

Document No: 780843

Report To: Audit and Risk Committee



Meeting Date: 15 October 2024

Subject: Treasury Management Report for the year ended 30 September 2024

Type: Information Only

Author(s): Wayne La Roche
Asset Accountant

Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on WDC's debt position and compliance with borrowing limits for the year ended 30 September 2024.
- 1.2 Miles O'Connor, Bancorp Treasury Services Limited, will be presenting the Bancorp Treasury Dashboard Report to the Committee.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent the Committee's decision until such time as they are adopted by formal resolution.
 - 1 The business paper on Treasury Management Report for the year ended 30 September 2024 be received.

3. Background

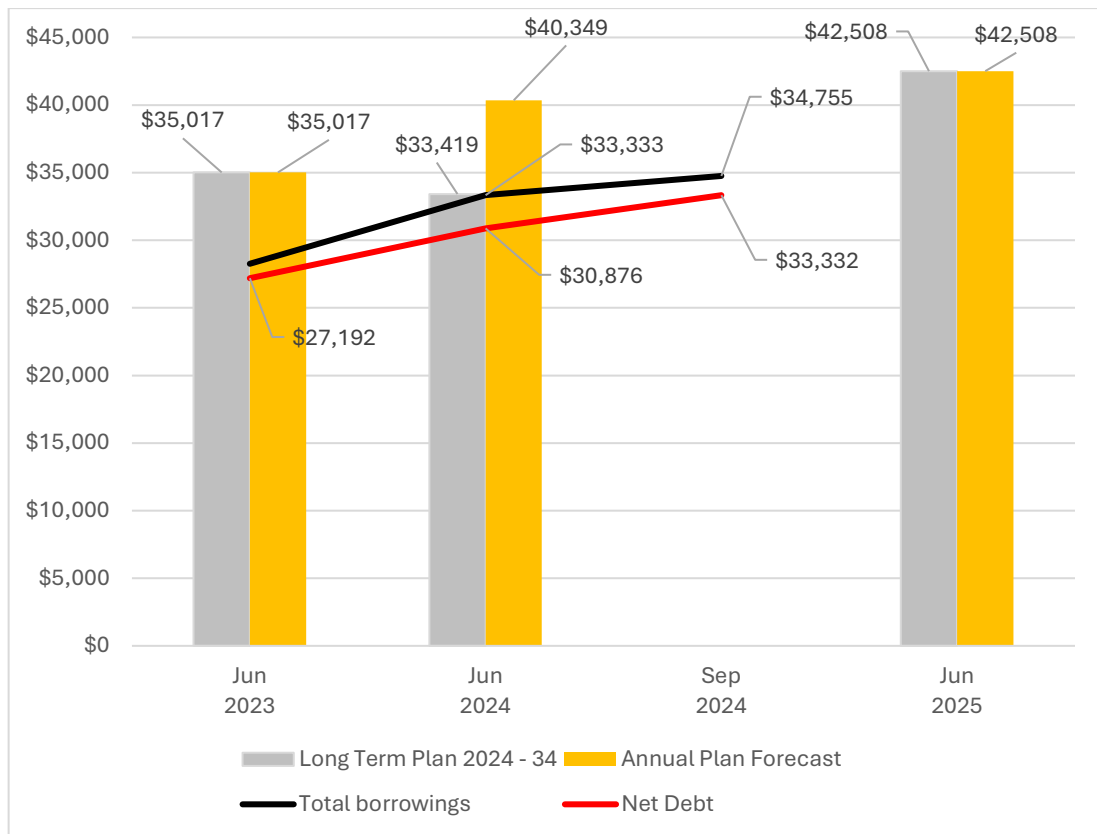
- 3.1 The total borrowings and net debt position are regularly reviewed, monitored and compared to the LTP 2024-34 (LTP). This includes monitoring WDC's borrowing limits as set out in the Financial Strategy, with reporting to the Audit and Risk Committee on a quarterly basis.
- 3.2 Bancorp, Council's external treasury advisors, prepare a quarterly Treasury Reporting Dashboard and the report for the period ended 30 September 2024 is enclosed separately and forms part of this business paper.

4. Commentary

4.1 PUBLIC DEBT

- 4.2 At 30 September 2024 public debt was **\$34.8 million** and net debt was \$33.3 million.
- 4.3 At 30 June 2024 public debt was \$33.3 million (2023: \$28.3 million) and net debt¹ was \$30.9 million (2023: \$27.2 million).
- 4.4 The following graph shows the total borrowings and net debt position compared to forecast debt from the LTP.

¹ Net debt is total public debt less NZLGFA Borrower notes and unrestricted cash.



4.5 INTEREST EXPENSE

4.6 Total interest expense for the period ended 30 September 2024 was \$428,000 which was \$23,000 more than the year to date budget of \$406,000.

4.7 The assumed interest rate in the LTP for the 2024/25 year was 4.90%. The weighted average interest rate at 30 September 2024 was 5.06%, and including the Westpac call advance credit facility fee is 5.13%.

4.8 Current interest rates still remain at elevated levels and medium and long-term interest rates have reduced, however it is widely expected that current (or spot) rates will decrease very soon.

4.9 Of the total borrowings of \$34.8 million, the floating interest rate debt totals \$13.5 million (including the Westpac call advance) at 30 September 2024 which is impacted by any interest rate changes. The remaining \$21 million of public debt is on a fixed interest rate exposure is unaffected by short term interest rate changes, up until the date fixed rate arrangement expires. (The remaining amount is accrued interest and finance lease liability).

4.10 BORROWING LIMITS

4.11 The borrowing limits set in the Financial Strategy are:

- The ratio of net debt to total revenue will not exceed 165%
- Net interest will not exceed 20% of annual rates.

| | Limit | Actual June 2024 | Actual Sept 2024 |
|------------------------------|-------|------------------|----------------------------------|
| Net debt to total revenue | <165% | 65% | Measured at the end of the year. |
| Net interest to annual rates | <20% | 7% | 6% |

4.12 WDC is currently well below these limits so has adequate borrowing capacity should this be required.

4.13 A standby credit facility with Westpac bank with a credit limit of \$6 million is in place of which \$1.5 million was drawn at 30 September 2024.

4.14 The Westpac credit facility has a maturity date of 1 July 2025.

4.15 INTEREST RATE FIXING DURING THE QUARTER

4.16 Since balance date, with forward starting interest rates already reduced compared with current rates, additional fixed interest rate cover has been implemented. Specifically for \$6 million, fixed cover will start July 2026, with \$3 million cover ending July 2029 and the remaining \$3 million ending July 2031. The fixed rate amounts payable is 3.57% and 3.74% respectively.

4.17 The reason for the additional fixing was to bring fixed rate cover more in the middle of the hedging bands, based on the revised forecast debt profile from the LTP.

4.18 INTEREST RATE SWAP VALUATIONS

4.19 Included in the balance sheet is the valuation of the interest rates swaps that are in place at balance date for both current and forward starting swaps. These are included as "Derivative Financial Instruments" and recognised at market value at balance date. The valuation at 30 June 2024 was an asset of \$336,000.

4.20 The valuation is formally undertaken by Bancorp for annual reporting purposes, however during the year for each quarter indicative values are provided. As at 30 September 2024 the indicative valuation was a \$416,000 liability.

4.21 The change in valuation from an asset at 30 June to a liability at 30 September 2024 is due to the decrease in interest rates, for both the medium and long term.

| |
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| <h2>5. Attachments/Separate Enclosures</h2> |
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Attachment:

1 Bancorp Dashboard Treasury Management Report as at 30 September 2024 (781289)



Treasury Reporting Dashboard

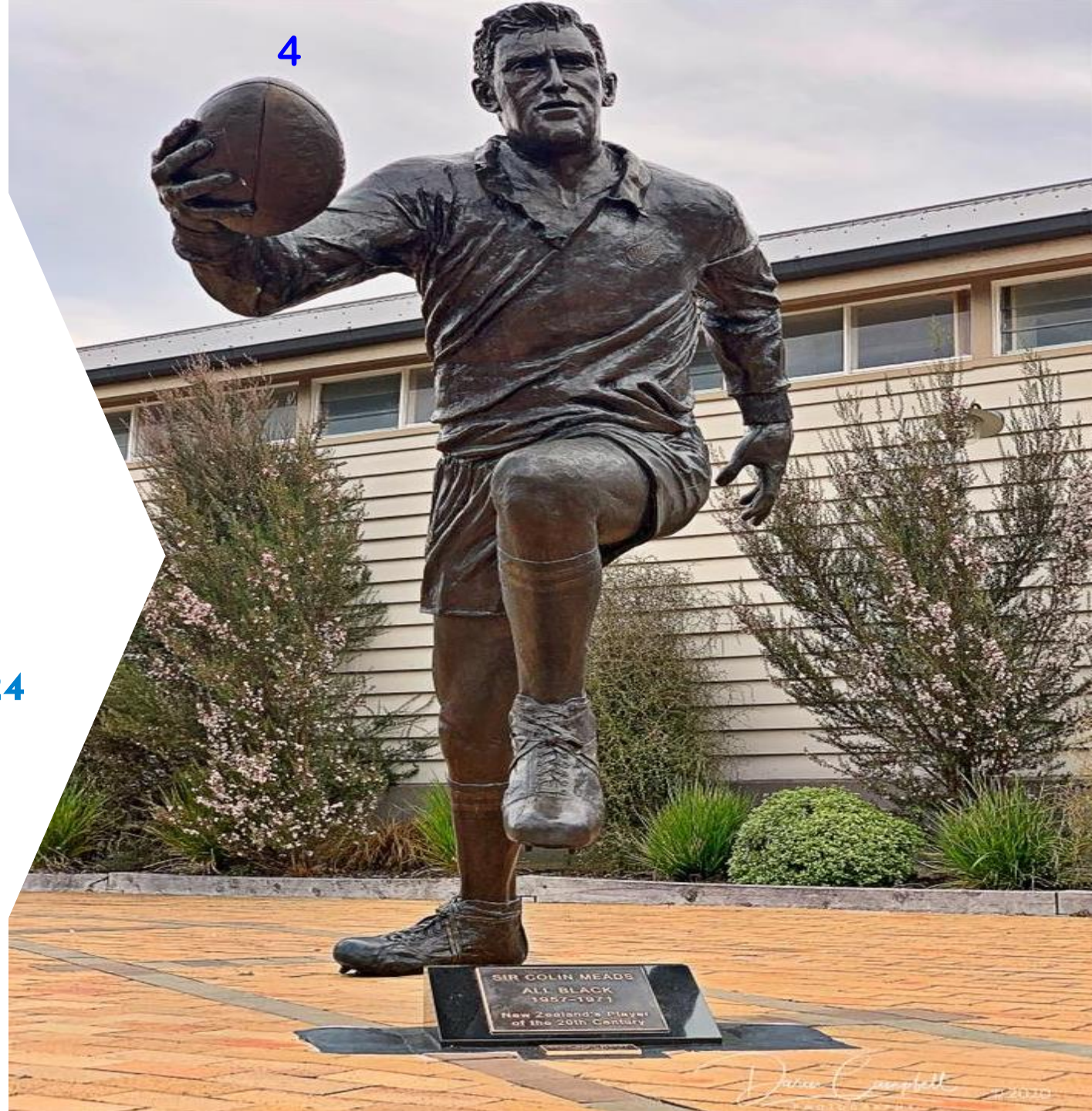
As at 30 September 2024

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BANCORP

BANCORP TREASURY SERVICES LIMITED



Global (for the September 2024 quarter)

The US Federal Reserve began its cutting cycle on 18 September, lowering the Fed Funds rate by 50 basis-points (“bps”) to a target range of 4.75% - 5.00%. The Federal Open Market Committee (“FOMC”) indicated 2 more 25 bps cuts by the end of the year. Notably, the FOMC vote was 11-1 in favour of the 50bps cut, with Governor Michelle Bowman instead advocating for a 25bps cut, the first dissenting vote by a Fed governor since 2005. The post-meeting statement declared, *“The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance,”* with Fed Chair Jerome Powell stating in a news conference that *“We’re trying to achieve a situation where we restore price stability without the kind of painful increase in unemployment that has come sometimes with this inflation. That’s what we’re trying to do, and I think you could take today’s action as a sign of our strong commitment to achieve that goal.”*

Markets are now projecting the Fed Funds rate to fall to 4.00% by the end of the year, 3.00% by August 2025 and 2.75% by the end of 2025. The benchmark US 10 year bond rate opened the quarter at 4.47% which represented the high for the quarter, fell to a low of 3.60% on the day of the Fed September meeting, but subsequently retraced a little of the down move and finished September at 3.78%. This post Fed increase demonstrates that the markets were expecting a 50 bps cut, so it was a classic case of ‘buy the rumour sell the fact’.

The Bank of England (“BoE”) and Sweden’s Riksbank cut their cash rates over August. Despite the ongoing weakness in the Chinese economy, the People’s Bank of China (“PBoC”), after its July rate cuts, initially left its key interest rates unchanged in September. However, in late September the PBoC released a multitude of stimulus measures which included reducing a number of key interest rates to try help its slowing economy.

Against the global rate-cutting trend, the Bank of Japan (“BoJ”) remains an outlier and increased the cash rate by 15bps to 0.25%. The BoJ also intervened to support the yen spending USD36.6 billion in August following on from June’s USD65.0bn of US dollar sales. This time it was helped by general US dollar weakness, which saw investors aggressively unwind yen sourced carry trades. Markets are not expecting any further BoJ rate hikes until December.

The Reserve Bank of Australia (“RBA”) again left its cash rate unchanged at 4.35% at its 24 September meeting and implied no cuts until early 2025. The RBA reiterated its commitment to combating inflation while acknowledging the uncertain economic outlook. The unemployment rate was steady at 4.2%, with a positive employment change of 47,500 workers, better than the expected 26,400.

| | OCR | 90 day | 2 years | 3 years | 5 years | 7 years | 10 years |
|-----------|--------|--------|---------|---------|---------|---------|----------|
| 30-Jun-24 | 5.50% | 5.63% | 4.80% | 4.51% | 4.38% | 4.38% | 4.46% |
| 30-Sep-24 | 5.25% | 4.87% | 3.58% | 3.47% | 3.55% | 3.70% | 3.89% |
| Change | -0.25% | -0.76% | -1.22% | -1.04% | -0.83% | -0.68% | -0.57% |

The Reserve Bank of New Zealand (“RBNZ”) cut the Official Cash Rate (“OCR”) by 25bps to 5.25% at its August *Monetary Policy Statement* as the central bank was, “*Confident inflation (will be) back in its target band*”. Following the MPS, at the Government’s Finance and Expenditure Select Committee, RBNZ Governor Adrian Orr emphasised the need for OCR cuts to address the weak economy, and reiterated the RBNZ’s commitment to controlling inflation stating, “*The current economic environment is weak (and the) economy is weaker than anticipated 6-months ago. We have strong control over the inflation story. There was no talk on committee of raising rates again. We are not done yet on inflation, but it’s definitely moving in the right direction. If inflation expectations are well anchored, we can look through some of the noise*”. There is no doubt that the economy warrants an accelerated cutting cycle, but it does raise the question of credibility given the RBNZ’s abrupt change in its outlook since the prior May MPS.

GDP fell in the June quarter by -0.2%, with an annual decrease of -0.5%, slightly better than forecasts of -0.4% and -0.6%, respectively. GDP per capita fell 0.5% in the second quarter and was down 2.7% for the year. Primary industries saw the greatest decline over the quarter, with a -1.6% drop. Goods-producing industries increased by 0.7% over the quarter, although with a -3.2% decrease over the year, manufacturing increasing by 1.9% over the quarter and a -4.3% decrease over the year. Services were overall flat over the quarter, with a 0.7% increase over the year.

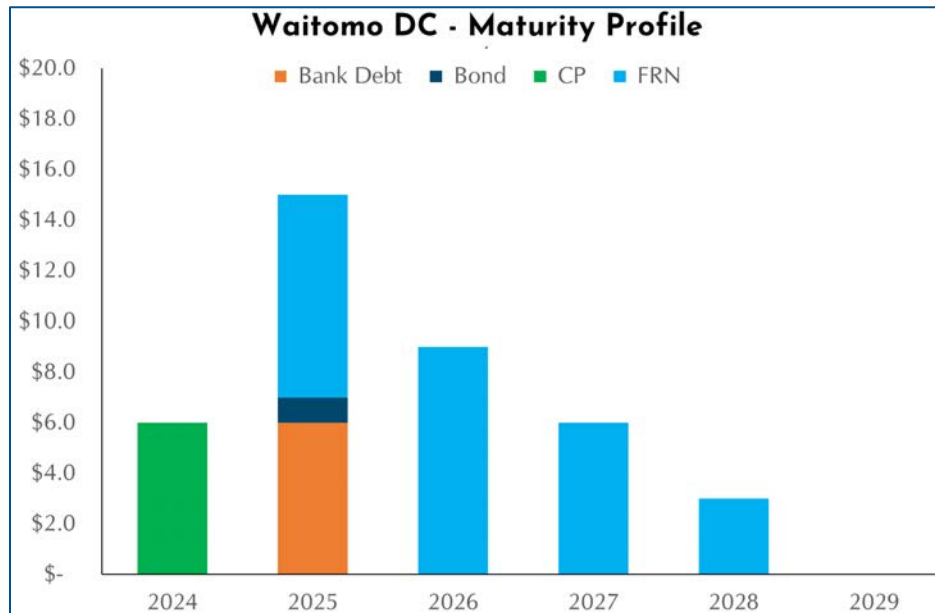
The current account deficit grew to \$27.8 billion in the year to June, or around 6.7% of GDP. This is slightly worse than the previous \$27.6 billion for the year to March. The deficit for the June quarter was \$7.2 billion, \$269 million more than the March quarter. The goods deficit widened by \$110 million to \$2.6 billion, as goods imports increased by \$183 million, led by transport equipment, while exports were up by \$74 million, led by meat and other commodities such as aluminium, wine, and fish. The services deficit narrowed by \$28 million to \$501 million over the quarter, with exports up \$127 million, led by transportation services, while imports increased \$99 million, led by New Zealanders spending while travelling overseas.

