

Document No: A439776

Report To: Audit and Risk Committee



Meeting Date: 13 August 2019

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may create a conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

- 2.1 **Conflicts of Interest**
- 2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.
- 2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:
- ensure members are not affected by personal motives when they participate in local authority matters; and
 - in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).
- 2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.
- 2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.
- 2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.
- 2.7 **Declarations of Interests and Conflicts**
- 2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and

partners). It is up to the elected member to judge whether they have any interests to declare. Some elected members may not have any, other elected members may have many.

- 2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.
- 2.10 These declarations should be clear as to whether there is just an "interest" with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a "conflict of interest" in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a "conflict of interest" at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

Mayor Hanna will invite elected members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Name:	
Item of Business on the Agenda:	
Reason for Declaration:	
Is this Declaration – <ul style="list-style-type: none"> • Interest Only • Conflict of Interest 	

MICHELLE HIGGIE
EXECUTIVE ASSISTANT

Local Authority (Members' Interests) Act 1968
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- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."

- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet “Guidance for members of local authorities about the Local Authorities (Members’ Interests) Act 1968” which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council’s business where staff do not set out to provide pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

- 3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is “bias” or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where: -
- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council’s debate); or
 - The member has a close relationship with an individual or organisation affected by the matter.
- 3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: “Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?” If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council’s decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy – 23 February 2013

4.1 The following is an extract from the Procurement Policy:

2.1.11 Conflicts of Interest

WDC procurement process will be conducted with a spirit of probity demonstrating:

- *integrity;*
- *honesty;*
- *transparency;*
- *openness;*
- *independence;*
- *good faith; and*
- *service to the public.*

A conflict of interest occurs where:

A member's or official's duties or responsibilities to Council could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- *holding another public office;*
- *being an employee, advisor, director, or partner of another business or organisation;*
- *pursuing a business opportunity;*
- *being a member of a club, society, or association;*
- *having a professional or legal obligation to someone else (such as being a trustee);*
- *owning a beneficial interest in a trust;*
- *owning or occupying a piece of land;*
- *owning shares or some other investment or asset;*
- *having received a gift, hospitality, or other benefit from someone;*⁹
- *owing a debt to someone;*
- *holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue ; or*
- *being a relative or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of Council*

A relative or close friend includes:

- *For matters covered by the Local Authorities (Members' Interests) Act 1968, the interests of a spouse, civil union partner, or de facto partner must be considered.*
- *Generally, the interests of any relative who lives with the member or official (or where one is otherwise dependent on the other) must be treated as being effectively the same as an interest of the member or official.*
- *For other relatives, it will depend on the closeness of the relationship, but it will usually be wise not to participate if relatives are seriously affected*
- *Where Council's decision or activity affects an organisation that a relative or friend works for, it is legitimate to take into account the nature of their position or whether they would be personally affected by the decision.*

Examples of potential conflicts of interest include:

- *conducting business on behalf of Council with a relative's company;*
- *owning shares in (or working for) particular types of organisation that have dealings with (or that are in competition with) Council;*

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- *deliberating on a public consultation process where the member or official has made a personal submission (or from making submissions at all, in areas that directly relate to the entity's work);*
- *accepting gifts in connection with their official role; or*
- *influencing or participating in a decision to award grants or contracts where the member or official is connected to a person or organisation that submitted an application or tender.*

All elected members, WDC staff or advisers involved in a procurement process are required to declare any other interests or duties that may affect, or could be perceived to affect, their impartiality. WDC will then decide the steps necessary to manage the conflict, having regard to any relevant statutory requirements. WDC will maintain a register of declarations of conflicts of interest that records any conflicts of interest and how they will be managed.

