Zealand Bill of Rights Act and the Human Rights Act. We have a duty to ensure equality in employment.

Human Rights Act 1993

8. An employer cannot discriminate against applicants for a job on the basis of the prohibited grounds of discrimination under the Human Rights Act 1993.

Strategic alignment

9. The EEO Policy relates to Council's community outcome of 'a district of great spaces and places' because the policy supports Council being an inclusive employer. The policy also relates to the outcome 'residents are included and have a voice' through providing equal opportunities in employment regardless of an individual's situation.
10. The changes proposed support strategic alignment with the Welcoming Communities programme. The relevant sub outcomes for Welcoming Communities include:

1.2 Leadership diversity

Leaders – both designated and unofficial – reflect the diversity of the local community, as does the council workforce.

1.3 Modelling inclusive behaviour

Leaders model the principles of inclusiveness, openness, tolerance, respect and acceptance of all cultures in the community.

1.5 Intercultural intelligence

Council internal and external policies, services, programmes and activities recognise and address cultural diversity.

1.6 Leadership opportunities

A range of leadership opportunities in the council and the wider community are available to and taken up by newcomers.

Well-being		Reasons why the recommended outcome has an effect on this well-being
Economic	✓	A diverse workforce improves business productivity through incorporating a range of perspectives. Increased productivity leads to better economic outcomes
Cultural	✓	Discrimination on cultural grounds is not tolerated under the EEO Policy
Social	✓	The EEO Policy supports diversity and inclusion in the workplace

Financial implications

Requirement	Explanation
What is the cost?	There are no additional costs associated with this policy. Associated training and policy development costs are covered by existing budgets.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Various activities, including Strategy & Compliance and People & Capability.
Are there any future budget implications?	No
Reviewed by Finance	Not required

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	Medium
Rationale for selecting level of significance	While there are aspects of the policy of high significance (such as the non-discriminatory approach), the overall decision to amend the policy is not in itself a significant decision or likely to impact a large number of people.
Level of engagement selected	1. Inform
Rationale for selecting level of engagement	The community will be informed of the decision to adopt this policy. While engagement with the community could signify more or less is required from the policy, officers consider the amendments to be suitable middle ground.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

Policy

EQUAL EMPLOYMENT OPPORTUNITIES **(Te kaupapa a te whakaōrite whiwhinga mahi)** **POLICY**

TEAM:	People and Capability
RESPONSIBILITY:	Chief Executive
ADOPTED:	24 January 2022 by the Executive Team
REVIEW:	Every five years or as required
CONSULTATION:	None required
RELATED DOCUMENTS:	Relevant legislation includes but is not limited to: Human Rights Act 1993, Local Government Act 2002, Treaty of Waitangi Act 1975, Ashburton District Council Local Governance Statement, Ashburton District Council Diversity & Inclusion Policy (internal and available for employees)

Policy Objective

The objective of this policy is to ensure that no employee or potential employee will be disadvantaged by reason of gender, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status, or sexual orientation as defined under the Human Rights Act 1993. It also contributes towards equality for Māori as per Article 3 of Te Tiriti o Waitangi.

He aha te mea nui o te ao. He tāngata, he tāngata, he tāngata - *What is the most important thing in the world? It is people, it is people, it is people.*

Policy Principles

Ashburton District Council (Council) will develop and maintain an organisational culture based on the following principles:

- We value and support diversity.
- We expect high performance while acknowledging the personal and family commitments of our people.
- We will not tolerate any form of unfair discrimination in the workplace on any ground, including gender, marital status, religious belief, ethical belief, colour, race, ethnic or

national origins, disability, age, political opinion, employment status, family status, or sexual orientation.

Policy Statement

1. Our commitment

- 1.1 Council is committed to practicing the principles of equal opportunity in employment.
- 1.2 Our Council values include the principles of equal opportunities.
- 1.3 We acknowledge and question inherent bias when making all decisions relating to our people.
- 1.4 We will recruit the right people based on merit from a diverse pool of talented candidates.
- 1.5 We aim to represent the diversity of our community and our stakeholders in employment.
- 1.6 We aim for equal representation of gender in Council employment, across the different groups and levels of Council.
- 1.7 We aim to increase our numbers of bi-culturally competent and confident Māori employees.

2. Our practice

- 2.1 The principles of equal opportunity in employment apply to all people related decisions for current and future employees. This includes but is not limited to appointment, promotion, remuneration, access to and selection for training, and flexible work.
- 2.2 We will maintain an internal Diversity & Inclusion Policy which provides a framework for us to validate and build on existing efforts to embrace diversity and inclusion.
- 2.3 We will look to find mutually agreed flexible alternatives to enable:
 - Employees meeting childcare arrangements (i.e. dropping off or picking up children).
 - Employees who have health or medical reasons.
 - Employees with cultural commitments (i.e. prayer or similar).
 - Employees with circumstances considered unique by their Group Manager.

7. Civic Financial Services- Board Retirements and Appointments

Author *Paul Brake; Group Manager Business Support*
GM Responsible *Hamish Riach; Chief Executive*

Summary

- This report is to advise of the retirement of two long-standing Civic Financial Services Board members and the co-opting of two replacements.