The weak GDP figures are expected to help reduce inflation, which the RBNZ is projecting to fall to 2.3% in the September 2024 year (currently it is 3.3%). Markets are pricing in a 100% probability of the OCR being at 5.00% in October 2024 and a 72% probability that it will be at 4.75%, while for November 2024 markets are pricing a 100% probability that the OCR will be at 4.50% and a 56% probability that it will be at 4.25%. By November 2025 markets are projecting it to have fallen to 2.75%.

Interest rate swap rates fell sharply over the quarter, even more so at the shorter end of the yield curve where the presumed future OCR cuts have more of an influence than at the longer end of the curve which is largely driven by moves in US and global bond rates. However the moves at the long end of the curve have still been significant driven by the moves in US and global bond yields. This flattening of the local yield curve reduces the benefit of forward start swaps compared to spot swaps but given the fall in spot swaps they are now providing more benefit than earlier in the year.

Funding, Liquidity and Hedging Bands

4



| Policy Compliance | Compliant |
|--|-----------|
| Have all transactions been transacted in compliance with policy? | Yes |
| Is fixed interest rate cover within policy control limits? | Yes |
| Is liquidity within LGFA control limits? | Yes |
| Are swaps transacted with approved counterparties? | Yes |

Total WDC Debt

\$34.5m

External Council Drawn Debt (LGFA + Bank)

Core WDC Debt (all drawn from the LGFA)

\$33.0m

Headroom = undrawn bank facility + cash in bank

\$6.3m

Liquidity Ratio (must be >110%)

118.26%

Definition: Includes Cash Reserves + Undrawn lines of Credit + Drawn Debt)/Drawn Debt (excludes Borrower Notes and restricted cash).

Cost of Funds as at 30 September

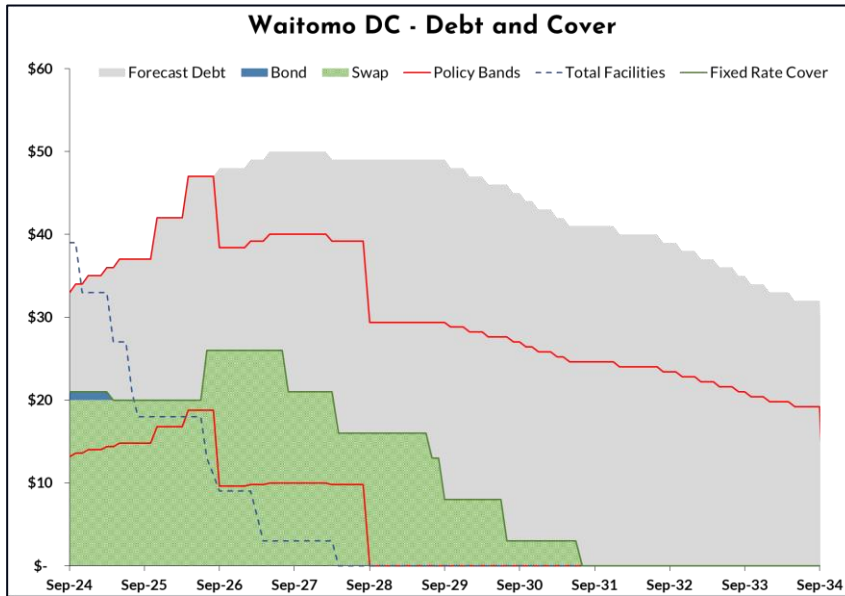
5.13%

| Fixed Rate Hedging Bands | | | |
|--------------------------|---------|---------|-----------|
| | Minimum | Maximum | Policy |
| 0 - 2 years | 40% | 100% | Compliant |
| 2 - 4 years | 20% | 80% | Compliant |
| 4 - 8 years | 0% | 60% | Compliant |

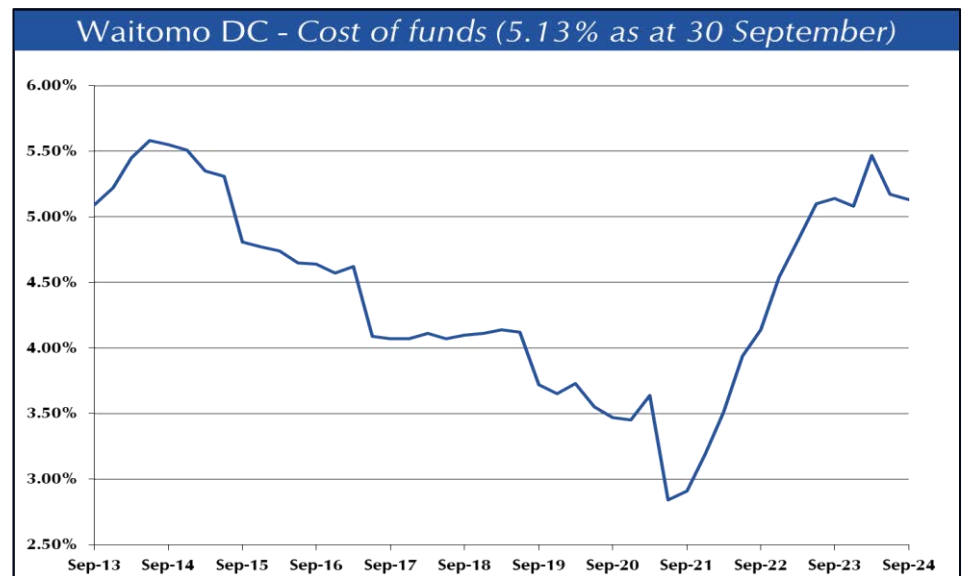
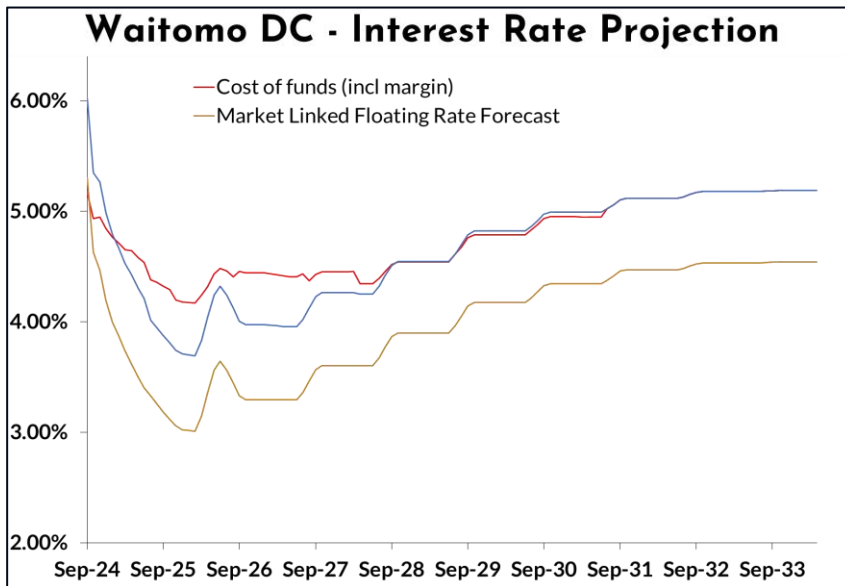


Interest Rate Risk Management⁸

5



| | |
|---|--------|
| Current % of Debt Fixed | 63.6% |
| Current % of Debt Floating | 36.4% |
| Value of Fixed Rate (m) | \$21.0 |
| Weighted Average Cost of Fixed Rate Instruments | 3.99% |
| Value of Forward Starting Cover | \$21.0 |
| Weighted Average Cost of Forward Starting Cover | 3.91% |
| Value of Floating Rate (m) | \$12.0 |
| Current Floating Rate | 4.87% |
| Current Floating Rate (incl margin) | 5.59% |
| All Up Weighted Average Cost of Funds Including Margin | 5.13% |
| Total Facilities In Place | \$39.0 |



LGFA Borrowing Rates

9

As at 30 September

Listed below are the credit spreads and applicable interest rates as of 30 September for Commercial Paper ("CP"), Floating Rate Notes ("FRN"), and Fixed Rate Bonds ("FRB"), at which Waitomo District Council ("WDC") could source debt from the Local Government Funding Agency ("LGFA").

| Maturity | Margin | FRN (or CP Rate) | FRB |
|------------|--------|------------------|-------|
| 3 month CP | 0.20% | 5.07% | N/A |
| 6 month CP | 0.20% | 5.19% | N/A |
| April 2025 | 0.57% | 5.44% | 5.10% |
| April 2026 | 0.65% | 5.52% | 4.30% |
| April 2027 | 0.77% | 5.64% | 4.18% |
| May 2028 | 0.91% | 5.78% | 4.30% |
| April 2029 | 1.06% | 5.93% | 4.49% |
| May 2030 | 1.17% | 6.04% | 4.68% |
| May 2031 | 1.25% | 6.12% | 4.84% |
| April 2033 | 1.35% | 6.22% | 5.07% |
| May 2035 | 1.42% | 6.29% | 5.25% |
| April 2037 | 1.49% | 6.36% | 5.42% |



WDC - LGFA Borrowings ¹⁰

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As at 30 September 2024, WDC had \$33.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper, FRNs, and FRBs. WDC also has a bank facility with Westpac Bank for \$6.0 million that matures on 1 July 2025, which has a margin of 100 basis points and a line fee of 40 basis points. Details of WDC's drawn core debt as at 30 September is as follows:

| Instrument | Maturity | Yield | Margin | Amount |
|------------|-----------|-------|--------|-------------|
| LGFA CP | 29-Nov-24 | 5.42% | 0.20% | \$6,000,000 |
| LGFA FRB | 19-Apr-25 | 3.68% | N/A | \$1,000,000 |
| LGFA FRN | 22-Apr-25 | 6.03% | 0.49% | \$5,000,000 |
| LGFA FRN | 30-Aug-25 | 5.80% | 0.57% | \$3,000,000 |
| LGFA FRN | 24-Jul-26 | 6.19% | 0.66% | \$5,000,000 |
| LGFA FRN | 30-Aug-26 | 5.89% | 0.66% | \$2,000,000 |
| LGFA FRN | 11-Sep-26 | 5.81% | 0.70% | \$2,000,000 |
| LGFA FRN | 18-Mar-27 | 5.88% | 0.77% | \$3,000,000 |
| LGFA FRN | 18-Apr-27 | 6.32% | 0.78% | \$3,000,000 |
| LGFA FRN | 22-Apr-28 | 6.40% | 0.85% | \$3,000,000 |



Swap details and valuation¹¹

As at 30 September

As at 30 September, WDC had ten interest rate swaps, five of which were current and five forward starting, which convert a portion of the floating interest rate exposures into a fixed rate. Details of the swaps are contained in the following table.

Waitomo District Council - valuations and testing

Hedge effectiveness testing as at 30 September 2024

| Bank Ref | Derivative Product | Currency | Notional Amount at Inception | Inception Date | Effective Date | Maturity Date | Fixed Rate | Clean Value | + | Accrued Interest | = | Total Swap Value |
|----------------------------|--------------------|------------|------------------------------|----------------|----------------|---------------|------------|------------------|---|------------------|---|------------------|
| INTEREST RATE SWAPS | | | | | | | | | | | | |
| WPAC 4293625 | IR Swap | NZD | 5,000,000 | 31-Mar-15 | 20-Apr-20 | 22-Apr-25 | 3.93% | 16,446 | | 15,486 | | 31,933 |
| WPAC 7189464 | IR Swap | NZD | 5,000,000 | 13-Dec-18 | 11-Sep-20 | 11-Sep-26 | 2.89% | 67,471 | | 5,778 | | 73,249 |
| WPAC 10370267 | IR Swap | NZD | 5,000,000 | 20-Apr-23 | 22-Apr-25 | 22-Jul-26 | 3.96% | (44,243) | | 0 | | (44,243) |
| WPAC 10968070 | IR Swap | NZD | 5,000,000 | 2-Feb-24 | 11-Sep-26 | 11-Sep-29 | 3.96% | (58,400) | | 0 | | (58,400) |
| WPAC 11271805 | IR Swap | NZD | 3,000,000 | 26-Jun-24 | 27-Jun-24 | 30-Aug-27 | 4.65% | (95,198) | | 1,478 | | (93,720) |
| WPAC 11271761 | IR Swap | NZD | 5,000,000 | 26-Jun-24 | 22-Jul-26 | 22-Jul-30 | 4.11% | (85,968) | | 0 | | (85,968) |
| WPAC 11271848 | IR Swap | NZD | 5,000,000 | 26-Jun-24 | 27-Jun-24 | 24-Apr-28 | 4.55% | (176,135) | | 9,129 | | (167,006) |
| WPAC 11271834 | IR Swap | NZD | 2,000,000 | 26-Jun-24 | 27-Jun-24 | 30-Aug-27 | 4.65% | (63,465) | | 985 | | (62,480) |
| WPAC 11361626 | IR Swap | NZD | 3,000,000 | 2-Aug-26 | 22-Jul-26 | 23-Jul-29 | 3.57% | (5,810) | | 0 | | (5,810) |
| WPAC 11361569 | IR Swap | NZD | 3,000,000 | 2-Aug-26 | 18-Jul-26 | 18-Jul-31 | 3.74% | (3,057) | | 0 | | (3,057) |
| Totals | | NZD | 41,000,000 | | | | | (448,358) | | 32,856 | | (415,502) |



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Bancorp Treasury Services Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz

WAITOMO DISTRICT COUNCIL Audit and Risk Committee

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 13 AUGUST 2024 AT TIME 9.30AM

PRESENT: Independent Chairperson Jaydene Kana
Mayor John Robertson
Deputy Mayor Allan Goddard
Gavin Todd
Janene New
Janette Osborne

IN ATTENDANCE: Miles O'Connor Bancorp (via ZOOM)

STAFF: Chief Executive, Ben Smit
Manager – Governance Support, Michelle Higgie
Systems Analyst /Senior IT Support Officer, Dave Power
Manager – Strategy and Policy, Charmaine Ellery
General Manager – Infrastructure Services, Shyamal Ram
General Manager – Community Services, Helen Beever
Health and Safety Coordinator, Tanchia Pitts-Brown
Chief Financial Officer, Tina Hitchen
Asset Accountant, Wayne La Roche
General Manager – Strategy and Environment, Alex Bell
Senior Strategy and Policy Advisor, Alice Tasker
Executive Assistant - Business Support, Rajeshwari Mahadevappa

| | |
|-----------|------------------------|
| 1. | Karakia Tuwhera |
|-----------|------------------------|

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|-----------|---|
| 2. | Confirmation of Minutes: 14 May 2024 |
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Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 14 May 2024 be confirmed as a true and correct record subject to the following corrections:

Resolution 5 in Item 13(1) of the public Minutes be corrected to duplicate the public excluded Minute.

Osborne/Goddard Carried

The Manager – Strategy and Policy entered at 9.41am

| | |
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| 3. | Chair Report – August 2024 |
|-----------|-----------------------------------|

The Committee considered a business paper prepared by the Independent Chairperson for August 2024.

The Chairperson expanded verbally on the business paper.

The General Manager – Infrastructure Services entered the meeting at 9.45am.

The Systems Analyst /Senior IT Support Officer provided a verbal update on Cyber Security activities.

The Manager – Strategy and Policy provided a verbal update on Climate Change activities.

The Systems Analyst /Senior IT Support Officer left the meeting at 9.50am.

The Chief Executive and General Manager – Infrastructure Services provided a verbal update on strategic asset management.

Resolution

The Chair Report – August 2024 be received.

New/Goddard Carried

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| 4. Mastercard Expenditure Report: May/June 2024 |
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The Committee considered a business paper presenting details of expenditure incurred via WDC issued Corporate Mastercard for the Committee's information and consideration.

The Manager – Governance Support expanded verbally on the business paper and answered Members questions.

The Chairperson queried the value from a "risk" perspective of having this report on the Agenda considering the authorisation process in place. The Committee agreed to re-consider future inclusion of this report at the next meeting of the Committee.

Resolution

The Mastercard Expenditure Report for the period May/June 2024 be received.

Kana/New Carried

The General Manager – Community Services and Health and Safety Coordinator entered the meeting at 10.00am.

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| 5. Progress Report: Health and Safety |
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The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance during quarter four of the 2023/24 year.

The General Manager – Community Services and Health and Safety Coordinator expanded verbally on the business paper and answered Members questions.

Resolution

The Progress Report: Health and Safety be received.