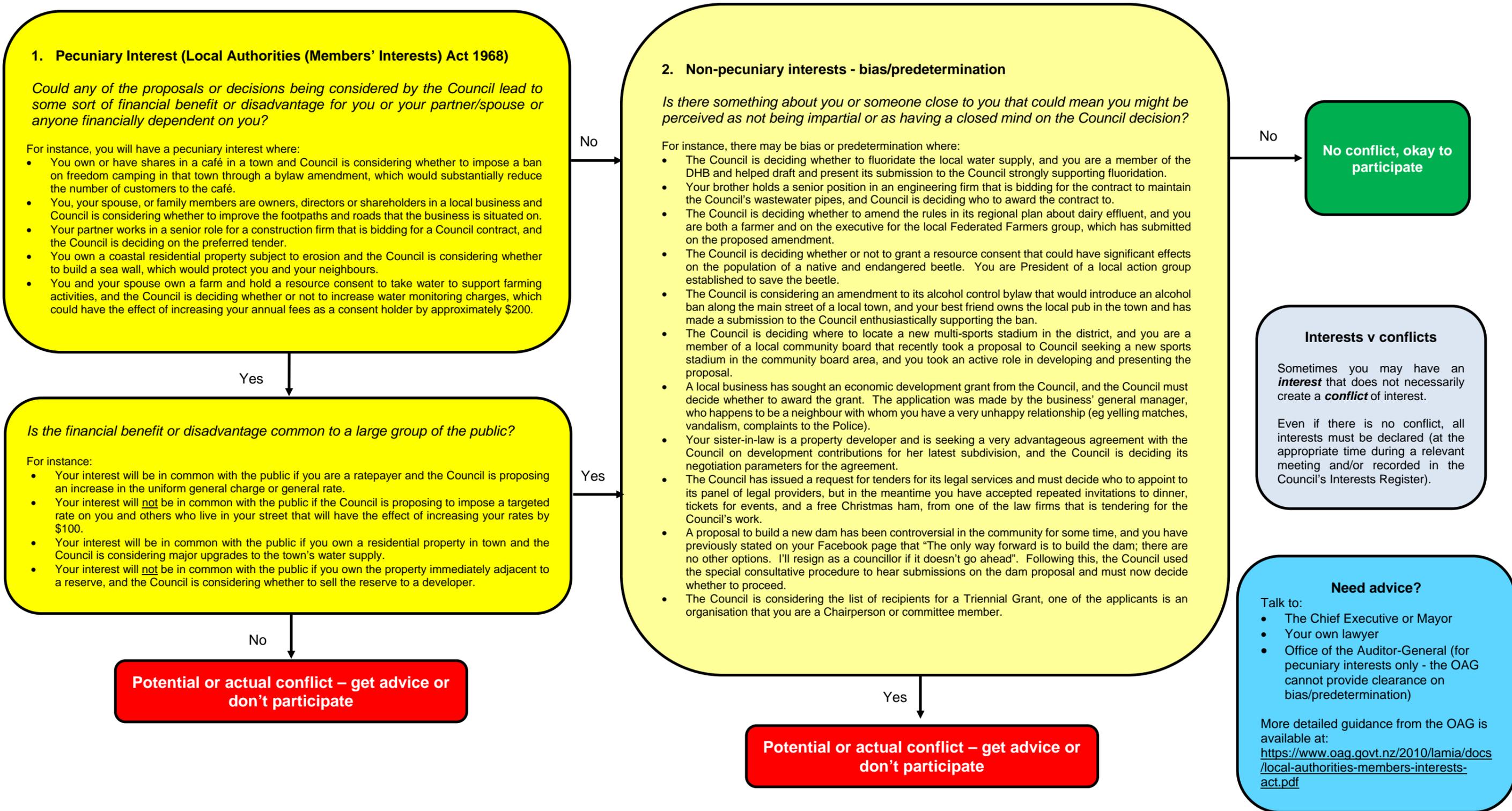
An annual update of the register will be coordinated and maintained by the Executive Office.

Under no circumstances will a procurement process allow as an outcome of that process a circumstance where Council elected members, WDC staff or advisers to receive preferential treatment.

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.



Remember: If in doubt, stay out!

**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 14 MAY 2019 AT 9.00AM**

PRESENT: Mayor Brian Hanna, Deputy Mayor Guy Whitaker, Members Phil Brodie, Allan Goddard, Janene New and Sue Smith and Independent Member Bruce Robertson

IN ATTENDANCE: Todd Ward (Waitomo News)

Chief Executive, Executive Assistant (for part only), Group Manager – Corporate Services (for part only), General Manager – Infrastructure Services (for part only), Greg Boyle (for part only) and Group Manager – Customer Services (for part only)

1. Apologies

Resolution

The apology from Cr Terry Davey be received and leave of absence granted.

New/Brodie Carried

2. Declarations of Member Conflicts of Interest
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No declarations were.

3. Confirmation of Minutes – 12 February 2019
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Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 12 February 2019, including the Public Excluded minutes, be confirmed as a true and correct record.

Goddard/New Carried

4. Mastercard Expenditure Report (January to March 2019)

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercards.

Resolution

The Mastercard Expenditure Report for the period January to March 2019 be received.

Brodie/Smith Carried

5. Development of Risk Management Framework
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The Committee considered a business paper presenting a Draft Risk Management Implementation and Monitoring Plan to support the Risk Management Framework agreed by Audit and Risk Committee at its 12 February 2019 meeting, and to recommend both to Council for adoption.

The Group Manager – Corporate Services and Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Development of a Draft Risk Management Implementation Plan be received.
- 2 The Audit and Risk Committee recommends that Council:
 - (a) Adopt the Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register;
 - (b) Note the requirement for an annual review of the Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly;
 - (c) Note the requirement for a monitoring and reporting programme to be adopted in May each year for the financial year ahead, which will be linked to the agreed strategic risks, and will form part of ARC's meeting programme for the year.

Robertson/Brodie Carried

6. Financial and Non-Financial Report to 31 March 2019

The Committee considered a business paper presenting the financial and non-financial results for the period ended 31 March 2019.