Recommendation

- 1. That** the Audit & Risk Committee receives the Civic Financial Services report.

Background

1. Council is a shareholder in Civic Financial Services with a shareholding of 56,016 shares out of 11,249,364 shares.
2. Civic Financial Services (which was known as the NZ Local Government Insurance Corporation Ltd before 1 March 2017) administers the LAPP fund and Supereasy and Supereasy KiwiSaver superannuation funds.
3. The Civic Financial Services Board has advised that two long-standing board members have retired; Tony Marryatt, who was appointed in May 2008, and Tony Gray, who was appointed in 2014.
4. The Board has co-opted Craig Stevenson (Chief Executive of New Plymouth District Council) and Nicola Mills (General Manager, Financial & Business Performance, Auckland City Council). Both Craig and Nicola are required to step down at the next AGM but can be nominated for election in the usual way.

Legal/policy implications

5. There are no legal/policy implications.

Strategic alignment

6. The recommendation to receive the information relates to the Council's community outcome of economic wellbeing.

Wellbeing	Reasons why the recommended outcome has an effect on this wellbeing	
Economic	✓	Council has received dividends from its shareholding in Civic Financial Services in the past.
Environmental		
Cultural		
Social		

Financial implications

7. There are no financial implications as a result of receiving this information.

Requirement	Explanation
What is the cost?	There is no cost to Council
Is there budget available in LTP / AP?	Not applicable
Where is the funding coming from?	Not applicable
Are there any future budget implications?	No
Finance review required?	No

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	Council's shareholding is only 0.5% of the total shareholding.
Level of engagement selected	Inform –One-way communication
Rationale for selecting level of engagement	Information only- no engagement is required
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

8. District swimming pools on reserves

Author *Richard Wood; Recreation Services Manager*
Activity Manager *Kate Fowler; Sports Facility Manager*
GM responsible *Steve Fabish, GM Community Services*

Summary

- The purpose of this report is provide a status update on the Ashburton District Council (ADC) swimming pools.
- This update follows on from the report provided in May 2021.

Recommendation

That the Audit & Risk Committee receives the District swimming pools on reserves report.

Attachments

Appendix 1 ADC Rural pools maintenance summary
Appendix 2 2084 ADC rural pools condition assessment report – March 2021

Background

The current situation

1. Council owns six district swimming pools located on Council reserve land; Tinwald, Hinds, Ruapuna, Mayfield, Mt Somers and Rakaia.
2. A condition assessment was undertaken in 2021 followed by seismic assessment of buildings at three of the pools; Tinwald, Rakaia and Hinds as recommended in the assessment report.
3. Due to very low earthquake ratings, two of the buildings (changing rooms/toilets) have subsequently been demolished at Hinds and Rakaia pools.
4. Strengthening work has been completed at the Tinwald pool plant room.
5. The Tinwald pool western fence remains cordoned off pending works, due to having a low earthquake rating.
6. Portable toilets have been provided for the 2021/2022 summer season at Rakaia and Hinds pools.
7. Considerable pipe and plant work has been undertaken on the Mayfield pool by the pool/reserve committee.
8. Minor health and safety works has been completed on fencing and gates at a number of other pools to ensure they meet the required code. This work was completed using funding from the ADC community pools grant funding.
9. The Hinds pool diving tower continues to be left out of order. It has a temporary panel blocking climbing to the top of the tower.
10. There are significant works in the 2022/2023 year that may not be currently funded, including but not limited to:
 - Repainting/fibre glassing of the Tinwald Pool - \$46,920
 - Repaint and reseal Mayfield pool - \$37,050
11. The future of Tinwald Pool will be part of a conversation with the wider community and Council, which will then feed into the 2024-34 Long Term Plan. The investigation study to support this decision is part of the EA Networks Centre utilisation study which is due to commence in the second quarter of 2022.
12. Design work is underway for the concrete supports for the Tinwald Pool western wall, which once implemented will remove the earthquake risk.

District Pool Assessment Sheet

13. The demolition of the buildings will change the forecasted maintenance/renewals schedule.
14. Consideration will need to be given to the next steps for the replacement of the Hinds and Rakaia pool buildings as well as the Tinwald pool fence.
15. Building maintenance costs for Rakaia and Hinds changing rooms have been removed from the attached maintenance spreadsheet.
16. A re-assessment of Mayfield pool plant/pipework will be completed to update future needs for this pool.
17. Workshops plan to be held with the various pool/reserve committees, to discuss future plans and works for the pools, in line with the recommendations in the assessment. These workshops will also discuss the opportunities for a joint approach to project work and funding, both from Council and external funding providers.