Kana/Todd Carried

The General Manager – Community Services and Health and Safety Coordinator left the meeting at 10.13am.

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| 6. Progress Report: WDC Resource Consents – Compliance Monitoring (April to June 2024) |
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The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the fourth quarter (2023/2024).

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

Resolution

The business paper on WDC Resource Consents – Compliance Monitoring be received.

Todd/Goddard Carried

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| 7. Progress Report: Procurement Summary Schedule (April 2024 – June 2024) |
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The Committee considered a business paper presenting a summary of the procurements made in the period 1 April 2024 to 30 June 2024 in accordance with Waitomo District Council's Procurement Policy.

The Chief Financial Officer and Asset Accountant entered the meeting at 10.27am.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

Resolution

The business paper on the Progress Report: Procurement Summary Schedule (1 April 2024 to 30 June 2024) be received.

New/Osborne Carried

Miles O'Connor, Bancorp Treasury Services Limited entered the meeting via Zoom at 10.34am.

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| 8. Treasury Management Report for the year ended 30 June 2024 |
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The Committee considered a business paper providing an update on WDC's debt position and compliance with borrowing limits for the year ended 30 June 2024.

The Chief Financial Officer expanded verbally on the business paper and answered Members questions.

Miles O'Connor, Bancorp Treasury Services Limited presented the Bancorp Treasury Management Report to the Council via Zoom.

Resolution

The business paper on Treasury Management Report for the year ended 30 June 2024 be received.

Todd/New Carried

Miles O'Connor, Bancorp Treasury Services Limited left the meeting at 10.51am.

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| 9. Insurance Renewal for year to 31 October 2024 |
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The Committee considered a business paper providing a brief on Council's 2023/24 insurance arrangements.

The Asset Accountant and Chief Financial Officer expanded verbally on the business paper and answered Members questions.

Resolution

The business paper on Insurance Update Report for the Insurance Year to 31 October 2024 be received.

Kana/Osborne Carried

The General Manager – Strategy and Environment, Manager – Strategy and Policy, Executive Assistant – Business Support, Senior Strategy and Policy Advisor, and General Manager – Community Services entered the meeting at 11.06am

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| 10. Progress Report: Key Performance Indicators for the period ended 30 June 2024 |
|--|

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2023/24 financial year for the period ending 30 June 2024 (Quarter 4).

The Senior Strategy and Policy Advisor expanded verbally on the business paper and answered Members questions.

Resolution

The Progress Report: Key Performance Indicators for the period ended 30 June 2024 be received.

Kana/Goddard Carried

There being no further business the meeting closed at 11.20am

Dated this 15th day of October 2024

JAYDENE KANA
INDEPENDENT CHAIRPERSON

Document No: 781144

Report To: Audit and Risk Committee



Meeting Date: 15 October 2024

Subject: **Chair Report – October 2024**

Type: Information Only

Author(s): Jaydene Kana
Independent Chairperson

1. Purpose of Report

- 1.1 The purpose of this business paper is to present the Independent Chairperson's report for October 2024.
- 1.2 Attached to and forming part of this business paper is the Chair Report – August 2024.

2. Suggested Resolution

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1 The Chair Report – October 2024 be received.

3. Attachments/Separate Enclosures

Attachment:

- 1 Chair Report – October 2024
- 2 Audit and Risk Committee Terms of Reference

WAITOMO DISTRICT COUNCIL – AUDIT AND RISK COMMITTEE

OCTOBER 2024 – CHAIR REPORT

Kia ora koutou,

Firstly, thank you for the warm welcome to the Waitomo District Council whaanau and thank you to Councillor Janette and Chief Executive Ben for our collaboration since the previous Audit and Risk Committee meeting, to progress the Council's risk management journey.

Secondly, the Terms of Reference for the Audit and Risk Committee were adopted in November 2022 and are scheduled to be reviewed in November 2025 (or sooner if required). I am keen for our Committee to consider and discuss whether or not we collectively see a need for a review prior to November 2025.

Finally, the table below outlines my reflections from the most recent Office of the Auditor-General Forum I have attended on Tackling Misinformation and an Institute of Directors event on their new Health and Safety Governance Guide that has been endorsed by WorkSafe:

| Forum | Summary Reflections |
|---|--|
| Public Sector Trust – Tackling Misinformation <i>30 August 2024</i> Speakers from Victoria University and Brainbox Institute | <p>This forum was most relevant for Aotearoa New Zealand in general and agencies at a national level, however some reflections for Waitomo District Council are:</p> <ul style="list-style-type: none"> ▪ A coordinated spread of misinformation (wrong information), disinformation (wrong information shared with harmful intent) and malinformation (true information shared with harmful intent) can create risks to your organisation. ▪ Regulation of misinformation, disinformation and malinformation is difficult. ▪ Traditional mitigation tools include: <ul style="list-style-type: none"> - Communication/media resources and strategies - Crisis management - Cyber security ▪ Other tools to consider: <ul style="list-style-type: none"> - Authenticity and provenance tools – Making sure your content is 'stamped' to let people know it has your approval which can mitigate impersonations or false content creation. The presenter recommended this type of tool. - Artificial intelligence detection tools – Identifying deep fake or synthetically generated text. The presenter recommended extensive due diligence on these types of tools as many are not yet proven. <p>The next forum is scheduled for 18 October, covering strengthening government procurement with presenters from MBIE and Audit New Zealand.</p> |
| Health and Safety Governance Guide <i>29 August 2024</i> | <ul style="list-style-type: none"> ▪ Nearly 10 years on from the Health and Safety at Work Act 2015, Aotearoa New Zealand has had initial success however workplace harm is costing Aotearoa New Zealand nearly \$5 billion per year ▪ Modelling the behaviours outlined as the 5Cs below will enable capable leaders to integrate health and safety into curious and courageous discussions and decisions, that are context rich and demonstrate care for workers. This will support the growth of an effective culture to drive improved performance. |

| | |
|--|---|
| <p>Speakers from Institute of Directors</p> | <p><u>Courage</u> Be prepared to say that you don't have all the answers and acknowledge that other people may know more than you. Have the courage to challenge yourself, and others around the governance table, when problems arise and respond in a constructive way when you are challenged.</p> <p><u>Capability</u> Continuously work to improve your own capability and add to that by looking for information, knowledge and advice from independent experts, from partners and from workers as well as from management</p> <p><u>Curiosity</u> Be genuinely curious about what is happening in the organisation to understand:</p> <ul style="list-style-type: none"> • The reality of how work is done. • What challenges your workers face. • What impact your decisions have on health and safety. • Whether systems are effective. <p><u>Context</u> Recognise and take into account the context of work, health and safety and the broader environment. Understand how non-health and safety matters can impact on health and safety performance and how people's actions are driven by their context. Focus on the highest risk areas of your organisation's context.</p> <p><u>Care</u> Place your people at the centre of your health and safety approach and discussions. Focus on looking after them, rather than seeking compliance and recognise that the best governance and due diligence outcome is a healthy and safe workforce.</p> <p>This link from the Institute of Directors provides the Health and Safety Governance Guide, the Health and Safety Governance Quick Guide and a Self-assessment Tool, for the Committee's consideration: https://www.iod.org.nz/resources-and-insights/guides-and-resources/health-and-safety-a-good-practice-guide</p> |
|--|---|

Recommendation

That the Audit and Risk Committee receives the report.

Jaydene Kana
Chair, Audit and Risk Committee
07 October 2024

Waitomo District Council

Audit and Risk Committee

Terms of Reference

| | |
|-----------------------------|---------------------------------------|
| First Adopted: | 29 November 2022 |
| Review History: | |
| Date of Next Review: | November 2025 (or sooner if required) |
| Responsibility: | General Manager – Business Support |
| Adopted by: | Council |

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Audit and Risk Committee

Terms of Reference

1. PURPOSE AND SCOPE

1.1 The purpose of the Audit and Risk Committee (the Committee) is to provide guidance, assurance and assistance to Waitomo District Council on matters specific to risk, compliance, controls and external accountabilities by:

- 1 Overseeing that control mechanisms are in place that ensure compliance with standards, regulatory and legislative requirements
- 2 Ensuring appropriate management and monitoring processes in place to manage significant risks
- 3 Monitoring internal and external audits and the resolution of issues raised.
- 4 Provide clear line of communication between Council, Management and External and Internal Auditors; and
- 5 Seeking reasonable assurance regarding the integrity of Councils financial and non-financial planning and reporting

2. RESPONSIBILITIES

2.1 External Audit

- 2.6 To engage with Council's external auditors regarding the audit programme and agree the terms and arrangements for the external audit programme.
- 2.7 To review Council's Annual Report in depth and provide advice and recommendation to Council with respect to the integrity and appropriateness of the documents and disclosures and also recommend adoption.
- 2.8 To review matters raised in the audit reports and recommend organisational response priorities based on significance and risk.
- 2.9 To monitor the extent to which recommendations made in the audit report are implemented.

2.10 Risk Management

- 2.11 To monitor Council's treasury management practices in order to provide assurance that policy limits are being adhered to. Recommendations should be made to Council when there are good reasons to exceed policy.
- 2.12 To review Council's insurance covers and limits on an annual basis for appropriateness.
- 2.13 To work in conjunction with the Chief Executive and Group Manager – Business Support in order to be satisfied with the existence and quality of appropriate cost effective financial risk management systems and processes and the proper application of these.
- 2.14 To recommend to Council any internal audit work or additional work streams required to strengthen Council's risk management framework.

- 2.15 To maintain an overview of the non-financial performance with a view to providing assurance that these are within parameters established in the Annual or Long Term Plans.
- 2.16 To consider all matters referred to the Committee by the Council.

3. DELEGATIONS

- 3.1 The Council delegates to the Committee the following powers and duties:
 - 1 Recommend changes to its Terms of Reference to the Council for adoption
 - 2 Receive and consider staff reports on audit, internal controls, financial and risk management related matters
 - 3 Recommend new accounting and reporting requirements or changes to accounting policies
 - 4 Approve the engagement and arrangement letters of Auditors
 - 5 Make recommendations to Council on financial, internal control and risk management and financial policy and procedure matters as appropriate
 - 6 Recommend the adoption or non-adoption of the Annual Report
 - 7 The Audit and Risk Committee may not delegate any of its responsibilities, duties or powers.

4. MEMBERSHIP

- 4.1 The Committee shall be appointed by resolution of Council.
- 4.2 The Committee shall comprise all of the elected members of Council and such independent member(s) as the Council may resolve from time to time.
- 4.3 An independent member will Chair the Committee.
- 4.4 All members of the Committee, including independent members, will have voting rights.
- 4.5 The Chief Executive and General Manager - Business Support shall attend all meetings in an advisory capacity but are not members and have no voting rights. Other staff as may be required will attend the meetings.

5. MEETINGS

- 5.1 Meetings of the Committee shall be conducted in accordance with Standing Orders for Meetings of the Waitomo District Council.
- 5.2 The Committee will meet once every three months and at least four times in each financial year.
- 5.3 All minutes and recommendations of the Committee will be presented to the Council.

6. REVIEW OF TERMS OF REFERENCE

- 6.1 These Terms of Reference will be reviewed by the Council no later than the November following a triennial election.

Document ID: 781096

Report To: Audit and Risk Committee**Meeting Date:** 15 October 2024**Subject:** Mastercard Expenditure Report: July and August 2024 and Future of Reporting on Credit Card Expenditure**Type:** Decision Required**Author(s):** Michelle Higgie
Manager – Governance Support**1. Purpose of Report**

1.1 The purpose of this business paper is to –

- 1 Present details of expenditure incurred via WDC issued Corporate Mastercard for the months of July and August 2024 for the Committee's information; and
- 2 To consider the future reporting of credit card expenditure.

2. Suggested Resolutions

2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

- 1 The business paper on Mastercard Expenditure Report: July – August 2024 and Future of Reporting on Credit Card Expenditure be received.
- 2 The Committee resolve –
 - 1 To continue reporting to the Audit and Risk Committee on credit card expenditure.
 - OR
 - 2 Future credit card expenditure reporting be included as a schedule to the bi-monthly Finance Report to Council.
 - OR
 - 3 Reporting on credit card expenditure be discontinued.

3. Commentary**3.1 Introduction**

3.2 In today's technological climate, the use of credit cards is an everyday norm. The issue of WDC Corporate credit cards is also deemed a prudent and sometimes necessary form of currency.

3.3 Many purchases can be made online with discounts not applicable through other purchasing avenues, necessitating the use of a credit card. In other circumstances the only purchase method available is online. Online purchases also significantly reduce staff time in making purchases.

- 3.4 From time to time WDC's Senior Management Team incur work related expenses where the use of a WDC corporate credit card is the most expedient method of payment. The use of corporate credit cards avoids time consuming processes for arranging pre-purchase cheques, petty cash or making payment personally and claiming back the expense after the fact.

3.5 Acknowledgement of Risk

- 3.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.
- 3.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has an implemented a policy relative to credit cards.

3.8 Policy

- 3.9 Credit card expenditure is classed as "sensitive expenditure" and the policy relating to credit card use is contained in Council's Sensitive Expenditure Policy which was last reviewed and adopted by Council on 24 September 2024.
- 3.10 The policy makes provision that copies of all Mastercard Statement Authorisation Forms shall (at the Committee's discretion) be presented to the Audit and Risk Committee for monitoring and public transparency purposes.

3.11 Presentation of Expenditure Details

- 3.12 Historically, copies of the monthly "Mastercard Statement Authorisation Forms" have been presented to each Audit and Risk Committee Meeting.
- 3.13 Copies of the supporting invoices/receipts are not included in any Agendas, however, should a Committee Member wish to view any of this supporting information, that information can be made available by arrangement.
- 3.14 The publishing of credit card expenditure in public Agendas has also reduced requests made under the Local Government Official Information and Meetings Act for this information.

3.15 Future Reporting on Credit Card Expenditure

- 3.16 The new Independent Chair, at the Committee meeting on 13 August 2024, queried the need for credit card expenditure to be considered by the Committee.
- 3.17 The Committee noted that this is not the first time credit card expenditure reporting has been raised and agreed to re-visit the matter at the next meeting.

3.18 New Format of Authorisation Form

- 3.19 Committee members will note that the Authorisation Forms are in a new format. This new format enables information for each financial year to be contained within one file. In the event the Committee resolves to discontinue reporting of credit card expenditure, this new format will make responding to requests for the information under LGOIMA much less time consuming.

| |
|--|
| <h2>4. Analysis of Options</h2> |
|--|

4.1 Option 1 – Continue Reporting to the Audit and Risk Committee on Credit Card Expenditure

- 4.2 The Committee could continue to receive reporting on credit card expenditure.
- 4.3 There is no legal obligation for credit card expenditure to be reported on, however publishing of the information makes it very transparent and has also stopped the historical requests made under the Local Government Official Information and Meetings Act for detailed credit card expenditure information.

- 4.4 With the publishing of the information in a public agenda, if a request is made for the information under LGOIMA the applicant is informed that the information is already publicly available and is referred to the relevant agendas on Council's website.
- 4.5 **Option 2 – Include Credit Card Expenditure Reporting as a Schedule to the Bi-Monthly Finance Report to Council**
- 4.6 Another option is that the credit card expenditure reporting could be included as a schedule to the bi-monthly financial report presented to Council instead of reporting to the Committee.
- 4.7 This option would continue to make credit card expenditure details publicly available, transparent, and enable future requests for this information under LGOIMA to be referred to our Agendas for the already published information.
- 4.8 **Option 3 – Stop Reporting on Credit Card Expenditure**
- 4.9 As reporting on credit card expenditure is "at the Committee's discretion," the Committee may resolve to discontinue reporting on credit card expenditure, either to the Committee or Council.

5. Considerations

5.1 **RISK**

- 5.2 There is no risk identified in reporting, or not reporting, on credit card expenditure.
- 5.3 Other than transparency, the only benefit of reporting publicly on credit card expenditure is the reducing of requests for the information under LGOIMA.

5.4 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 5.5 As Council's Sensitive Expenditure Policy provides that reporting on credit card expenditure is "at the Committee's discretion," whether the Committee continues or discontinues to receive reports, both decisions are consistent with the Policy.

SIGNIFICANCE AND COMMUNITY VIEWS

- 5.6 As credit card expenditure is of very low value in the overall scheme of Council's budgets, there are no triggers for community engagement as provided for in Council's Significance and Engagement Policy.