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

The Mayor acknowledged the Group Manager – Corporate Services tenure here at Waitomo District Council, noting that this would be her last Audit and Risk Committee Meeting before leaving Waitomo District Council.

Resolution

The business paper on Financial and Non-Financial Report to 31 March 2019 be received.

Whitaker/Smith Carried

The meeting adjourned at 10.07am and reconvened at 10.30am.

7. Annual Report and Summary Annual Report 2018/19 – Engagement of Auditor

The Committee considered a business paper –

- (a) Presenting the Audit Engagement Letter for the audit of the Annual Report and Summary Annual Report 2018/19 and;
- (b) Presenting a Confirmation of Engagement letter to provide a Limited Independent Assurance Report on certain matters in respect to the Debenture Trust Deed and;
- (c) Seeking the Committee’s approval for the signing of both engagement letters.

The Group Manager – Corporate Services expanded verbally on the business paper and answered Members’ questions.

Resolution

- 1 The business paper on Annual Report and Summary Annual Report 2018/19 – Engagement of Auditor be received.
- 2 The Deloitte Audit Engagement Letter be accepted as presented.
- 4 The Deloitte Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council’s Debenture Trust Deed be accepted as presented.
- 5 In accordance with the delegation contained in the Terms of Reference of the Audit and Risk Committee, the Chief Executive be delegated authority to sign on behalf of the Waitomo District Council –
 - (a) The Deloitte Audit Engagement Letter; and
 - (b) The Deloitte Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council’s Debenture Trust Deed.

Whitaker/Robertson Carried

8. Progress Report: WDC Resource Consent – Compliance Monitoring

The Committee considered a business paper providing a progress report on compliance reporting against Resource Consent conditions.

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

Resolution

The Progress Report: Resource Consent – Compliance Monitoring be received.

Robertson/Goddard Carried

9. Motion to Exclude the Public for the consideration of:
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The Committee considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The Committee agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making:

Chief Executive
 Executive Assistant
 Group Manager – Corporate Services
 General Manager – Infrastructure Assets

- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Annual Report 2018/19 – Areas of Audit Focus	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Progress Report: Health and Safety	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
3. Progress Report: Risk Management – Procurement/ Contract Schedule	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

New/Brodie Carried

Todd Ward (Waitomo News) left the meeting at 10.44am.

The Group Manager – Community Services entered the meeting at 10.45am.

There being no further business the meeting closed at 11.27am

Dated this day of 2019.

BRIAN HANNA
MAYOR

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Confidential

Document No: A439779

Report To: Audit and Risk Committee



Meeting Date: 13 August 2019

Subject: **Mastercard Expenditure Report
April to June 2019**

Purpose of Report

- 1.1 The purpose of this business paper is to present for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercard.

Commentary

2.1 Introduction

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

2.3 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.

2.4 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.

2.5 Acknowledgement of Risk

2.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.

2.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has an implemented Credit Card Policy.

2.8 Policy

2.9 A copy of the ***Credit Card Policy*** is attached to and forms part of this business paper for information.

2.10 A summary of the Policy is as follows:

- Provides guidance on the use of a WDC Corporate Credit Card
- Limits approval of the issue of any credit card to the Chief Executive
- Requires a bi-annual review of both Cardholders and the Policy
- Details what is valid expenditure and what is not
- Makes an allowance for exceptional circumstances
- Requires all credit card purchases (both online and telephone) to reflect good security practice, to meet the criteria of WDC's Procurement Policy and comply with authorized Financial Delegations.

- Requires reimbursement of any unauthorized expenditure.
- Details the procedure for documenting monthly statements, monitoring by the Chief Executive and the approval (sign-off) of expenditure.
- Details card "limits" and the process for dealing with lost or stolen cards

2.11 **Presentation of Expenditure Details**

2.12 Copies of the monthly "Mastercard Statement Authorisation Forms" as explained in the Policy, will be presented to each Audit and Risk Committee Meeting.

2.13 Only copies of the actual signed Authorisation Form will be included. The supporting invoices/receipts will not be 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.

2.14 Attached for the Committee's information are copies of signed Authorisation Forms for the period April to June 2019.

2.15 **Mastercard Identity Theft – May 2019**

2.16 As highlighted in the May and June Authorisation Forms, on 15 May 2019, Westpac's Credit Card Fraud Monitoring System picked up unusual transactions on the Group Manager – Infrastructure Services Mastercard. Westpac immediately put a block on the Mastercard until they were able to verify those transactions.

2.17 The Group Manager – Infrastructure Services, after receiving notification from Westpac by both text and email, contacted Westpac's Credit Card division and was advised that the Mastercard had been used on 15 May 2019 for online gambling transactions between 10am and 2pm. The Group Manager – Infrastructure Services requested that Westpac retain a block on the Mastercard.