Legal/policy implications

18. New Zealand safety standards and legislation that applies to swimming pools:
 - NZS 5826:2010 Pool water quality
 - NZS 4441:2008 Swimming pool design
 - Building Act 2004 Site buildings
 - Health and Safety at Work Act 2015 Staff, contractors and community

Strategic alignment

19. This activity relates to Council's community outcome of *A District of Great Spaces and Places* by providing fit for purpose facilities that allow the community to be active and social.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic		
Environmental		
Cultural		
Social	✓	Recreation facilities create areas where communities can be active and social

Financial implications

Requirement	Explanation
What is the cost?	Cost of work undertaken to date has been via approved budgets, Council grants and community funds
Is there budget available in LTP / AP?	Future funding of identified works over the next 3 years will become clearer from the workshops planned to be held this year.
Where is the funding coming from?	Still to be determined in the future
Are there any future budget implications?	Yes, but still not clear
Reviewed by Finance	Erin Register; Finance Manager

20. Council's current financial support for district pools on Council land is.
- \$30,000 for district pools for health and safety needs
 - \$15,000 for district pools for capital /larger operating projects.
21. The current forecasted requirement to complete the works outlines in Appendix 1 is \$1,351,300.

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	Community Pools are important facilities to each rural community and many have significant works ahead of them that could impact their availability or operation.
Level of engagement selected	Comment
Rationale for selecting level of engagement	Regular communication is being undertaken with the relevant committees of each pool regarding its operation and on-going condition.
Reviewed by Strategy & Policy	Mel Neumann; Graduate Policy Advisor

Next steps

22. Undertake additional district pools workshops, working with committees to find opportunities to complete recommended works.

Date	Action / milestone	Comments
April- May 2022	Community Pool Workshops	
Late 2022	Report back to Audit and Risk Committee on progress made.	

Appendix 1 Schedule of pool maintenance

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031-2035	Totals
Rakaia Pool	Building Costs	\$29,550	\$8,410	\$2,800	\$25,450	\$7,610	\$800	\$24,050	\$9,610	\$1,400	\$24,050	\$44,770	\$178,500
	Services Costs	\$4,050	\$1,050	\$1,300	\$25,100	\$1,300	\$1,050	\$1,300	\$2,400	\$1,850	\$1,050	\$7,650	\$48,100
RAKAIA TOTAL		\$33,600	\$9,460	\$4,100	\$50,550	\$8,910	\$1,850	\$25,350	\$12,010	\$3,250	\$25,100	\$52,420	\$226,600
Hinds Pool	Building Costs	\$24,050	\$14,800	\$800	\$24,250	\$11,500	\$800	\$24,050	\$11,300	\$1,000	\$27,950	\$51,750	\$192,250
	Services Costs	\$2,550	\$1,450	\$1,750	\$31,000	\$1,750	\$1,450	\$1,750	\$2,800	\$2,300	\$1,450	\$9,800	\$58,050
HINDS TOTAL		\$26,600	\$16,250	\$2,550	\$55,250	\$13,250	\$2,250	\$25,800	\$14,100	\$3,300	\$29,400	\$61,550	\$250,300
Tinwald Pool	Building Costs	\$24,500	\$64,210	\$21,950	\$500	\$5,500	\$29,210	\$9,900	\$14,300	\$500	\$17,950	\$114,110	\$302,630
	Services Costs	\$1,500	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$500	\$2,900
TINWALD TOTAL		\$26,000	\$64,310	\$22,050	\$600	\$5,600	\$29,310	\$10,000	\$14,400	\$18,050	\$600	\$114,610	\$305,530
Mayfield Pool	Building Costs	\$1,000	\$40,050	\$1,500	\$500	\$18,630	\$1,000	\$3,000	\$38,550	\$500	\$2,000	\$61,680	\$168,410
	Services Costs	\$4,650	\$1,650	\$1,900	\$2,600	\$1,900	\$30,650	\$1,900	\$3,000	\$2,850	\$1,650	\$11,050	\$63,800
MAYFIELD TOTAL		\$5,650	\$41,700	\$3,400	\$3,100	\$20,530	\$31,650	\$4,900	\$41,550	\$3,350	\$3,650	\$72,730	\$232,210
Ruapuna Pool	Building Costs	\$500	\$17,180	\$1,000	\$500	\$25,340	\$500	\$2,000	\$16,180	\$500	\$500	\$55,420	\$119,620
	Services Costs	\$650	\$650	\$650	\$1,400	\$650	\$650	\$650	\$650	\$1,400	\$650	\$5,800	\$13,800
RUAPUNA TOTAL		\$1,150	\$17,830	\$1,650	\$1,900	\$25,990	\$1,150	\$2,650	\$16,830	\$1,900	\$1,150	\$61,220	\$133,420
Mt Somers Pool	Building Costs	\$500	\$1,500	\$33,290	\$12,130	\$500	\$17,290	\$1,500	\$16,500	\$29,420	\$500	\$67,910	\$181,040
	Services Costs	\$2,650	\$1,000	\$1,250	\$1,950	\$1,250	\$1,000	\$1,250	\$1,000	\$2,200	\$1,000	\$6,450	\$21,000
MT SOMERS TOTAL		\$3,150	\$2,500	\$34,540	\$14,080	\$1,750	\$18,290	\$2,750	\$17,500	\$31,620	\$1,500	\$74,360	\$202,040
ALL POOLS TOTAL		\$96,150	\$152,050	\$68,290	\$125,480	\$76,030	\$84,500	\$71,450	\$116,390	\$61,470	\$61,400	\$436,890	\$1,350,100

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