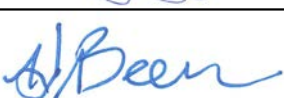

6. Attachments/Separate Enclosures

Attachments:

- 1 Mastercard Authorisation Forms: July and August 2024 (Doc ID 774151)

Mastercard Expenditure Authorisation - 2024/2025

| Cardholder | Position | Statement Date | Creditor | Date | Total Amount | Amount Detail | GL Code | Expenditure Detail |
|-----------------|---|----------------|-----------------------------------|------------|-------------------|---------------|------------|---|
| July 2024 | | | | | | | | |
| Michelle Higgie | Manager - Governance Support | 27/07/2024 | | | | | | |
| | | | Waka Kotahi (NZ Transport Agency) | 2/07/2024 | \$772.44 | | 82027774 | 10,000KM Road User Charges for Waitomo District Council Fleet Vehicle (NKQ165) Manager ISBU |
| | | | Air New Zealand | 4/07/2024 | \$244.60 | | 81638310 | Return ticket to Wellington - Saeed Jouzdani - Chief Information Officer - Algim Conference - 18 - 21 November |
| | | | Hamilton Airport | 4/07/2024 | \$50.00 | | 81638310 | Parking - Saeed Jouzdani - Chief Information Officer - Algim Conference -18 - 21 November 2021 |
| | | | Waka Kotahi (NZ Transport Agency) | 25/07/2024 | \$772.44 | | 82027747 | 10,000km Road User Charges for WDC Fleet Vehicle (LPS811) - Water Services |
| | | | | | <u>\$1,839.48</u> | | | |
| Helen Beever | General Manager - Community Services | 27/07/2024 | | | | | | |
| | | | GoWristbands | 8/07/2024 | \$619.69 | | 420 40 712 | 400 (plus 200 Free) Wristbands for TechStep Event |
| | | | GoWristbands | 8/07/2024 | -\$60.00 | | 420 40 712 | Refund of Remote Area Surcharge for purchase of Wristbands for TechStep Event. |
| | | | Trade Tested Limited | 15/07/2024 | \$1,718.00 | | 232 30 420 | 3 Electric 15kw Fan Heaters for Les Munro Centre |
| | | | Trade Tested Limited | 15/07/2024 | -\$71.00 | | 232 30 420 | Refund of Delivery Courier Post Charges for purchase of Electric Fan Heaters. |
| | | | Air New Zealand | 24/07/2024 | \$799.20 | | 817 38 700 | Return Airfares for 2 (Customer and Information Manager & Information Management Officer) to attend the ALGIM Conference in Wellington (19-21 November) |
| | | | Air New Zealand | 26/07/2024 | -\$15.00 | | 817 38 700 | Refund of Seat Selection Fee charged in error |
| | | | | | <u>\$2,990.89</u> | | | |
| Shyamal Ram | General Manager - Infrastructure Services | 27/07/2024 | | | | | | |
| | | | Red Kitchen Café (Te Awamutu) | 22/07/2024 | \$33.31 | | 81759705 | General Manager – Infrastructure Services - Lunch with new Employee |
| | | | | | <u>\$33.31</u> | | | |

| Authorisation: | Position | Date | Signature |
|----------------|---|------------|--|
| | Mayor | 22/08/2024 |  |
| | Chief Executive | 22/08/2024 |  |
| | Manager - Governance Support | 21/08/2024 |  |
| | General Manager - Community Services | 21/08/2024 |  |
| | General Manager - Strategy & Environment | - | |
| | General Manager - Infrastructure Services | 21/08/2024 |  |


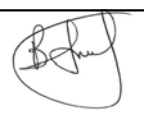



Note:
In accordance with Council's Sensitivity Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

| | |
|---|--|
| Position Chief Executive Senior Management Team Members Manager – Governance Support Mayor | Authoriser Mayor (or Deputy Mayor in the Mayor’s absence) and Manager – Governance Support Chief Executive Mayor (or Deputy Mayor in the Mayor’s absence) and Chief Executive Chief Executive and Manager – Governance Support <u>Note:</u> The current Mayor does not hold a corporate credit card. |
|---|--|

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Mastercard Expenditure Authorisation - 2024/2025

| Cardholder | Position | Statement Date | Creditor | Date | Total Amount | Amount Detail | GL Code | Expenditure Detail |
|-----------------|---|----------------|-----------------------------------|------------|-------------------|---------------|----------|---|
| August 2024 | | | | | | | | |
| Michelle Higgie | Manager - Governance Support | 27/08/2024 | | | | | | |
| | | | Rubber Tree Limited | 1/08/2024 | \$178.00 | \$89.00 | 82027513 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle (Rego QPA9) - Parks and Reserves |
| | | | | | | \$89.00 | 82027748 | Heavy Duty Rubber Mats for Fleet vehicle (Reg LPS822) - Parks and Reserves |
| | | | Rubber Tree Limited | 9/08/2024 | \$946.05 | \$135.15 | 82027514 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027515 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027516 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027517 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027518 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027519 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | | | | \$135.15 | 82027520 | Heavy Duty Rubber Mats for Kit out of new Fleet vehicle |
| | | | Air New Zealand | 9/08/2024 | \$670.60 | | 81938310 | Airfares (Hamilton to Wellington return) for H&S Officer to attend H&S Forum in Wellington (18-20 September 2024) |
| | | | Waka Kotahi (NZ Transport Agency) | 23/08/2024 | \$772.44 | | 82027779 | 10,000km Road User Charges for Fleet Vehicle (PFN107) - CE |
| | | | | | <u>\$2,567.09</u> | | | |
| Helen Beever | General Manager - Community Services | 27/08/2024 | | | | | | |
| | | | Air New Zealand | 22/08/2024 | \$517.60 | | 81738700 | Airfares (Hamilton to Christchurch return) Health and Safety Officer attendance at H&S Forum in Christchurch on 6 November 2024 |
| | | | | | <u>\$517.60</u> | | | |
| Shyamal Ram | General Manager - Infrastructure Services | 27/08/2024 | | | | | | |
| | | | SuperValue Te Kūiti | 31/07/2024 | \$9.29 | | 22230474 | Softdrinks, Bottled Water and Napkins for Blessing of Marokpa School House (pre-demolition) |
| | | | SuperValue Te Kūiti | 31/07/2024 | \$5.50 | | 22230474 | 25 Pack of Paper Cups for Blessing of Marokpa School House (pre-demolition) |
| | | | | | <u>\$14.79</u> | | | |

| Authorisation: | Position | Date | Signature |
|----------------|---|------------|--|
| | Mayor | 12/09/2024 |  |
| | Chief Executive | 11/09/2024 |  |
| | Manager - Governance Support | 11/09/2024 |  |
| | General Manager - Community Services | 12/09/2024 |  |
| | General Manager - Strategy & Environment | - | |
| | General Manager - Infrastructure Services | 11/09/2024 |  |

Note:
In accordance with Council's Sensitivity Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

| Position | Authoriser |
|---|---|
| Chief Executive | Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support |
| Senior Management Team Members | Chief Executive |
| Manager – Governance Support | Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive |
| Mayor | Chief Executive and Manager – Governance Support |
| <u>Note:</u> The current Mayor does not hold a corporate credit card. | |

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Document No: 780936

Report To: Audit and Risk Committee**Meeting Date:** 15 October 2024**Subject:** **Progress Report: Health and Safety****Type:** Information Only

Author(s): Tanchia Pitts-Brown
Health and Safety Coordinator

Helen Beever
General Manager – Community Services

1. Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Waitomo District Council's (WDC) health and safety performance during quarter one of the 2024/25 year.

2. Suggested Resolution

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1 The Progress Report: Health and Safety be received.






3. Background

- 2.1 Elected Members are provided ongoing progress reports to provide visibility of health and safety performance and agreed Key Performance Indicators. This report covers the July to September 2024 period.
- 3.1 This report has been structured to align with the SafePlus Programme developed by WorkSafe NZ, ACC and MBIE in 2017. The programme is voluntary and aims to support organisations wanting to improve their health and safety culture and exceed minimum compliance requirements.

4. Commentary**4.1 LEADERSHIP COMMITMENT**

- 4.2 Under the Health and Safety at Work Act 2015, "Officers" are required to exercise due diligence to provide them with a level of assurance that health and safety is being effectively managed. Due diligence requires the need for "Officers" to keep up to date with health and safety matters and information; ensure critical risks are effectively controlled; ensure health and safety is adequately resourced; ensure appropriate monitoring and reviews are conducted to provide assurance and verify that health and safety matters are being appropriately addressed.
- 4.3 The Annual Plan for 2024/25 has been reviewed and approved by the Senior Management Team (SMT). Refer to Appendix 1.

4.4 The following table outlines progress on KPI's:

| KPI | PERFORMANCE OUTCOMES | PROGRESS |
|--|---|---|
| Site Inspections - H&S inspections carried out on physical works' sites (contractors and staff) Target: 5 per month | <ul style="list-style-type: none"> 7 Contractors 7 Site Safety 17 TTM |  |
| Workplace Inspections Target: 1 per month | <ul style="list-style-type: none"> 7 Workplace – Operational 1 Workplace – Non-operational |  |
| Worker Engagement Target: 1 HSR meeting per month | <ul style="list-style-type: none"> Scheduled meetings completed Blue September – Lead by ISBU HS Representatives Daffodil Day – Lead by Community Services HS Representative |  |
| Outstanding Actions in Tomo Target: Zero | <ul style="list-style-type: none"> Zero |  |
| Near Miss Reporting Target: 10% increase on same period last year (target 7 per month) | <ul style="list-style-type: none"> 20 for Q1 |  |

Red light Red Light

Yellow light

Green light

= target not reached – management focus required

= target almost reached – maintain management focus

= target achieved or exceeded

Figure 1 Key Performance Indicators

- 4.5 There are no overdue actions recorded in WDC's Health and Safety system, Tomo. These are monitored and followed up with managers to ensure they are closed out once completed.
- 4.6 Over the course of the period 39 site inspections were conducted. Staff continue to monitor progress ensuring contractors are correcting any non-compliance issues as soon as possible. The primary issues have been related to traffic management. Staff are working with key stakeholders to understand the upcoming changes, to improve safety while working on/near the roads.
- 4.7 For this quarter a total of 41 events have been reported. There was one medical treatment event during the quarter:
- Sprain sustained when working on uneven terrain. Mitigation measures implemented with team toolbox talks, reinforcing safer options to suit the environmental conditions and upgrade to location for easier access.

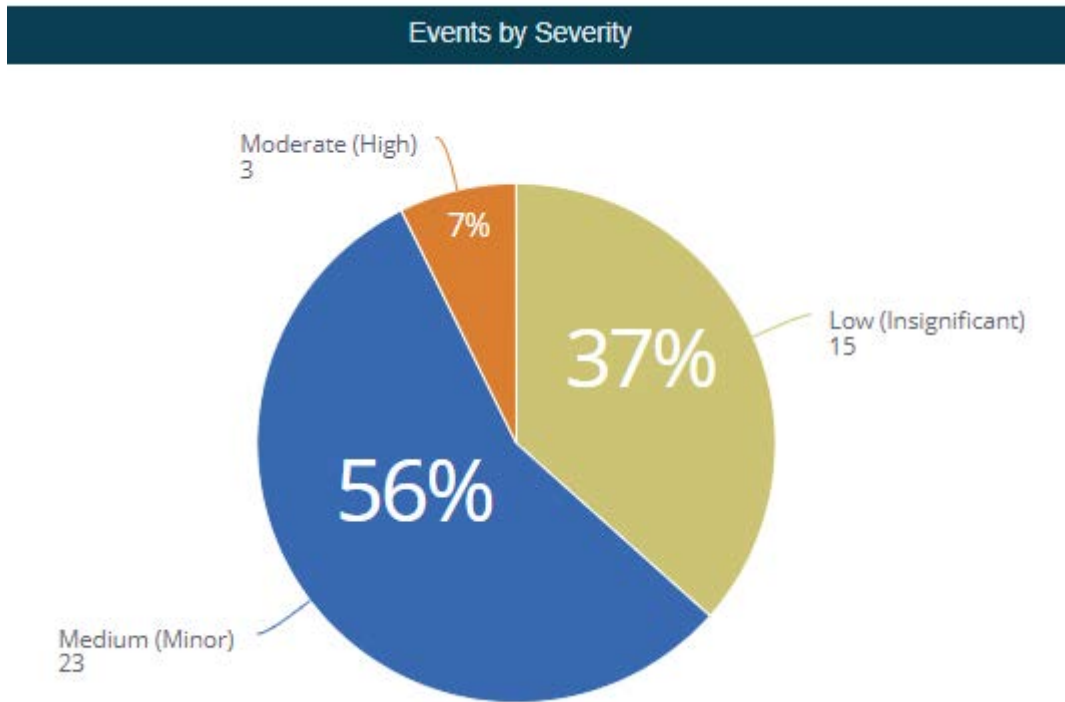


Figure 2 Events by Severity

- 4.8 Of the 41 events reported, eight events occurred while completing works associated with three of our top five critical risks. The following measures outlined below have been put in place to reduce the likelihood of a recurrence.

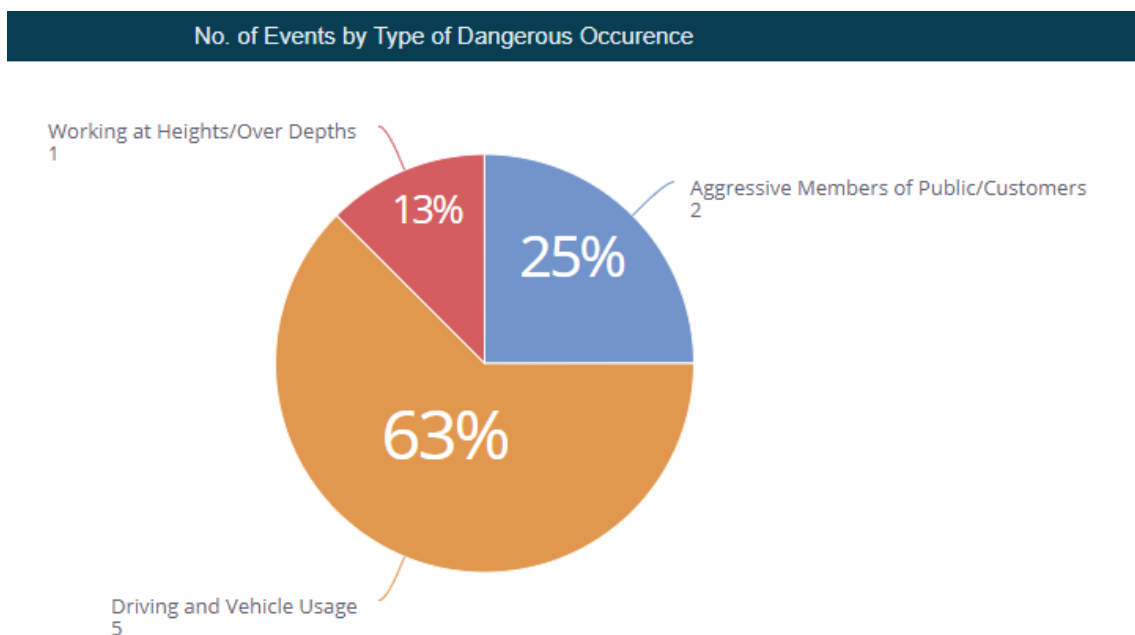


Figure 3 No. of Events by Type of Dangerous Occurrence

- Aggressive Members of Public/Customers:**
 Theft of WDC property afterhours. Added security measures have been put in place.

 Staff approached at end of day by member of the public who displayed intimidating behaviour. Additional safety protocols have been put in place which require staff to pair up when departing the workplace.
- Driving:**
 Although there has been an increase in driving and vehicle usage, three of these events were reported as observations. One of fallen debris on roads and public reckless driver behaviour. Drivers have been advised to call *555 as well as reporting the incident through Tomo.

 One event resulted in a lack of concentrating while reversing. Toolbox talk on essential reversing techniques has been held.

 One event accessing a degrading track. Track is closed for vehicle use until upgrade is completed.
- Working at Heights/Over Depths:**
 One near miss while carrying out maintenance work. Toolbox talk on proper procedures while carrying out work has been held.

4.9 This graph depicts the percentage of assigned actions pending after investigations have been conducted.

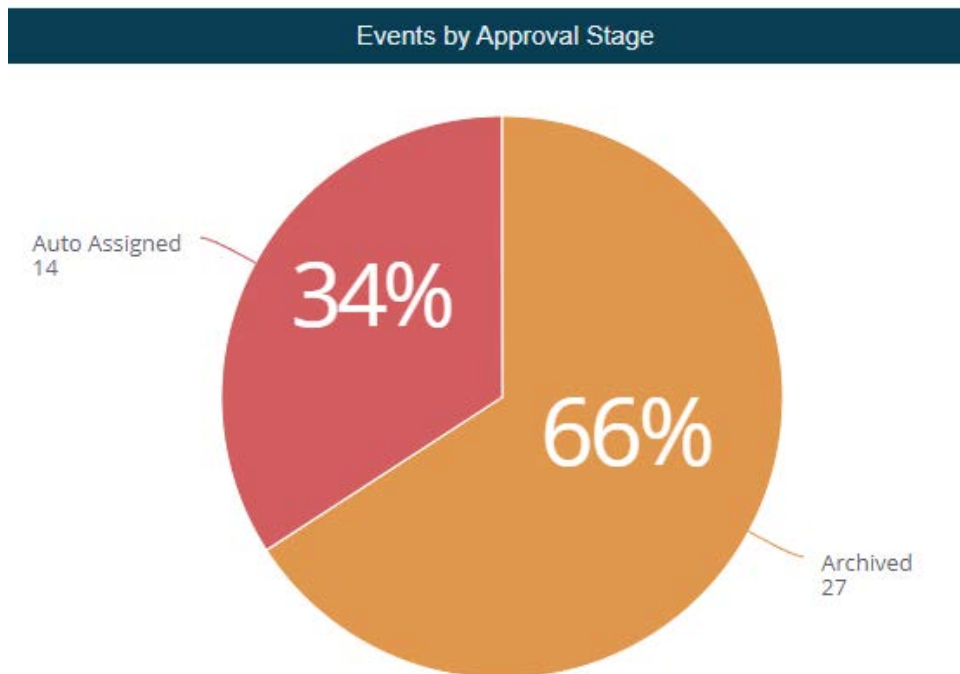


Figure 4 Events by Approval Stage - Auto assigned = actions open to be completed

4.10 **WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**

4.11 Representatives of the Health and Safety Committee continue to perform workplace safety inspections which identify any risks and opportunities for improvement.