2.18 Westpac's Fraud Investigations (Financial Crime Management) initiated an investigation, which confirmed identity theft of the Mastercard, and lodged a dispute with the Merchant (Bayton). As a result, the Merchant reversed all funds and Westpac confirmed that the claim was processed and a full refund made on 31 May 2019.

2.19 **Mastercard Cancellations**

2.20 With the resignations of both the Group Manager – Corporate Services (Vibhuti Chopra) and the Group Manager – Infrastructure Services (Kobus du Toit) the Mastercards issued to each of them have been cancelled.

2.21 Mastercards will be issued to the new General Managers upon their commencing employment with WDC.

Suggested Resolution

The Mastercard Expenditure Report for the period April to June 2019 be received.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Attachments: Credit Card Policy (Doc A207793)

Mastercard Statement Authorisation Forms for:

- April 2019
- May 2019
- June 2019



Credit Card Policy

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1.0 Policy Background

1.1 This policy is intended to provide guidance on the use of Corporate Credit Cards.

2.0 Eligibility for Credit Cards

2.1 This policy authorises the issue of credit cards to:

- Members of the Executive Management Team
- The Executive Assistant to the Mayor and Chief Executive
- The Mayor

3.0 Issuance of Additional Cards

3.1 The Chief Executive may approve the issue of additional cards to staff where that is appropriate. Before authorising the issuing of additional cards the Chief Executive must be satisfied that they are strictly necessary and will provide administrative efficiencies.

3.2 In approving the issue of a card, the Chief Executive will also confirm the approved credit limit. The credit limit will be set based on the minimum amount necessary to enable the cardholder to undertake their Council duties.

4.0 Maintenance and Review of Card Holder List

4.1 The Human Resources Officer shall maintain a central register (Doc# 284155) of all cardholders and a review of the register will be undertaken in conjunction with the bi-annual Policy review, or as otherwise required, to ensure that those staff currently holding cards should still do so. This frequency of review is seen as adequate, given the unlikelihood of a staff member moving from a position where they were entitled to hold a credit card to one where they are not entitled to do so.

5.0 Procedure for Issuing Cards

5.1 Upon approval from the Chief Executive, the Human Resources Officer will arrange for the issue of a corporate credit card via the Group Manager - Corporate Services.

6.0 Valid expenditure

6.1 Corporate Credit cards are to be used:

- solely for the payment of business-related expenditure;
- subject to the limits in the appropriate annual operating expenditure budget; and
- in accordance with the Procurement Policy and Delegations Register.

6.2 Credit cards shall **not** be used for the following purposes:

- Personal purchases;
- Cash advances or cash reimbursement;
- Payment for any work attracting PAYE tax;
- Court costs or fines, tax payments, personal services or any other inappropriate spending.

6.3 Exceptional Circumstances

There may be circumstances that lend themselves to an exception to the above - e.g. emergencies where cash advances are required. In these cases an explanation is to be

provided to the Chief Executive, or in the case of the Chief Executive, the Mayor, within two days of the expenditure being incurred and the expenditure is to be fully reimbursed to WDC prior to the monthly credit card payment being due.

6.4 Internet Purchases

Purchasing over the internet (using a Credit card) is authorised but the purchase transaction process must reflect good internet security practice. Good security practice involves ensuring the internet site is secure and purchasing only from established reputable companies. Where internet purchases are made, the cardholder is required to keep a copy of any online order forms completed when purchasing, and any purchasing over the internet needs to be consistent with WDC's normal purchasing procedures.

6.5 Telephone Purchases

Purchasing over the telephone (using a Credit card) is authorised but the purchase transaction process must reflect good telephone security practice. Good security practice involves ensuring the purchase is via an established and reputable company. Where telephone purchases are made, the cardholder is required to keep a manual record of the transaction. Purchasing over the telephone needs to be consistent with WDC's normal purchasing procedures.

7.0 Liability for Inappropriate Expenditure

- 7.1 WDC will not be liable for any unauthorised transactions incurred by the cardholder. In all cases the cardholder will be liable for the reimbursement to WDC of any inappropriate or unauthorised expenditure charged to the credit/purchasing card. Inappropriate expenditure is deemed to be that specified in this policy.

8.0 Procedure When More Than One Cardholder is Present

- 8.1 Where more than one cardholder is present (for example, at a staff function), it is expected that the most senior staff member will use their card for the payment of expenses incurred.

9.0 Documentation to Accompany Monthly Statements

- 9.1 Each Cardholder must complete a "Mastercard Statement Authorisation Form" (Doc# 317041) for every monthly credit card statement.
- 9.2 All credit card transactions in excess of \$20.00 in value must be supported by original documentation (tax invoices and/or receipts) to corroborate transactions.
- 9.3 For credit card transactions less than \$20.00 in value, the preference is to include supporting documentation, however this is not mandatory.
- 9.4 For transactions less than \$20.00 in value which do not have supporting documentation, or where a transaction is in excess of \$20.00 in value and supporting documentation is not available or has been lost by the cardholder, a note explaining the nature of the transaction and verifying that the expenditure incurred was valid and work-related must be included on the Mastercard Statement Authorisation Form.
- 9.5 For all entertainment and travel transactions, the business reason and other parties (if any) must be recorded along with the purpose of the meeting. This is to ensure that all transactions can be appropriately reviewed by the authoriser, and to allow WDC to claim back the GST content of qualifying purchases. GST invoices (where relevant) shall be attached to the card statement prior to review by the authoriser.