4.12 **RISK MANAGEMENT**

- 4.13 A review of the top five critical risks is currently underway. SMT is currently reviewing the Confined Spaces critical risk in conjunction with staff.

| CONFINED SPACE CRITICAL RISK | | | | | |
|------------------------------|---|--|---|--|---|
| TASK/HAZARD | CONSEQUENCE | PRE-CONTROL LIKELIHOOD & CONSEQUENCE | CURRENT RISK CONTROL | RESIDUAL RISK POST CONTROL & CONSEQUENCE | RESIDUAL RISK POST CONTROL TREATMENT & EFFECTIVENESS |
| Confined Space | Unsafe atmosphere/engulfment - that may cause impairment, loss of consciousness, asphyxiation, serious illness or death | Likely Severe | 'Comply with AS 2865:2009, trained and competent workers, carry out gas monitoring, complete a JSA and obtain a permit to work, rescue equipment onsite, emergency plan in place and communicated, rescue equipment in test | Rare Severe | Medium Moderate |

- 4.14 Additional Critical Risks to be reviewed:

- Working Alone
- Contractor Management
- Aggressive Behaviour
- Driving and Vehicle Usage

- 4.15 During monthly testing of a Lone Worker Device staff discovered a discrepancy regarding the names of emergency contacts. To ensure the successful implementation of changes, a process flow has been developed.

- 4.16 A fire drill for the WDC Queen Street office and Customer Service Centre was carried out in August 2024. Fire drills will alternate between the Library and Customer Service Centre in line with the WDC Queen Street office six monthly required drill.

- 4.17 Working at heights equipment was re-certified in August 2024. Inspections carried out in accordance with the relevant sections of AS/NZS 1891.4:2009.

- 4.18 Stationary Containment Certificates have been issued to Te Kuiti Water Treatment and Wastewater Treatment Plants bulk chemical storage tanks. Certificates are valid for five years.

- 4.19 The Fire Evacuation Scheme application for the Te Kuiti Water Treatment Plant has been approved. The Te Kuiti Water Treatment Plant will be required to implement six monthly trial evacuations to maintain this scheme.

- 4.20 Internal audits have commenced on our Health and Safety processes to ensure they are being implemented.

4.21 **STAFF COMPLIANCE TRAINING**

- 4.22 Information as outlined in graph below.

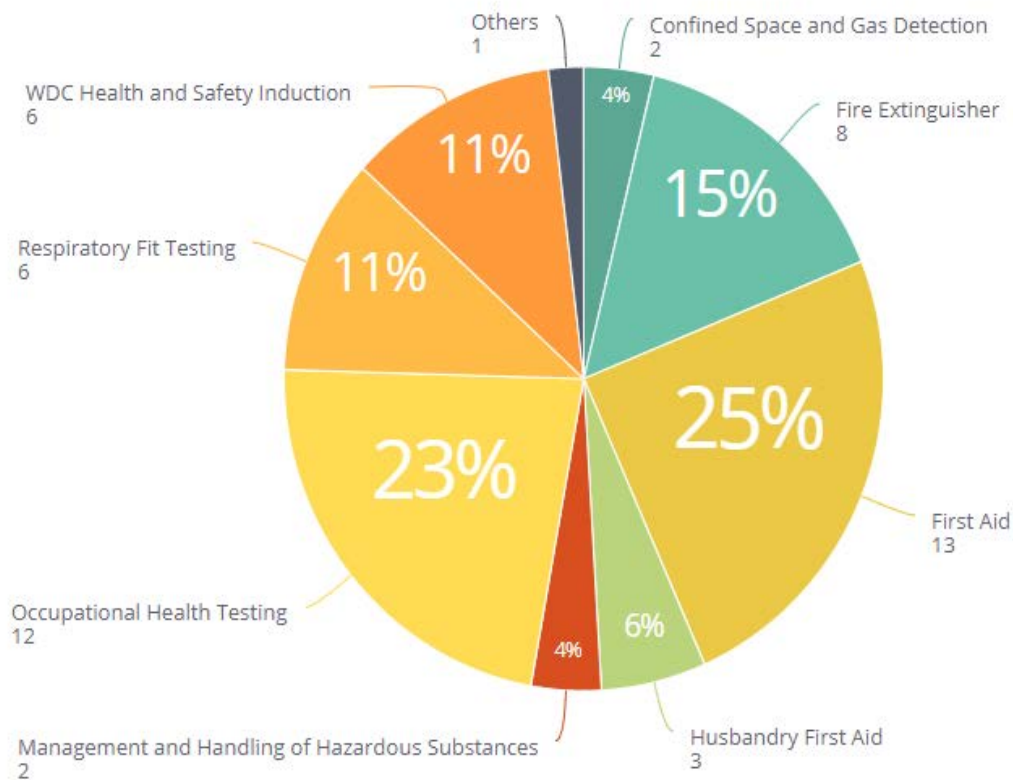


Figure 5 Training Completed – Others 1 = Health & Safety Representative training

4.23 **STAFF WELFARE AND WELLBEING**

4.24 An increase in wellbeing awareness with staff actively participating and promoting national health campaigns.

- Blue September and Daffodil Day lead by HSRs.

4.25 'How to Foster Strong Mental Health' was delivered at the WDC all staff meeting in August 2024. Positive feedback from staff highlights the importance of wellness awareness programmes.

5. Continuous Improvement – Quarter Two Focus

5.1 Location Compliance Certificate to be obtained for Piopio Water Treatment Plant. Auditors to confirm date for inspection in November.

5.2 Support and encourage a continued increase in safety inspections and near miss reporting.

5.3 Continued Site observations by the Health and Safety Coordinator.

HEALTH AND SAFETY ANNUAL PLAN 2024-2025

36

Providing a safe and healthy work environment - enabling our people to create a vibrant district, where people can live and feel safe.



| LEAD HEALTH AND SAFETY | ENGAGE WORKERS | MANAGE RISKS |
|--|--|--|
| <ul style="list-style-type: none"> ✓ Provide a safe and healthy workplace ✓ Ensure all risks are managed ✓ Demonstrate commitment to health and safety | <ul style="list-style-type: none"> ✓ Consult with workers where decisions may impact their health and safety ✓ Seek learning opportunities and/or improvements from workers | <ul style="list-style-type: none"> ✓ Identify hazards/risks ✓ Know and understand our critical risks ✓ Monitor controls to ensure they are effective |
| OUR OBJECTIVES/PRIORITIES | OUR OBJECTIVES/PRIORITIES | OUR OBJECTIVES/PRIORITIES |
| <ul style="list-style-type: none"> → Our health and safety management system (framework) is current and being implemented → Identify and implement preventative actions to ensure continuous improvement | <ul style="list-style-type: none"> → Review/develop operational procedures in consultation with workers → Encourage workers to record near misses → Consult with workers to review risk registers | <ul style="list-style-type: none"> → Hazards/risks and their controls are understood → Compliance is maintained on all worksites/work places → Workers are competent to do their job |
| MEASURES | MEASURES | MEASURES |
| <ul style="list-style-type: none"> ✓ Management system internal audit carried out with no critical non-conformances ✓ Zero overdue actions in Tomo | <ul style="list-style-type: none"> ✓ Risk Register complete and current in Tomo ✓ Increase in near miss recording ✓ Workers are involved in consultation processes | <ul style="list-style-type: none"> ✓ Critical risks are reviewed six monthly with SMT ✓ Inspections carried out monthly on worksites and annually in workplaces ✓ Competency evaluations carried out on operational staff/tasks |

Document ID: 781086

Report To: Audit and Risk Committee**Meeting Date:** 15 October 2024**Subject:** **Progress Report: Strategic Risk Management and Monitoring****Type:** Information Only**Author(s):** Ben Smit
Chief Executive**1. Purpose of Report**

- 1.1 The purpose of this business paper is to provide an update on the progress and status of the risk mitigation actions for Waitomo District Council's Strategic Risks.

2. Suggested Resolutions

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
- 1 The business paper on Progress Report – Strategic Risk Management Monitoring be received.

3. Background

- 3.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 3.2 The review of the Strategic Risk was started in December 2020, nine strategic risks were identified and described. The risk appetite (acceptable level of risk) was set for each of the risks.
- 3.3 Two additional Strategic risks were identified in April 2022, development and assessment of these risks followed the same process as the original nine strategic risks.
- 3.4 The risks were assessed using the Risk Management Framework, pre-mitigation risk level was assessed, current mitigation actions were identified and recorded, and the post mitigation (residual risk) was then determined.
- 3.5 In-depth analysis of two or three strategic risks were workshopped at each of the workshops in February, April, May, August, and October 2022.
- 3.6 The final in-depth analysis workshop covering the strategic risks was completed in October 2022.
- 3.7 The Strategic Risk Register is attached and forms part of the business paper.
- 3.8 Resourcing of risk management has been a problem for WDC. The Chief Executive had taken on the lead role for this, but other time commitments have meant that this activity has not received a great deal of attention. The new Audit and Risk Chair suggested that Colab be approached to see whether a shared resource against councils could be procured. There is a significant difficulty for small councils procuring a parttime risk management specialist at an affordable cost.

- 3.9 Colab returned with the suggestion of using Aon (our insurance brokers) for this senior risk management advice. Three councils including WDC expressed, and interest and the Chief Executive met with David Robson from Aon to see what service they could provide.
- 3.10 Discussions with the Audit and Risk Chair and Cr Osbourne were positive, and a scope of work has been drafted and an agreement entered into. An online hui to flesh this proposal out is planned for Friday 11 October. The outcome of this hui will be discussed at the Audit and Risk meeting on 15 October 2024.

4. Commentary

- 4.1 The contracting of Aon to effectively work with the A&R Committee and management to jointly provide risk management oversight is a significant step forward. David Robson is a senior risk manager with 18 years' experience. He is passionate about risk management and truly helping councils in the area.
- 4.2 An introduction and scope of services follows:
- 4.3 **Introduction**
- 4.4 Against a backdrop of accelerated change globally, nationally, and regionally, the way organization's view risks is evolving. Changing regulatory requirements and stakeholder expectations necessitate a more informed and strategic approach to optimising risk management arrangements. Specifically in smaller, more rural councils, the ability to attract, afford and/or maintain a dedicated Risk Manager is commonly beyond financial reach. Instead, the risk management role commonly falls into an informal arrangement which is delivered via a percentage of time of another substantive role. Due to competing priorities, risk is not a dedicated service and the management and reporting of risks to council committees often receives limited attention which can lead to negative impacts in corporate and financial decision making.
- 4.5 Aon is pleased to be able to provide Waitomo District Council's risk management services with the following objectives and outcomes:
- Providing independent and external advice in risk management practice.
 - Assist in leveraging better understanding of the organisation's exposures and risk management to facilitate improved risk management practice and maturity.
 - Ongoing discussions to identify new and emerging risks to the council, culminating in the preparation of reports to the council Risk and Assurance Committee.
 - Assist in the creation of a council communication plan aimed at increasing a culture of risk awareness and understanding within the organisation.

Scope of Services

The scope of this engagement is summarised below. The proposal is broken down into six distinct areas:

The current environment

Waitomo District Council will provide sight of existing risk management documentation. This will include risk register(s), policy and samples of Risk and Assurance Committee reports. This will allow AGRC to establish the council's current levels of risk maturity and capabilities. The outcome of this review will be, firstly, a report that will outline the considered level of maturity, and what changes/improvements the council will need to employ to progress. Secondly, any recommendations will be offered for upgraded resources such as risk register format that will support the council on a positive risk management trajectory.

Risk Discussions (ongoing)

Based on the Risk and Assurance Committee meeting schedule, dates will be set for regular (likely monthly) risk discussions. Waitomo District Council will identify a key contact to hold and/or coordinate these discussions. The content of the discussions will typically involve updating Aon on progress/changes to existing risks and discussion around new and emerging risks.

Risk Reporting (ongoing)

The risk discussion will directly influence the content of the regular risk reports that will be presented to Waitomo District Council's Risk and Assurance Committee. Reports will be created in the agreed format in sufficient time to allow council management review and sign off. This timing will be aligned to the Risk and Assurance Committee meeting schedule. Aon will be available to present the report to the Risk and Assurance Committee with council management support, via videoconference call.

Emergency Management

Waitomo District Council have business continuity management arrangements in place. A desk top review will be conducted by Aon to assess the council's current arrangements. The review will result in a report which will identify any identified gaps and/or opportunities for improvement that will add rigour to the arrangements.

Strategic Risk Management

Waitomo District Council's organisational strategy is influenced by council long-term planning. Aon will assist in creating a strategic risk register to consider the risks of achieving these goals in tandem with progress made on organisational strategy.

Communication and Culture

The importance of this underpinning activity cannot be understated as pivotal to the success of Waitomo District Council's risk management journey. The council will decide the direction of this activity and Aon will work with the appropriate council staff in the creation an associated communications plan to staff. This plan will include key milestones and timings identified as achievable by the council.

- 4.6 The progress that has been achieved over the last twelve months following the first in-depth analysis of each of the strategic risks is as follows.
- 4.7 **SR01 Health Safety and Wellbeing**
- 4.8 As detailed in the separate Health and Safety (H&S) Progress Report contained elsewhere in this agenda, good process is being made with the implementation of the new H&S system and development and implementation of processes.
- 4.9 **SR02 Cyber Security**
- 4.10 Focus had been placed on this strategic risk and significant improvement has been achieved.
- 4.11 WDC utilizes Sophos MDR cybersecurity and vulnerability monitoring tools to provide round-the-clock monitoring and response to potential cyber threats. Fully integrated with our existing IT infrastructure, including Sophos switches, firewalls, and other hardware and software, Sophos MDR ensures comprehensive protection. The tool is managed by both INFX and the Sophos Cybersecurity team.
- 4.12 **SR03 Climate Change and Adaption**
- 4.13 A future report will update on the current status and future plans for this risk. Council's focus has been on adaptation in relation to damage to roading and the impact of increased storm and flood events.

- 4.14 Hui with Waikato Regional Council Elected Members has provided oversight on the direction for climate change. An Elected Member (Cr Osbourne) and staff representative (Charmaine Ellery) have been nominated to support a regional view.
- 4.15 The draft Long Term Plan has had a strong focus on mitigation of flooding risks through improved stormwater management and infrastructure, particularly in Te Kuiti. The impact of extreme rainfall events, changes in average annual rainfall, sea-level rise and storm surges (particularly as this impacts our coastal settlements).
- 4.16 Council is also looking for ways to reduce energy consumption and our production of carbon. It is also communicating with Waikato Regional Council to look for shared learning and improvement opportunities.
- 4.17 **SR04 Significant Internal and External Disruptions**
- 4.18 WDC's emergency management processes have been tested over the last two years and learnings gained from post event reviews. There is good engagement from staff in training and support this in the future.
- 4.19 **SR05 Programme and Project Delivery**
- 4.20 A Project Management Framework (PMF) has been developed and implemented. The Executive and Governance 'Dashboard' Reporting will be implemented during 2024/25.
- 4.21 A project management function and team has been developed. While resourcing in this area is problematic, good progress has been made. Continual improvement and implementation of the philosophy and the PMF is the focus now. It is a significant culture shift in the organisation.
- 4.22 **SR06 Theft Fraud and Corruption**
- 4.23 The refinement and implementation of established procurement and contract management controls has added significant control and monitoring into these areas, and in conjunction with the PMF have had, and will in the future have, significant benefits.
- 4.24 **SR07 Fit for Purpose Assets**
- 4.25 There is always ongoing review of the need and implementation of the assets that best service the outcomes of our community, but no significant progress has been completed in recent times. The Long Term Plan capital expenditure and level of service highlights were emphasis should be.
- 4.26 **SR08 Three Waters Infrastructure**
- 4.27 This is an area of large effort and progress. Projects have included:
- Waikato Waters Done Well project – involvement in a Waikato wide business case to consider various options for an aggregated '3 Waters' delivery and ownership solution. A draft Heads of Agreement will come to Council at the end of November 2024.
 - The Te Kuiti Water Resilience project – installation of raising main, additional reservoir storage and reservoir upgrades.
 - Te Kuiti flooding / stormwater remedies
 - The wastewater plan sludge disposal investigation
 - Mokau upgrading of water treatment plant completed.
 - Planning for the proposed implementation of water meters in Te Kuiti, Benneydale, Mokau and Piopio to try to reduce water loss is underway
 - Ongoing replacement of older technology with latest technology in the water and sewer pump station/treatment plants.
 - Future work includes the updating of disaster recovery plans for water and wastewater treatment and reticulation.

4.28 **SR09 Financial**

4.29 Similarly to the Fraud risk, the refinement and implementation of established procurement and contract management controls has had added to the control and monitoring of our financials.

4.30 **SR10 Stakeholder Relationships**

4.31 Good community engagement and working more closely with community, government agencies, mana whenua and iwi groups means that these relationships are improving for the benefit of the total community.

4.32 **SR11 District Vibrancy / Growth**

4.33 The development and ongoing implementation of the Housing Strategy, the new direction for Vibrant Waitomo, and the revitalization of Centennial Park and

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|---|
| 5. Attachments/Separate Enclosures |
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Attachment:

1 Strategic Risk Register (Doc ID 763533)

WAITOMO DISTRICT COUNCIL STRATEGIC RISK REGISTER

| RISK AND IMPACT DESCRIPTION | RISK DRIVERS (EXISTING AND POTENTIAL CAUSES) | RISK APETITE | PRE-CONTROLS LIKELIHOOD | PRE-CONTROLS CONSEQUENCES | PRE-CONTROLS RISK RATING | RESIDUAL RISK (POST-CONTROL LIKELIHOODS) | RESIDUAL RISK (POST-CONTROL CONSEQUENCES) | RESIDUAL RISK RATING (POST-CONTROL TREATMENTS) |
|---|---|--------------|--|---|--------------------------|--|---|--|
| SRO1 – HEALTH, SAFETY AND WELLBEING | | | | | | | | |
| SR1.1 There is a risk of impact on the health, safety and wellbeing of staff, caused by external and internal events that may result in physical and / or emotional harm, low staff morale, prosecutions leading to reputational damage and financial loss. Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a medium risk and would like to see the post control brought down to low, recognising that implementing additional controls to fully mitigate this risk is not achievable due to external factors. | Lack of or inadequate: <ul style="list-style-type: none"> Health and Safety Framework. Consistent application of policies, frameworks and demonstrating expected behaviours. Consistent and/or effective performance monitoring. Effective Health and Safety training and awareness (competence) Sharing of lessons learned across Council Sufficient capacity and/or capability of staff Supportive work environment (workloads, bullying). Preparedness for security and physical threats to people including violence. In addition: <ul style="list-style-type: none"> Disease Outbreak (e.g. Covid-19 and other contagious diseases) Organisational changes Risk management framework and mitigation actions not being fit for purpose and not being reported. | LOW | Probability 51-90% Likely (4) | Health and Safety / Wellness Server (5) Financial Moderate (3) | Extreme (20) | Probability 26-50% Possible (3) | Health and Safety / Wellness Minor (2) Financial Insignificant (1) | Medium (6) |
| SRO2 – CYBER SECURITY | | | | | | | | |
| SR2.1 There is a risk of breach of Councils system caused by increased cyber-security attacks which may result in loss of personal data, intellectual property, reputational damage, business interruption due to loss of systems, impact on supply chains and financial loss including damage to reputation. Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a high risk and would like to see the post control brought down to medium, recognising that implementing additional controls to fully mitigate this risk would be unachievable as there are a lot of external factors driving this risk. | <ul style="list-style-type: none"> Increased digitisation without proper integration with processes. Inadequate cyber security mechanisms \ strategy. Technical failure to protect IT systems. Malicious or innocent employee activities. Ineffective training \ awareness. Move to flexible working (remote access) creates less secure connections. Increased cyber attacks (e.g. Ransomware). | MEDIUM | Probability >90% Almost Certain (5) | Legislative Major (4) Financial Major (4) Reputation Major (4) Service Delivery Severe (5) | Extreme (25) | Probability 26-50% Possible (3) | Legislative Insignificant (1) Financial Major (4) Reputation Minor (2) Service Delivery Severe (4) | High (12) |
| SRO3 – CLIMATE CHANGE AND ADAPTATION | | | | | | | | |
| SR3.1 There is a risk that Waitomo District Council's adaptation and mitigating actions (e.g. reducing emissions) may not be adequate to response, absorb and / or reduce impacts of climate change, including severe weather events. This may result in tangible and intangible consequences, such as environmental degradation, economic inequity, social vulnerability, financial and reputation damage. Risk Appetite: Waitomo District Council (Council) accepts a medium risk, recognising that implementing additional controls to fully mitigate this risk would be unachievable as the drivers of the risks are not within Council's control. | Lack of or inadequate: <ul style="list-style-type: none"> Planning provisions to ensure appropriate ongoing zoning for land and housing development and urban design planning with respect to climate change impacts. Leadership to ensure alignment of council response and prioritised delivery of key actions. Collaboration between council business units and Council Controlled Organisations. Consistent risk perceptions (across public and private sectors) and different understandings and prioritisation of climate risks. Quality advice to decision makers to ensure effective management and governance oversight. Robust and accessible data and fit for purpose information systems. Sufficient resources and/or capability of staff. Design quality of coastal, flooding and other climate resilience projects. Strategic approach to coastal erosion, sea level rise, flooding and inundation issues. Resource consenting and Land Information Memorandum (LIM) processes In addition: <ul style="list-style-type: none"> Changes to extreme weather patterns (frequency, extent and intensity). Legacy risk caused by historic decisions to permit development (including critical assets) in areas of risk (e.g. housing, roads, utilities etc). The complex urban planning system and misalignment with finance, policy, operations, regulation, legal and risk. | MEDIUM | Probability 26-50% Possible (3) | Financial Server (5) Service Delivery Sever (5) Reputation Major (4) | High (15) | Probability 26-50% Possible (3) | Financial Minor (3) Service Delivery Moderate (3) Reputation Minor (2) | Medium (9) |

| RISK AND IMPACT DESCRIPTION | RISK DRIVERS (EXISTING AND POTENTIAL CAUSES) | RISK APETITE | PRE-CONTROLS LIKELIHOOD | PRE-CONTROLS CONSEQUENCES | PRE-CONTROLS RISK RATING | RESIDUAL RISK (POST-CONTROL LIKELIHOODS) | RESIDUAL RISK (POST-CONTROL CONSEQUENCES) | RESIDUAL RISK RATING (POST CONTROL & TREATMENTS) |
|---|--|--------------|---|--|--------------------------|--|--|--|
| SR04 – SIGNIFICANT INTERNAL AND EXTERNAL DISTRUPTIONS | | | | | | | | |
| <p>SR 4.1 There is a risk of significant disruptions in the operations of Waitomo District Council and/or a civil emergency due to major natural catastrophes, pandemics, technology and/or communication failure, power outage and asset failure, which may result in financial loss or reputation damage, loss of life and loss of trust and confidence in Waitomo District Council.</p> <p>Risk Appetite:</p> <p>Waitomo District Council (Council) accepts a medium risk, recognising that implementing additional controls to fully mitigate this risk would be unachievable as the drivers of the risks are not within Council's control.</p> | <p>Lack of or inadequate:</p> <ul style="list-style-type: none">▪ Business continuity and/or disaster recovery framework.▪ Civil emergency management framework.▪ Effective and/or consistent BCPs across council due to lack of BCP testing for each business unit.▪ Clarity of BCP accountability across council.▪ Commitment to crisis management team process.▪ Insurance protection and cover.▪ Deployment of system upgrades and changes.▪ Patch Management.▪ Performance monitoring.▪ Problem and incident management processes.▪ Alternative / backup facilities for key operations (including systems and buildings).▪ Sufficient resources and/or capability of staff. <p>In addition:</p> <ul style="list-style-type: none">▪ Increased natural catastrophes (super storms, sever winds, coastal inundation, flooding, volcanoes, earthquakes, etc.).▪ Infectious human and animal disease pandemics.▪ Break in the supply chain inter-dependencies.▪ Withdrawal of regulatory approval or service license (Including downgrade of credit rating).▪ Technology failure (including Lifeline).▪ Human error.▪ System and power outages.▪ Loss of communication and building. | MEDIUM | Probability > 90% Almost Certain (5) | Financial Major (5) Service Delivery Severe (5) Reputation Moderate (3) | Extreme (25) | Probability 26-50% Possible (3) | Financial Moderate (3) Service Delivery Moderate (3) Reputation Minor (2) | Medium (9) |
| SR05 – PROGRAMME AND PROJECT DELIVERY | | | | | | | | |
| <p>SR5.1 There is a risk of project budgets and scope overruns, project delays, substandard construction, workstreams not leveraging off each other to drive decision making and optimise efficiencies caused by inadequate planning which may result in adverse environmental impacts, financial loss (including return on investment / benefit realisation not met), reputation damage and not meeting 10YP project deliverables.</p> <p>Risk Appetite:</p> <p>Waitomo District Council (Council) does not accept a post-control of a medium risk, recognising that there are opportunities for improvement and with additional controls the risk can be brought down to low.</p> | <p>Lack of:</p> <ul style="list-style-type: none">▪ Embedded fit for purpose project framework and project risk management framework including efficient risk assessment process for high risk projects and clear risk tolerances and escalation processes.▪ Robust financial controls or a financial system which provide an up-to-date reporting ability.▪ Effective governance structures.▪ Effective risk management.▪ Effective tools / systems.▪ Effective monitoring, review and challenge.▪ Resources and/or capability of staff.▪ Funding.▪ Adherence to the Investment Delivery Framework (project management framework) from inception through to post implementation reviews. <p>In Addition:</p> <ul style="list-style-type: none">▪ Poor integration between aspirations and objectives of Council and CCOs and project outcomes.▪ Programme and project plans generated prior to Council or SMT agreement as appropriate▪ Capability in performing comprehensive cost benefit analysis.▪ Resistance to banking those benefits. Delivery of projects is reliant on individual departmental requirements and activities.▪ Multiple departments have responsibility to deliver to the project management and quality standards which can result inefficient delivery of projects and programmes. | LOW | Probability 51-90% Likely (4)) | Financial Major (4) Environmental Moderate (3) Reputation Moderate (3) | High (16) | Probability 6-25% Unlikely (2) | Financial Moderate (3) Environmental Minor (2) Reputation Minor (2) | Medium (6) |
| SR06 – THEFT FRAUD AND CORRUPTION | | | | | | | | |
| <p>SR6.1 There is a risk of Internal or external fraud, corruption or other unethical behaviour perpetrated within or against Council that could lead to financial loss, reputational damage, and/or operational risk to council.</p> <p>Risk Appetite:</p> <p>Waitomo District Council (Council) has a post-control of a low risk appetite, noting that fraudulent activity is not tolerated, and the organisation will work towards implementing additional controls.</p> | <p>'Lack of or inadequate:</p> <ul style="list-style-type: none">▪ Pre-employment checks.▪ Training and awareness.▪ User access management controls.▪ Segregation of Duties controls.▪ Controls around procurement and contract management.▪ Rigorous management of declarations and conflicts of interest.▪ Mandate to review budgets vs actuals <p>In addition:</p> | LOW | Probability 51-90% Likely (4) | Financial Major (4) Reputation Major (4) | High (16) | Probability 6-25% Unlikely (2) | Financial Moderate (3) (Reputation) Moderate (3) | Medium (6) |

| RISK AND IMPACT DESCRIPTION | RISK DRIVERS (EXISTING AND POTENTIAL CAUSES) | RISK APETITE | PRE-CONTROLS LIKELIHOOD | PRE-CONTROLS CONSEQUENCES | PRE-CONTROLS RISK RATING | RESIDUAL RISK (POST-CONTROL LIKELIHOODS) | RESIDUAL RISK (POST-CONTROL CONSEQUENCES) | RESIDUAL RISK RATING (POST CONTROL & TREATMENTS) |
|---|--|--------------|--|---|--------------------------|--|--|--|
| | <ul style="list-style-type: none">Insider knowledge impacting tendering process.Collusion between staff and external suppliers.Poor financial literacy for budget holders.Inconsistently applying policies and demonstrating expected behaviours.Undetected substandard and/or unapproved building products used in construction. | | | | | | | |
| SR07 – FIT FOR PURPOSE ASSETS | | | | | | | | |
| <p>SR7.1 There is a risk of failure to effectively manage and protect council owned assets so they are fit for purpose to deliver the required levels of service caused by ineffective operational planning which may result in:</p> <ul style="list-style-type: none">inability to deliver environmental and economic outcomes sought by Waitomo Districtharm to staff, contractors and public's health and safety and wellbeingfinancial loss (e.g., loss of investment and unbudgeted costs), andloss of trust and confidence <p>Risk Appetite: Waitomo District Council (Council) has a post-control of a low risk appetite, noting it is a priority for WDC to ensure that we have and maintain fit for purpose assets.</p> | <ul style="list-style-type: none">Lack of or inadequate understanding and management of significant asset risks including:<ul style="list-style-type: none">Asbestos o MouldSeismicDurability of assets o Weather tightnessImpacts on assets from extreme weather events (eg flooding)Geotechnical (including accelerated deterioration caused by hazards and events exacerbated by climate changeExisting residual risks that cannot be removed (eg closed landfills)Non-compliance with regulatory and legislative obligationsLack of aligned service need strategy and asset management strategy, plan or policy for reinvestment or divestment opportunities.Incomplete, inaccurate, and delayed information and data on assets.Lack of tools to manage the utilisation, criticality, and performance of the assets.Funding shortfalls.Over- or under-maintenance.Inefficient asset management practices due to inadequate suppliers, staff capacity and capability, lack of standardised processes and systems. | LOW | Probability <90% Almost Certain (5) | Financial Major (4) Legislative Minor (2) Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Financial Minor (2) Legislative Minor (2) Reputation Moderate (3) | Medium (9) |
| SR08 – THREE WATERS INFRASTRUCTURE | | | | | | | | |
| <p>SR8.1 There is a risk of Council not being able to provide quality drinking water caused by a lack of available potable water in the district resulting in Council not meeting its legislative obligation.</p> | <p>Lack of or inadequate:</p> <ul style="list-style-type: none">Up-to-date data (e.g., consenting framework is not robust enough to provide confidence in how we manage water.Integration of the consenting data and planning mechanisms at local and regional scales.Escalation processes to notify when information needs are to be increased / enhanced.Proportional information to the size of the consent.storm water overwhelming the capacity of drainage systemsAsset understanding / management (capacity and age).A focus on disaster prevention rather than disaster recovery.Technology upgrades / incentives.Integration and transparency of the Resource Management Act Reform.Security of water supply and standards of bore sources.Compliance with statutory requirements. | LOW | Probability 6-25% Unlikely (2) | Financial Major (4) Legislative Minor (2) Reputation Major (4) | Medium (8) | Probability 6-25% Unlikely (2) | Financial Moderate (3) Legislative Minor (2) Reputation Major (4) | Medium (8) |
| <p>SR8.2 There is a risk of Council not being able provide quality drinking water caused by inadequate treatment, monitoring and reporting resulting in Council not meeting its legislative obligation, loss of reputation and compromising health of the community.</p> | <ul style="list-style-type: none">Changing Climate (Increased rainfall intensity, storm, droughts, landslides, sea level rise, air temperature rise and flood events).Reliance on historic data to manage the future.Changes in land use (Rural land becoming urban / industrial) and tracking contaminants.Cost of construction.Perception of value of natural, including intrinsic value.Treaty Settlements expectations.Increased water demand for different uses of land (horticulture).Unknown private devices (e.g., septic's and storm water). | LOW | Probability <90% Almost Certain (5) | Financial Major (4) Legislative Minor (2) Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Financial Moderate (3) Legislative Minor (2) Reputation Major (4) | High (12) |
| <p>SR8.3 There is a risk of ineffective removal and treatment of wastewater system at Council owned or managed facilities caused by inadequate and non-reticulated wastewater system resulting in Council breaching its legislative obligations.</p> | | LOW | Probability <90% Almost Certain (5) | Financial Major (4) Legislative Minor (2) Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Financial Moderate (3) Legislative Minor (2) Reputation Major (4) | High (12) |
| <p>SR8.4 There is a risk of flooding in the district caused by severe weather events due to the lack of capacity and management of water assets (infrastructure) resulting in safety issues, loss of trust and confidence and breach of legislation and potential effects on the ecological health of our urban streams and coastal waters, as well as on the economic, social and cultural value of these environments.</p> | | LOW | Probability <90% Almost Certain (5) | Financial Major (4) Legislative Minor (2) Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Financial Moderate (3) Legislative Minor (2) Reputation Major (4) | High (12) |

| RISK AND IMPACT DESCRIPTION | RISK DRIVERS (EXISTING AND POTENTIAL CAUSES) | RISK APETITE | PRE-CONTROLS LIKELIHOOD | PRE-CONTROLS CONSEQUENCES | PRE-CONTROLS RISK RATING | RESIDUAL RISK (POST-CONTROL LIKELIHOODS) | RESIDUAL RISK (POST-CONTROL CONSEQUENCES) | RESIDUAL RISK RATING (POST-CONTROL & TREATMENTS) |
|--|--|---------------|---|--|--------------------------|--|--|--|
| SR09 – FINANCIAL | | | | | | | | |
| <p>SR9.1 There is a risk that Council is unable to maintain its service delivery to the level outlined in its 10 year Plan due to not having a fit for purpose funding framework to effectively attract and allocate sufficient funding, which may result in Council reducing levels of services or stopping some services to the community.</p> <p>Risk Appetite: Waitomo District Council accepts a post control medium risk, recognising that financial sustainability is fundamental and it is willing to accept a moderate amount of risk to achieve its objectives.</p> | <ul style="list-style-type: none"> ineffective organisational planning and budgeting processes (10YP, EAP, Activity management Plans / projects / District Plan) insufficient and or ineffective insurance cover unexpected circumstances (such as a pandemic) that means, the loss or reduced revenue) | MEDIUM | Probability 26-50% Possible (3) | Financial Server (5) Reputation Major (4) | High (15) | Probability 6-25% Unlikely (2) | Financial Minor (2) Reputation Moderate (3) | Medium (6) |
| SR10 – STAKEHOLDER RELATIONSHIPS | | | | | | | | |
| <p>SR10.1 There is a risk of impact on the effective governance of Waitomo District Council leading to reputational damage and delay in delivering services.</p> <p>Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a medium risk and would like to see the post control brought down to low, recognising that implementing additional controls to fully mitigate this risk is not achievable due to external factors.</p> | <p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Effective communication Stakeholder engagement Transparency in decision making | LOW | Probability 90-100% Almost Certain (5) | Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Reputation Moderate (3) | Medium (9) |
| SR11 – DISTRICT VIBRANCY / GROWTH | | | | | | | | |
| <p>SR11.1 There is a risk failing to effectively provide/promote opportunities to enhance the vibrance and growth within the district.</p> <p>Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a medium risk and would like to see the post control brought down to low, recognising that implementing additional controls to fully mitigate this risk is not achievable due to external factors.</p> | <p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Strategic Planning/Vision District Promotion Development opportunities | LOW | Probability 90-100% Almost Certain (5) | Reputation Major (4) | Extreme (20) | Probability 26-50% Possible (3) | Reputation Moderate (3) | Medium (9) |

Document No: 780884

Report To: Audit and Risk Committee**Meeting Date:** 15 October 2024**Subject:** **Progress Report: Key Performance Indicators for the period ended 30 September 2024****Type:** Information Only

Author(s): Rajeshwari Mahadevappa
Graduate Policy Advisor

Charmaine Ellery
Manager Strategy and Policy

1. Purpose of Report

- 1.1 The purpose of this business paper is to present Waitomo District Council's delivery performance on non-financials for the 2024/25 financial year for the period ending 30 September 2024 (Quarter 1).
- 1.2 A copy of the KPI (Key Performance Indicator) Progress Report is included as an attachment to this business paper.