10.0 Monitoring

- 10.1 Credit card use is monitored monthly by the Chief Executive. The approval process must be structured in accordance with the following clause 11.0 'Approval of Expenditure'.

11.0 Approval of Expenditure

- 11.1 An approval hierarchy for monthly credit card statement approval, based on a "one-up" procedure where possible, has been defined as part of this policy as follows:

- 1 Executive Management Team statements must be approved by the Chief Executive.
- 2 The Chief Executive's statements must be approved jointly by the Mayor and Executive Assistant.
- 3 The Mayor's statements must be approved jointly by the Executive Assistant and Chief Executive.
- 4 The Executive Assistant's statements must be approved jointly by the Mayor and Chief Executive.

Note: The OAG guidance on sensitive expenditure states that it is essential that there should be no reciprocal arrangement for approving sensitive expenditure – therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.

- 11.2 The Executive Assistant and the Chief Executive will jointly approve the Mayor's statements (i.e. with the Mayor there can be no true "one-up procedure" and by having a joint authorisation any "reciprocal" arrangement is removed).

- 11.3 The Executive Assistant to the Mayor and Chief Executive is also in the position of knowing the Mayor's daily activities/whereabouts and will know what claims are appropriate on his Mastercard.

- 11.4 The Executive Assistant's statements will be jointly approved by both the Chief Executive and Mayor as from time to time there are purchases made on behalf of both the Mayor and Chief Executive on the Executive Assistant's credit card (i.e. Airfares, Accommodation, etc.)

- 11.2 Items will be coded by the Cardholder for posting in the accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.

- 11.3 The approval hierarchy will be as follows:

Expenditure incurred by	Statements approved by
Mayor	Chief Executive and Executive Assistant
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Executive Assistant
Executive Assistant	Mayor and Chief Executive
Executive Management Team	Chief Executive

12.0 Card Limits

- 12.1 Unless otherwise determined by the Chief Executive, the credit limit of cards shall be as follows:

- Chief Executive \$10,000
- Mayor \$5,000
- Executive Team Members \$5,000
- Executive Assistant to CE \$5,000

13.0 Procedure for the Surrender of Cards

- 13.1 All cards will be surrendered by the cardholder on termination of their employment with Council. The credit card is to be returned to the Human Resources Officer in the first instance who will then pass the card on to the Group Manager – Corporate Services for cancellation. This cancellation should be processed to the card issuer within 5 working days of the employee leaving Council and the card destroyed. All final wage/salary payments will be approved upon return of the credit card.

14.0 Lost or Stolen Cards

- 14.1 The cardholder is responsible for immediately reporting a card that is lost or stolen to the Westpac Bank Credit Cards division of the Westpac Bank. The hotline telephone number **0800 888 111** is given to each cardholder when uplifting the card. If a card is lost or stolen outside New Zealand, it must be reported to the nearest VISA member bank or by ringing **+64 09 914 8026 collect**.
- 14.2 Written confirmation of what happened when the card was lost or stolen must be provided to Westpac Bank within a reasonable timeframe. Full details (where, when, how) must be included, as the bank may need to relay these details to police.
- 14.3 Replacement of a lost or stolen card is to be arranged through the Human Resources Officer.

15.0 Breach of Policy

- 15.1 Any breach of this policy will be considered to be serious misconduct. When there is reason to believe that violation of policy or law has occurred disciplinary action may be taken. For repeat offenders, or where the breach of policy is significantly serious, the card will be automatically cancelled and formal disciplinary action taken.

16.0 Policy Review

- 16.1 The Human Resources Advisor is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed and revised where necessary every two years.

17.0 Staff Contact

Human Resource Advisor

18.0 Policy Review Date

Next Review: February 2020 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date: 16 February 2018



A428819

22 RECEIVED

- 2 MAY 2019



MasterCard BusinessCard

WAITOMO DISTRICT COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
28/04/19	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
--------------------------	---------------------



***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	MR C J RYAN	0000 0030 1565 8580	1250.82
\$5000	MR A B HANNA	0000 0030 2936 5529	353.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	2080.74
\$5000	MRS H M BEEVER	0000 0030 3956 2081	2534.35
\$5000	MRS V CHOPRA	0000 0030 3961 3868	0.00
\$5000	MR S J DU TOIT	0000 0030 5022 0312	1831.10
\$5000	MISS T D KELLY	0000 0030 5326 1230	153.70
TOTAL CARDHOLDER LIMIT	\$40000	NET BALANCE	8203.71

WE ADVISE THAT \$8,203.71 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT 030449 0070201 00 ON 20/05/19, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

Mastercard Statement Authorisation Form



Name: Chris Ryan
 Position: Chief Executive
 Statement Date: 28 / 04 / 19

(1) Creditor: Te Kawa Service Station
 Date: 29 March 2019
 Amount: \$90.52
 GL Code: 820 27 764
 Expenditure: Fuel – CEO's Mitsubishi Pajero (Registration JSN144)

(2) Creditor: SkyCity Hamilton
 Date: 1 April 2019
 Amount: \$11.00
 GL Code: 817 38 700
 Expenditure: Car Parking – CEO Attendance at ~~Waikato~~

Handwritten notes: DIA 3x waters Regulatory Framework Workshop Thursday 28/3/19. ~~Lampkin's water~~ Kobus and I attended

✓ (3) Creditor: Garden Place Car Park
 Date: 8 April 2019
 Amount: \$12.00
 GL Code: 817 38 700
 Expenditure: Car Parking – CEO Attendance at Waikato LASS Meeting

✓ (4) Creditor: Pullman Auckland
 Date: 15 April 2019
 Amount: \$1,137.30
 GL Code: 817 38 700
 Expenditure: Accommodation and Meals – CEO Attendance at 2019 SOLGM CEO Forum and Gala Dinner.

Note: WDC Invoice No. 5158 (copy attached) for \$363.15 was issued to the Chief Executive for the private portion of the Pullman invoice and has been paid in full.

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of Chief Executive: 	Authorised by Mayor: 	Authorised by Executive Assistant:
Date: 22/5/2019	Date: 28/5/19	Date: 28/5/18

Mastercard Statement Authorisation Form



24

Name: Brian Hanna		
Position: Mayor		
Statement Date: 28 / 04 / 19		
✓	(1) Creditor: NZ Shearing Championships Date: 1 April 2019 Amount: \$271.00 GL Code: 111 40 700 Expenditure: Mayor's Hosting of VIPs (x 24) at the 2019 NZ Shearing Championships	
✓	(2) Creditor: Air NZ Online Date: 8 April 2019 Amount: \$10.00 GL Code: 111 42 712 Expenditure: <i>Seat selection for flights to LGNZ - Wellington.</i>	
✓	(3) Creditor: Hamilton International Airport Date: 9 April 2019 Amount: \$20.00 GL Code: 111 42 712 Expenditure: Car Parking at Hamilton Airport – Mayor's attendance at Three Waters Review - Local Government Reference Group (Territorial Authority) Workshop on emerging regulatory reform proposals in Wellington	
✓	(4) Creditor: Kumar Taxis Date: 9 April 2019 Amount: \$52.00 GL Code: 111 42 712 Expenditure: Taxi Fare – Mayor's attendance at Three Waters Review - Local Government Reference Group (Territorial Authority) Workshop on emerging regulatory reform proposals in Wellington	
I certify that: 1 I have attached the necessary supplementary docket or receipt. 2 The account is payable. 3 The debt incurred is work related. 4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of Mayor: Date: <i>28/5/19</i>	Authorised by <i>Chief Executive Assistant</i> Date: <i>30/5/19</i>	Authorised by <i>Chief Executive Assistant</i> Date: <i>30/5/19</i>

25 Mastercard Statement Authorisation Form



Name: Michelle Higgle
Position: Executive Assistant
Statement Date: 28 / 04 / 19

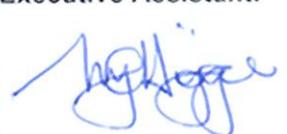
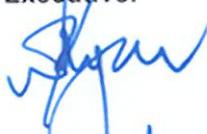
✓ (1) **Creditor:** NZ Transport Agency
Date: 27 March 2019
Amount: \$1,364.80
GL Code: 820 27 031
Expenditure: 20,000km Road User Charges for 201015 Holden Malibu (Rego JBL852)

✓ (2) **Creditor:** Facebook
Date: 31 March 2019
Amount: \$31.14
GL Code: 432 24 515
Expenditure: Great NZ Muster Promotion

✓ (3) **Creditor:** NZ Transport Agency
Date: 16 April 2019
Amount: \$684.80
GL Code: 820 27 34
Expenditure: 10,000km Road User Charges for 2015 Hyundai Santa Fe (Rego KBM545)

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of Executive Assistant:</p>  <p>Date: 21/5/19</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 21/5/19</p>	<p>Authorised by Mayor:</p>  <p>Date: 28/5/19</p>
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Mastercard Statement Authorisation Form

26



Name: Helen Beever
Position: Group Manager – Community Services
Statement Date: 28 / 04 / 19

(1) **Creditor:** Air NZ
Date: 8 April 2019
Amount: \$692.00
GL Code: 817 38 700
Expenditure: Flights - J Barnett and K Brown-Merrin - Real Journeys Famil