2. Suggested Resolution

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
- 1 The Progress Report: Key Performance Indicators for the period ended 30 September 2024 be received.

3. Background

- 3.1 The WDC Long Term Plan (LTP) 2024-2034 was adopted in June 2024 which includes the outcomes Council is aiming to deliver for the community through each activity area. Each group of activities has a level of service that we have agreed with the community to deliver.
- 3.2 These outcomes and levels of service are reported on to the community via the Annual Report at the end of each financial year.
- 3.3 Each quarter a report is produced to monitor the performance of the activities and levels of service by way of the KPI's developed through the LTP 2024-2034.
- 3.4 This is the first progress report for the 2024/25 year, covering period 1 July 2024 – 30 September 2024 (Quarter 1).

4. Commentary**4.1 SERVICE PERFORMANCE SUMMARY**

- 4.2 Of the 74 key performance indicators measured, 55 (74%) are on track, 3 (4%) have been achieved, 2 (3%) are off track, 2 (3%) are not achieved, and 12 (16%) with no data available.

The KPIs whose results will be available in June 2025 Resident Survey (Quarter 4) are reported as 'no data' for Quarter 1.

4.3 **Leadership**

4.4 Three of the four measures are on track, these are for Council agendas, communicating with our community regularly and getting back to the customers requiring feedback.

4.5 The effectiveness of Council communications measure is based on 2025 Resident Survey results and is reported as no data (2024 Resident Survey result 90%).

4.6 **Community and Partnerships**

4.7 Out of five measures, one measure is achieved, this is for contestable grant funding with all grants allocated in accordance with the Community and Partnerships Fund Policy.

4.8 Two measures are on track with planning underway for projects likely to occur in later quarters and increasing number of participants in library programmes and activities.

4.9 One measure is off track, number of active library members being very close to achieving the required number for the first quarter (926 active members, required 956).

4.10 The KPI for helpfulness and friendliness of the customer services team is based on 2025 Resident Survey results and is reported as no data (2024 Resident Survey result 95%).

4.11 **Recreation and Property**

4.12 One of the three measures is achieved, all facilities have current Building Warrant of Fitness (BWOFF).

4.13 Two measures, satisfaction with parks and open spaces, and cleanliness of public toilets are based on 2025 Resident Survey results and are reported as no data (2024 Resident Survey results 87% and 90% respectively).

4.14 **Regulatory Services**

4.15 One of the seven measures is achieved, with accreditation of building consent authorities (BCA) being met, covering the period June 2024 to June 2026.

4.16 Three measures are on track, these are alcohol licenses, food licenses and Land Information Services (LIMs) applications.

4.17 One measure is off track, this is for building consents with only two applications processed outside of the 20 working days timeframe. This is due to delay in third party supervision, and administrative error causing one application not being allocated for a period of time.

4.18 Two measures are reported no data, one is the satisfaction with animal control services based on 2025 Resident Survey (2024 Resident Survey result 81%) and the other is the annual exercise of Civil Defence training which is scheduled to be held in quarter four.

4.19 **Resource Management**

4.20 The one measure in this area is on track with all resource consents processed within statutory timeframes.

4.21 **Solid Waste**

4.22 Two of four measures are on track for complaints about uncollected rubbish and working towards sending reduced waste to landfill by planning for recycling bin audits and kerbside standardisation.

4.23 Two measures, satisfaction with the rural transfer stations and landfill are based on 2025 Resident Survey results and are reported no data (2024 Resident Survey results 94% and 93% respectively).

4.24 **Stormwater**

4.25 All six measures are on track with no flooding events, no notices received and only two complaints received in the first quarter.

4.26 **Wastewater**

4.27 All seven measures are on track with response and resolution time for callouts within the target, no notices received, number of complaints and dry weather overflows remained within the target.

4.28 **Water Supply**

4.29 25 out of 31 measures are on track.

4.30 Two measures were not achieved, these are drinking standards for Protozoa for both Te Kuiti and Piopio. For Te Kuiti, plans are underway to replace the sand media later in the financial year, which will improve the turbidity measurement. For Piopio, air entering the turbidimeter caused the meter to record higher reading, this issue has been fixed.

4.31 Four measures related to percentage of water loss have no data, data will be available at the time of quarter two reporting.

4.32 **Roads and Footpaths**

4.33 All six measures are on track for roads and footpaths.

| |
|---|
| 5. Attachments/Separate Enclosures |
|---|

Attachment:

1 Quarter 1 KPI Progress Report for period ending 30 September 2024 (780886)

Key Performance Indicators Annual Progress Report Q1

For the period 1 July 2024 to 30 September 2024



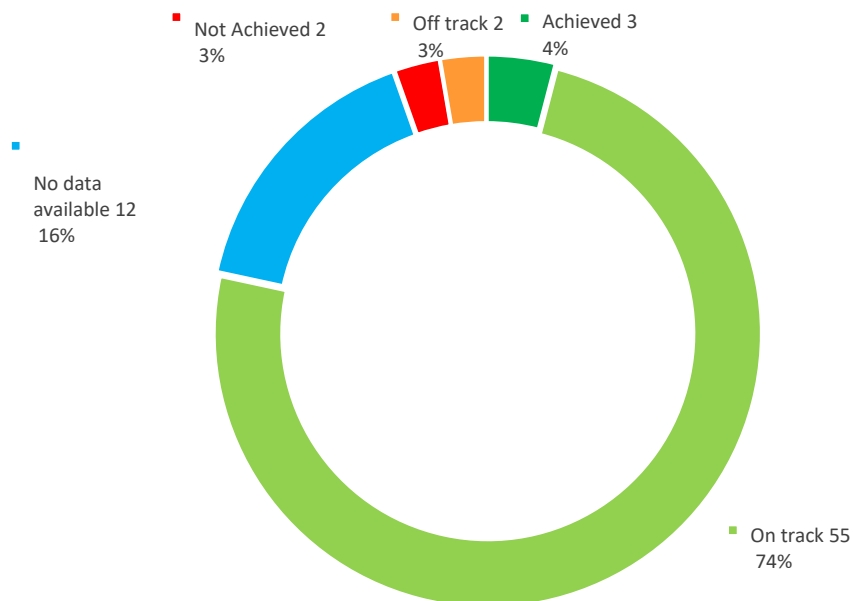
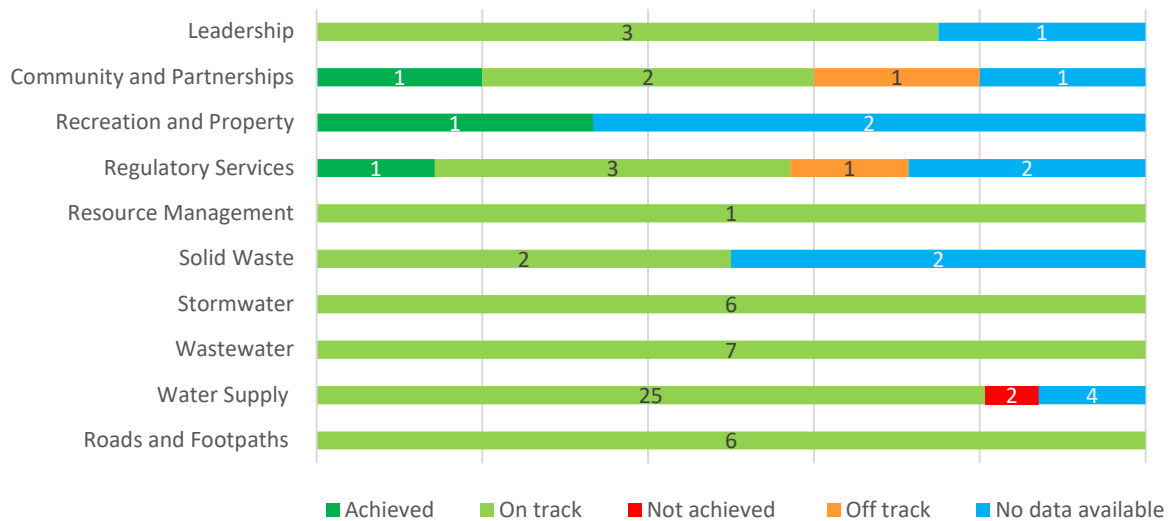
INTRODUCTION

The 2024-2034 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Within each group of activities outlined in the LTP, we have outlined the levels of service we intend to deliver.

The purpose of this report is to provide high-level updates of these Council activities for the months of July to September 2024. The report covers progress on groups of activities non-financial KPI (Key Performance Indicators).

Each KPI reported on in the progress report is given a result of either achieved, on track, not achieved, off track, nearly achieved, and no data available. Where an off track result may still be achieved by the year end, a nearly achieved result is shown when a KPI has not been achieved but was close to achieving. This occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.







SERVICE PERFORMANCE SUMMARY AS AT 30 SEPTEMBER 2024



Of the 74 key performance indicators measured, 55 (74%) are on track, 3 (4%) have been achieved, 2 (3%) are off track, 2 (3%) are not achieved, and 12 (16%) with no data available.





SERVICE PERFORMANCE MEASURES






Performance Measure Status


| | | | | | |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
| Not Achieved | Off Track | Achieved | On Track | Nearly achieved* | Data not available |

* A nearly achieved result occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.



Leadership

| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
|--|--|---|----|----|----|--|---|
| Our governance services are robust and transparent. | The percentage of Council agendas that are publicly available before a Council meeting. |  | | | | Target: ≥ 60% available 4 working days prior and 100% available 2 working days prior Result: 100% Previous result: 100% | All Council and Committee Agendas were publicly available 4 clear working days prior to the scheduled Meeting. |
| We communicate effectively with our community. | Percentage of residents satisfied that they received or could find Council information when they needed it. |  | | | | Target: Between 60 - 100% Result: No data Previous result: 90% | Result of the June 2024 Resident Survey was 90%. |
| We communicate regularly with our community about what matters. | The number of posts on our Facebook page per week. |  | | | | Target: ≥ 5 week for at least 45 weeks Result: On track New Measure | More than 5 Facebook posts were published every week during Quarter 1 on main Council Facebook page, not including shares or posts from Council's other Facebook pages. |
| We get back to our customers to let them know the outcome of their service requests. | The percentage of service requests where an officer has contacted the customer to inform them of the outcome of the request. |  | | | | Target: Set baseline Result: 100% New Measure | All customers that required feedback had been contacted. |



| Community and Partnerships | | | | | | | |
|--|--|---|----|----|----|---|--|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We facilitate strong and sustainable partnerships to support improved outcomes for our community. | All contestable grant funding ¹ is disseminated fairly and equitable in accordance with our Policy. |  | | | | Target: Achieved Result: Achieved Previous result: Achieved | All grants allocated following Community and Partnerships Fund Policy. |
| We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents. | The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations. |  | | | | Target: ≥ 2 Result: 0 New Measure | Planning currently underway for WDC Christmas Parade and the Great NZ Muster. |
| We provide a comprehensive and well used Library service for our community. | The number of active library members. |  | | | | Target: ≥ 2% on the year previous (937 active members in 2023) Result: off track New Measure | 926 active library members for the first Quarter, slightly lower than what is needed 956 (2% more than the previous year 937). |
| We deliver a range of well attended activities and programmes at the Waitomo District Library. | The number of participants in Library programmes and activities. |  | | | | Target: ≥ 5% on the year previous (1091 participants in 2023) Result: on track New Measure | 347 participants in library programmes and activities. To achieve 5% more than the previous year, we need at least 286 participants per Quarter. |
| Our customer service team are friendly and helpful. | The percentage of residents satisfied their initial interaction with council customer services was friendly and helpful. |  | | | | Target: set baseline Result: No data Previous result: 95% | Result of the June 2024 Resident Survey was 95%. |


| Recreation and Property | | | | | | | |
|---|---|---|----|----|----|---|--|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We provide parks and open spaces across our district. | Percentage of residents satisfied with our parks and open spaces. |  | | | | Target: ≥ 85% Result: No data Previous Result: 87% | Result of the June 2024 Resident Survey was 87%. |




¹ Contestable grant funding is the Multi-Year Community Partnership Grant.

| | | | | | | | |
|--|---|---|--|--|--|---|--|
| We provide community facilities that are compliant with legislative standards. | Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF). |  | | | | Target: Achieve Result: Achieved Previous Result: Achieved | All facilities have current Building Warrant of Fitness (BWOFF). |
| We provide clean public toilets for our community and visitors. | Percentage of residents satisfied with the cleanliness of public toilets. |  | | | | Target: ≥ 85% Result: No data Previous Result: 90% | Result of the June 2024 Resident Survey was 90%. |



| Regulatory Services | | | | | | | |
|--|---|---|----|----|----|---|--|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| Building consents are processed in a timely fashion. | All building consents are processed within 20 working days. |  | | | | Target: 100% Result: 95%, offtrack Previous Result: 97% | 35 of total 37 consents were processed within 20 working days, two applications were processed in 22 and 23 days respectively. |
| We provide regulatory services for alcohol licences. | All premises that sell alcohol are licensed. |  | | | | Target: 100% Compliance Result: 100%, on track Previous Result: 100% | All premises that sell alcohol are licensed. |
| We provide regulatory services for food licences. | All premises that sell food are licensed and registered. |  | | | | Target: 100% Compliance Result: 100%, on track New measure | All premises that sell food are licensed. |
| We provide Land Information Services (LIMs) efficiently. | LIM applications are processed within 10 working days. |  | | | | Target: 100% Compliance Result: 100%, on track Previous Result: 99% | 25 applications were received and processed within 10 days. |
| We will process, inspect, and certify building work in the Waitomo District. | WDC maintains building control systems and process to meet IANZ Audit requirements. |  | | | | Target: BCA accreditation maintained Result: 100%, Achieved Previous Result: 100% Compliance | BCA accreditation maintained, next assessment is due in 2026. |





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| | | | | | | | |
| We provide an effective Animal Control service. | Percentage of residents satisfied with the provision of the Animal Control service. |  | | | | Target: ≥ 75% Result: No data Previous Result: 81 % | Result of the June 2024 Resident Survey was 81%. |
| WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency. | The evaluation of the annual exercise as a measure of effectiveness of training. |  | | | | Target: ≥ 61% (comprehensive score) Result: No data Previous Result: 68 % | Training will be completed in Quarter 4. |

| Resource Management | | | | | | | |
|---|--|---|----|----|----|--|---|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| Resource consents are processed in accordance with legislation. | All non-notified land use consent and subdivision consents are processed within 20 days. |  | | | | Target: 100% Result: 100%, on track Previous Result: 100% | All non-notified resource consents and subdivision consents were processed within statutory timeframes. |

| Solid Waste | | | | | | | |
|---|--|---|----|----|----|--|--|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk. ² | The number of justifiable complaints per week about uncollected rubbish. |  | | | | Target: < 7 per week Result: on track Previous Result: 1.2 per week  | 3 justifiable complaints received for Quarter 1. |
| We provide effective and fit for purpose solid waste facilities. | Percentage of users that are satisfied with the rural transfer service stations. |  | | | | Target: ≥ 90% Result: No data Previous Result: 94% | Result of the June 2024 Resident Survey was 94%. |



² Kerbside collection services offered in Te Kūiti, Waitomo Village, Piopio, and Mōkau.




| | | | | | | | |
|---|--|---|--|--|--|--|--|
| | Percentage of users that are satisfied with the Waitomo District Landfill. |  | | | | Target: ≥ 90% Result: No data Previous Result: 93% | Result of the June 2024 Resident Survey was 93%. |
| We encourage waste minimisation by providing recycling services to reduce waste sent to landfill. | Diversion rate ³ of the District's waste to landfill. |  | | | | Target: Increasing trend of diversion rate to ≥ 50% (2022/23 diversion rate 43%) Result: on track New measure | Working towards increasing diversion rates, introducing recycling bin audits and following kerbside standardisation. |

| Stormwater | | | | | | | |
|---|--|---|----|----|----|---|---|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings. | The number of flooding events ⁴ that occur in the district in a financial year. |  | | | | Target: ≤ 2 Result: on track Previous result: 1 | There were no flooding events in the first Quarter. |
| | For each flooding event the number of habitable floors affected in a financial year. |  | | | | Target: ≤ 5 per 1000 properties (1,851 properties) Result: on track Previous result: 6 per 1000 properties | There were no flooding events in the first Quarter. |
| We comply with our resource consent conditions and minimise the impact of stormwater on the environment. | The number of infringement notices related to the management of the stormwater system. |  | | | | Target: ≤ 2 Result: on track Previous result: 0 | No notices have been received this quarter. |
| | The number of abatement notices, enforcement orders or convictions related to the management of the stormwater system. |  | | | | Target: 0 Result: on track Previous result: 0 | No notices have been received this quarter. |

³ Diversion rate means not sending unwanted materials to disposal facilities. Instead, materials are repurposed through the process of **reuse, recycling, or recovery**. The diversion rate is found by dividing the weight of diverted waste only by the weight of all waste and multiplying this by 100 to get a percentage.