(2) **Creditor:** Orbit
Date: 17 April 2019
Amount: \$228.35
GL Code: 111 42 700
Expenditure: LGNZ Rural & Provincial Registration and Accommodation – Cr Guy Whitaker

(3) **Creditor:** Air NZ
Date: 17 April 2019
Amount: \$186.00
GL Code: 818 23 520
Expenditure: K Brown-Merrin - After-Hours Forum, Palmerston North

(4) **Creditor:** Air NZ
Date: 17 April 2019
Amount: \$892.00
GL Code: Split between GL No.s as follows:
 GL 817 38 700 (for CEO) \$446.00 GL 111 42 710 (Cr Brodie) \$446.00
Expenditure: Return Airfares: Cr Phil Brodie and CEO Chris Ryan - Attendance at LGNZ Rural & Provincial Sector Meeting

(5) **Creditor:** Air NZ
Date: 17 April 2019
Amount: \$248.00
GL Code: 111 72 710
Expenditure: One-Way Airfare (Hamilton to Wellington): Cr Whitaker - Attendance at LGNZ Rural & Provincial Sector

(6) **Creditor:** Air NZ
Date: 17 April 2019
Amount: \$288.00
GL Code: 111 72 710
Expenditure: One-Way Airfare (Wellington to Auckland): Cr Whitaker - Attendance at LGNZ Rural & Provincial Sector

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of GM – Customer Services:

Date: 23/5/19

Authorised by Chief Executive:

Date: 27/5/19

Mastercard Statement Authorisation Form



Name: **Vibhuti Chopra**
Position: **Group Manager – Corporate Services**
Statement Date: **28 / 04 / 19**

(1) Creditor:
Date:
Amount: **No Transactions this Period**
GL Code:
Expenditure:

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of
GM – Corporate Services:

Authorised by
Chief Executive:

Date:

Date:

Mastercard Statement Authorisation Form

28



Name: Kobus du Toit
Position: Group Manager – Assets
Statement Date: 28 / 04 / 19

(1) **Creditor:** Wilson Parking
Date: 11 April 2019 Note: No Receipt Issued
Amount: \$9.60
GL Code: 730 31 730
Expenditure: Car Parking – GM – Infrastructure Services and Greg Boyle – attendance at Regional Transport Policy Workshop at Hamilton City County

(2) **Creditor:** NZ Transport Agency
Date: 16 April 2019
Amount: \$1,364.80
GL Code: 820 27 047
Expenditure: 20,000km Road User Charges for 2018 Mazda BT-50 (Rego LPS811)

(3) **Creditor:** Orbit
Date: 17 April 2019
Amount: \$228.35
GL Code: 817 38 700
Expenditure: LGNZ Rural & Provincial Sector Registration and Accommodation - CEO Chris Ryan

(4) **Creditor:** Orbit
Date: 17 April 2019
Amount: \$228.35
GL Code: 111 42 700
Expenditure: LGNZ Rural & Provincial Sector Registration and Accommodation - Cr Phil Brodie

I certify that:

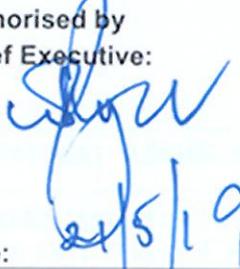
- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of GM – Infrastructure Services:

Authorised by Chief Executive:

[Handwritten Signature]
Date: 21/5/19

[Handwritten Signature]
Date: 21/5/19

Name:	Terrena Kelly
Position:	General Manager – Environmental Services
Statement Date:	28 / 04 / 19
(1) Creditor:	Napier City Council (Parkmate NZ)
Date:	4 April 2019
Amount:	\$10.00
GL Code:	817 38 700
Expenditure:	Carparking - WDC Vehicle (Rego KEF968) GM – Environmental Services and Principal Planner attendance at NZ Planning Institute Conference at Napier
(2) Creditor:	Cappadonna
Date:	5 April 2019
Amount:	\$31.00
GL Code:	817 38 700
Expenditure:	Meals and beverages for 2 - Environmental Services and Principal Planner attendance at NZ Planning Institute Conference at Napier
(3) Creditor:	Mister D
Date:	4 April 2019
Amount:	\$24.60
GL Code:	817 38 700
Expenditure:	Meals and beverages for 2 - Environmental Services and Principal Planner attendance at NZ Planning Institute Conference at Napier
(4) Creditor:	Thirsty Whale Bar & Restaurant
Date:	4 April 2019
Amount:	\$77.80
GL Code:	817 38 700
Expenditure:	Meals and beverages for 2 - Environmental Services and Principal Planner attendance at NZ Planning Institute Conference at Napier
(5) Creditor:	Napier City Council (Parkmate NZ)
Date:	5 April 2019
Amount:	\$10.30
GL Code:	817 38 700
Expenditure:	Carparking - WDC Vehicle (Rego KEF968) GM – Environmental Services and Principal Planner attendance at NZ Planning Institute Conference at Napier
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Environmental Services:	Authorised by Chief Executive:
	