⁴ A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.









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| We will respond within a reasonable timeframe to flooding. | The median response time to attend a flooding event (measured from the time that the notification is received to the time that service personnel reach the site). |  | | | | Target: ≤ 180 minutes (3hrs) Result: on track Previous result: 28 mins | There were no flooding events in the first Quarter. |
| We provide a reliable stormwater system. | The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected. |  | | | | Target: ≤ 5 complaints per 1000 properties (1,851 properties) Result: 1 complaint per 1000 properties Previous result: 8 | Two complaints received in the first Quarter. |








| Wastewater | | | | | | | |
|---|---|---|----|----|----|--|--|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We will attend and resolve issues with the wastewater system within a reasonable timeframe. | The median attendance time for callouts, from the time that we received notification to the time that our service personnel reach the site. |  | | | | Target: ≤180 minutes (3hrs) Result: 1.52 hrs Previous result: 30 mins | 1 hour for rest of the district, 52 minutes for Piopio, district wide total median response time is 1.52 hours |
| | The median resolution time of callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. |  | | | | Target: <u>Rest of District</u> ≤540 minutes (9hrs) Result: 3.06 hrs Previous result: 4 hrs 29 mins | 3.06 hours rest of the district |
| | |  | | | | Target: <u>Piopio</u> ≤540 minutes (9hrs) Result: 3.43 hrs Previous result: 9 hrs | 3.43 hours for Piopio |

| | | | | | | | |
|--|---|---|--|--|--|---|--|
| We comply with our resource consent conditions and minimise the impact of wastewater on the environment. | Zero abatement, infringement, enforcement or convictions issued. | ○ | | | | Target: 0 Result: 0 Previous result: Achieved | No notices received |
| Our wastewater system is operated and maintained to minimise odour and blockages. | The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system. | ○ | | | | Target: <u>Piopio</u> ≤200 complaints per 1,000 connections (202) Result: 69.3 Previous result: 246 per 1000 connections | 14 complaints overall for Piopio which is 69.3 complaints per 1000 connections |
| | | ○ | | | | Target: <u>Rest of District</u> ≤35 complaints per 1,000 connections (2067) Result: 3.39 Previous result: 16 per 1000 connections | Total 7 complaints, which equates to 3.39 complaints per 1000 connections. |
| Our wastewater system is optimised to reduce the risk of harm to the community and environment. | Number of dry weather overflows in a financial year | ○ | | | | Target: ≤5 complaints per 1,000 connections (2269) Result: 2.2 Previous result: 3.7 | Total 5 complaints, which equates to 2.2 complaints per 1000 connections. No dry weather overflow complaints received for Piopio in this quarter. |

| Water supply | | | | | | | |
|--|---|----|----|----|----|--|---------------------|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We provide water that is safe to drink and hygienic to use which meets the drinking water standards. | Water quality complies with the drinking water standards for T2 Treatment Monitoring Rules. | ○ | | | | Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure | Compliance achieved |








| | | | | | | | |
|--|---|---|--|--|--|---|------------------------|
| | |  | | | | Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Water quality complies with the drinking water standards for T2 Filtration Rules. |  | | | | Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | |  | | | | Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Water quality complies with the drinking water standards for T2 UV Rules. |  | | | | Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | |  | | | | Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Water quality complies with the drinking water standards for T2 Chlorine Rules. |  | | | | Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | |  | | | | Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Water quality complies with the drinking water standards for T3 Bacteria Rules. |  | | | | Target: Te Kūiti Achieve Compliance Result: Achieved Previous Result: Not Achieved | Compliance acheived |

| | | | | | | | |
|--|--|---|--|--|--|---|--|
| We provide water that is safe to drink and hygienic to use which meets the drinking water standards. | |  | | | | Target: Piopio Achieve Compliance Result: Achieved Previous Result: Not Achieved | Compliance acheived |
| | Water quality complies with the drinking water standards for T3 Protozoa Rules. |  | | | | Target: Te Kūiti Achieve Compliance Result: Not Acheived Previous Result: Not Achieved | Turbidity leaving filters had exceeded limits 0.1 NTU for 10 days in the 3 months monitoring period. Plans underway to replace the sand media this financial year. |
| | |  | | | | Target: Piopio Achieve Compliance Result: Not Achieved Previous Result: Not Achieved | Turbidity leaving filters had exceeded limits of 0.1NTU only in July. The exceedance was created by air entering the turbidimeter casing the meter to read higher. Issue has been fixed. |
| | Water quality complies with the drinking water standards for D2 Distribution System Rule. |  | | | | Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | |  | | | | Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | |  | | | | Target: Piopio Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Water quality complies with the drinking water standards for D3 Microbiological Monitoring Rule. |  | | | | Target: Te Kūiti Achieve Compliance Result: Achieved New Measure | Compliance acheived |
| | Percentage of real water loss from the Council's networked reticulation system in a financial year in: | | | | | | |
| We provide an efficient and effective water supply. We will achieve this by undertaking activities such as | Te Kūiti |  | | | | Target: ≤ 20% Result: no data Previous result: 18.76% | Percentage calculated using Minimum Night Flow which |

| | | | | | | | |
|---|--|---|--|--|--|---|--|
| water leakage detection and maintaining the network of water pipes. ⁵ | Mōkau |  | | | | Target: ≤ 5% Result: no data Previous result: 1.98% | assumes that there is little consumption overnight, therefore remaining flow is attributed to water loss. Data is more likely to be available in Quarter 2. |
| | Piopio |  | | | | Target: ≤ 5% Result: no data Previous result: 1.01% | |
| | Maniaiti/ Benneydale |  | | | | Target: ≤ 5% Result: no data Previous result: 1.87% | |
| We provide efficient management of demand for water for our community. | The average consumption of drinking water per Waitomo District resident, per day. |  | | | | Target: ≤ 400 litres per person per day Result: 339 litres/day Previous result: 487 litres/day | Average consumption of water is 339 litres per person per day. |
| We will respond within a reasonable timeframe to issues with the water supply. ⁶ | The median attendance time for urgent callouts, from the time that we received notification to the time that our service personnel reach the site. |  | | | | Target: ≤ 180 minutes (3hrs) Result: on track Previous result: 18 mins | No urgent calls received in this quarter. |
| | The median resolution time of urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. |  | | | | Target: ≤ 540 minutes (9hrs) Result: on track Previous result: 49 mins | No urgent calls received in this quarter. |
| | The median attendance time for non-urgent callouts, from the time that we received notification to the time that our service personnel reach the site. |  | | | | Target: ≤ 24 hrs (1 day) Result: 4.03 hrs Previous result: 2 hr 30 mins | On track |



⁵ Water Losses includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.

⁶ Resolution and attendance based on working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes start from the next working day.

| | | | | | | | |
|--|--|---|--|--|--|---|--|
| | The median resolution time of non-urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. |  | | | | Target: ≤ 96 hours (4 days) Result: 25.36 hrs Previous result: 20 hrs 5 mins | On track |
| We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water. | The total number of complaints received by Council in a year for: ⁷ | | | | | | |
| | Drinking water clarity. |  | | | | Target: ≤ 5 per 1000 connections (2659 connections) Result: 0 Previous result: 3.3 | |
| | Drinking water taste. |  | | | | Target: ≤ 2 per 1000 connections (2659 connections) Result: 0 Previous result: 1.8 | |
| | Drinking water odour. |  | | | | Target: ≤ 2 per 1000 connections (2659 connections) Result: 0 Previous result: 2.2 | |
| | Drinking water pressure flow. |  | | | | Target: ≤ 10 per 1000 connections (2659 connections) Result: 1 Previous result: 2.6 | Three complaints in this quarter were regarding pressure flow. This equates to one complaint per 1000 connections. |
| | Continuity of supply. |  | | | | Target: ≤ 5 per 1000 connections (2659 connections) Result: 0 Previous result: 3.3 | |
| | Council's response to any of these issues. |  | | | | Target: New measure ≤ 7 per 1000 connections (2659 connections) Result: 0 Previous result: 0 | |





⁷ Total number of connections is 2659

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| Roads and Footpaths | | | | | | | |
|--|---|---|----|----|----|--|---|
| You can expect | Measure | Q1 | Q2 | Q3 | Q4 | Target/Result | Commentary |
| We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe. | The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network. ⁸ |  | | | | Target: maintain or decrease from previous year Result: 0 Fatal and Serious Crashes Previous result: 3 | No fatal or serious crashes in quarter 1. |
| We aim for a smooth road that provides comfort for road users and improves the safety of the roads. | The average smooth travel exposure rating across the sealed road network. ⁹ |  | | | | Target: ≥ 80% (of total network) Result: 90% Previous result: 90% | On track |

⁸ This is using NZTA Crash Analysis System definitions: fatal is defined as a death occurring as the result of injuries sustained in a road crash within 30 days of the crash, serious is defined as injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.

⁹ Percentage of measured sealed road lane kilometres not exceeding a NAASRA roughness count rating of 150 to be at least 90%. NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

| | | | | | | | |
|---|--|---|--|--|--|--|--|
| We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year. | The percentage of Waitomo District's sealed local road network that is resurfaced each year. |  | | | | Target: 5% (of total network) Result: 0% Previous result: 4.1% | The programme surfacing quantity is 42.605km which equates to 9% of the network. |
| We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level. | The percentage of footpath network that falls within a condition rating of 3. ¹⁰ |  | | | | Target: ≥ 85% Result: 97% Previous result: 97% | Latest survey was 2022, this survey is done 3 yearly. New information should be in next year. |
| We will investigate and respond to the customer about their request for service relating to road and footpath issues. | The percentage of customer service requests relating to roads and footpaths responded to within 10 working days. |  | | | | Target: ≥ 90% Result: 96% Previous result: 98% | 153 out of total 160 service requests for quarter 1 were responded within 10 days. |
| We will maintain the overall condition of the unsealed roads to a specified adequate standard. | Percentage of unsealed road metaled each year. |  | | | | Target: ≥ 15% (of total) Result: 4.64% Previous result: 18.6% | For Q1 of 2024/25 the weather has not been ideal for metalling. Although, a total of 25.6km of metalling done for this quarter. Q2 will bring more metalling and contribution towards the KPI. |

¹⁰ Acceptable ratings being 1-very good 2-good and 3-fair as assessed by industry trained raters.

Document ID: 779609

Report To: **Audit and Risk Committee**



Meeting Date: 15 October 2024

Subject: **Progress Report: Procurement Summary Schedule (July 2024 – September 2024)**

Type: Information Only

Author(s): Shyamal Ram
General Manager – Infrastructure Services

1. Purpose of Report

- 1.1 The purpose of this business paper is to present to the Committee a summary of the procurements made in the period 1 July 2024 to 30 September 2024 in accordance with Waitomo District Council's Procurement Policy.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Progress Report: Procurement Summary Schedule (1 July 2024 to 30 September 2024) be received.

3. Background

- 3.1 Waitomo District Council's (WDC) Procurement Register (Register) provides a formal "one stop" reference to record WDC's procurement decisions.
- 3.2 The Register, at an operational level, provides a summary of the procurement decisions together with the associated financial components.
- 3.3 The Register provides procurement information including:
- Procurement Description
 - Type of Contract: Physical Works, or Professional services, or goods and services
 - Term of contract
 - Procurement Selection process adopted: All of Government (AOG), Syndicated, Tender, Quote or Direct Appointment
 - Reason for exemption (if applicable)
 - Number of tenders/quotes received
 - Tender/quote range
 - Evaluation method
 - Awarded contract value
 - Contractor/supplier
- 3.4 The Register provides key financial information for each procurement including:
- Total cumulative value
 - Price range of Tenders/Quotes received
- 3.5 The keeping of records is part of an overall Risk Management Framework and assists in the early identification of risks.

- 3.6 All procurement documents such as the quotes, tender responses, notices to tenderers and related correspondence are held in the relevant physical contract folder, captured electronically, and the detail added to the Register.

4. Commentary

- 4.1 WDC's Procurement Policy (the Policy) was last reviewed and adopted with amendments by Council on 31 May 2022.
- 4.2 Changes made to the Policy include amending policy thresholds and procurement requirements.
- 4.3 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in the adopted 10 Year Plans and Annual Plans.

5. Procurement Summary Schedule

- 5.1 The attached Procurement Summary Schedule (PSS) Report provides details of procurements that result in a total contract award over \$200,000 + GST, and/or where the supplier selection method has deviated from the Procurement Policy, and a procurement exemption has been approved by the Chief Executive.

5.2 **EXEMPTION REASON**

- 5.3 The Audit, Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.

- 5.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

5.5 **Procurement Exemption**

- 5.6 The supplier selection method and process for the relevant threshold should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. ***Monopoly or limited supplier situation:*** Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or
2. ***Proprietary technology:*** Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or
3. ***High Risk Activities:*** The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or
4. ***Unique business proposition:*** Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or
5. ***Existing contract:*** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original

contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal, or practical reasons.

- 5.7 The key requirement is the direct appointment represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instances a procurement exemption must be signed off by the Chief Executive.

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| 6. Attachments/Separate Enclosures |
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Attachments:

- 1 Procurement Summary Schedule (Doc ID: 779607)

| Contract / Order No. | Contract Title / Procurement Description | Type of Contract (Physical Works, Professional Services or Goods and Services) | Term of Contract | One-off or Ongoing Supply | Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment) | Exemption Reason | No. of Tenders / Quotes Received | Tender / Quote Range (GST exclusive) | Evaluation Method | Awarded Contract Value (Total cumulative) | Awarded To | Meeting Date | GM | Remarks |
|----------------------|---|---|------------------|---------------------------|---|------------------------------|----------------------------------|--------------------------------------|-------------------|---|---------------------|--------------|-------------------------|---------|
| PO81099 | Mokau Dam Fencing | Physical Works | N/A | One-off | Direct Appointment | Monopoly / Existing Supplier | N/A | N/A | N/A | \$80,000 | DG & MH Black | N/A | Infrastructure Services | |
| 500/24/036 | Landfill High Wall Debris Removal | Physical Works | N/A | One-off | Direct Appointment | Unique business proposition | N/A | N/A | N/A | \$60,000 | JRK Contractors Ltd | N/A | Infrastructure Services | |
| 500/24/031 | Programme Delivery and Project Management | Professional Services | 2 Years | Ongoing | Direct Appointment | Unique business proposition | N/A | N/A | N/A | \$500,000 | Moshcon | N/A | Infrastructure Services | |
| 500/24/007 | Kotui Services Agreement | Goods and Services | 5 Years | Ongoing | Direct Appointment | Unique business proposition | N/A | N/A | N/A | \$291,975 | Kotui Services | N/A | Community Services | |
| 500/24/002 | Communications Shared Resource | Professional Services | 1 Year | Ongoing | Direct Appointment | Monopoly / Existing Supplier | N/A | N/A | N/A | \$56,100 | Co-Lab | N/A | Strategy & Planning | |

Document ID: 781312

Report To: Audit and Risk Committee**Meeting Date:** 15 October 2024**Subject:** Motion to Exclude the Public**Type:** Decision Required**Author(s):** Michelle Higgie
Manager – Governance Support**1. Purpose of Report**

- 1.1 The purpose of this business paper is to enable the Committee to consider whether or not the public should be excluded from the consideration of Council business.

Note: It is Council's choice whether to consider any of the business listed below in the public or public excluded portion of the meeting.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

| General Subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Section 48(1) grounds for the passing of this resolution |
|---|---|---|
| Presentation: Deloitte – Annual Report 2023/2024 | Section 7(2) (h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. | Section 48(1) (d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies. |

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Council with its decision making:

| Staff Member | Reason for Remaining in Attendance |
|------------------------------|------------------------------------|
| Chief Executive | Council CEO |
| Manager – Governance Support | Committee Secretary |
| Chief Financial Officer | Portfolio Holder |

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

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| 3. Commentary |
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- 3.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.