Date: 21/5/19	Date: 21/5/19



A431946

30

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31 MAY 2019

WAITOMO DISTRICT
COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

MasterCard
BusinessCardTHE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/05/19	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	1390.60
\$5000	✓ MR A B HANNA	0000 0030 2936 5529	553.10
\$5000	✓ MS M D HIGGIE	0000 0030 2936 5933	1200.00
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	612.00
\$5000	✓ MR S J DU TOIT	0000 0030 5022 0312	850.00
\$5000	✓ MISS T D KELLY	0000 0030 5326 1230	0.00
TOTAL CARDHOLDER LIMIT	\$35000	NET BALANCE	4605.70

WE ADVISE THAT \$4,605.70 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/06/19, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.



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Mastercard Statement Authorisation Form

31



Name: Chris Ryan
Position: Chief Executive
Statement Date: 27 / 05 / 19

✓ (1) **Creditor:** Stoked Eatery
Date: 1 May 2019
Amount: \$84.00
GL Code: 811 20 700
Expenditure: Senior Management Team Lunch Meeting: CEO, GM-Infrastructure Services, GM-Corporate Services and GM-Environmental Services – Continuation of morning SMT Meeting

✓ (2) **Creditor:** Stoked Eatery
Date: 2 May 2019
Amount: \$42.50
GL Code: 811 20 700
Expenditure: Debrief: Mayor, CEO, GM-Infrastructure Services and Special Projects Coordinator

✓ (3) **Creditor:** The Hummingbird
Date: 6 May 2019
Amount: \$27.50
GL Code: 811 20 700
Expenditure: Debrief: CEO, GM-Infrastructure Services and GM-Community Services – post Tompkins Wake Meeting in Hamilton

✓ (4) **Creditor:** Wilson Parking
Date: 10 May 2019
Amount: \$17.10
GL Code: 817 38 700
Expenditure: Car Parking – CEO Attendance at meeting with Greg Tims at Greg Tims & Associates Offices in Hamilton

✓ (5) **Creditor:** Palate
Date: 16 May 2019
Amount: \$1,208.50
GL Code: 811 20 700
Expenditure: Mayor, Councillors and Senior Management Team and (12 People) – Farewell Dinner for Group Manager – Corporate Services (Vibhuti Chopra)

✓ (6) **Creditor:** SkyCity Hamilton
Date: 15 May 2019
Amount: \$13.00
GL Code: 817 38 700
Expenditure: Car Parking – Farewell Dinner for Group Manager – Corporate Services

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of Chief Executive: Date: 5/6/19.</p>	<p>Authorised by Mayor: Date: 21/6/19</p>	<p>Authorised by Executive Assistant: Date: 21/6/19</p>
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32 Mastercard Statement Authorisation Form



Name:	Brian Hanna	
Position:	Mayor	
Statement Date:	27 / 05 / 19	
(1) Creditor:	Air NZ Online	
Date:	30 April 2019	
Amount:	\$446.00	
GL Code:	111 40 550	
Expenditure:	Airmiles - Waitomo Tuia Representative (Luke Moss) attendance at Tuia Wananga in Christchurch on 10-12 May 2019	
(2) Creditor:	Wellington Combined Taxis	
Date:	17 May 2019	
Amount:	\$78.10	
GL Code:	111 42 712	
Expenditure:	Taxi Fare – Mayor's attendance at LGNZ National Council Meeting in Wellington	
(3) Creditor:	Hamilton International Airport	
Date:	20 May 2019	
Amount:	\$29.00	
GL Code:	111 42 712	
Expenditure:	Car Parking at Hamilton Airport – Mayor's attendance at LGNZ National Council Meeting in Wellington	
I certify that:		
1 I have attached the necessary supplementary docket or receipt.		
2 The account is payable.		
3 The debt incurred is work related.		
4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of Mayor:	Authorised by Executive Assistant:	Authorised by Chief Executive:
Date: 4/6/19	Date: 6/6/19	Date: 11/6/19

33

Mastercard Statement Authorisation Form



Name: **Michelle Higgle**
Position: **Executive Assistant**
Statement Date: **27 / 05 / 19**

(1) Creditor: **Survey Monkey**
Date: **7 May 2019**
Amount: **\$1,200.00**
GL Code: **811 33 530**
Expenditure: **Annual Subscription Renewal**

Abbott

I certify that:
1 I have attached the necessary supplementary docket or receipt.
2 The account is payable.
3 The debt incurred is work related.
4 That any private component is identified and the amount has been reimbursed as follows:

Signature of Executive Assistant: <i>M Higgle</i> Date: 6/6/19	Authorised by Chief Executive: <i>[Signature]</i> Date: 11/6/2019	Authorised by Mayor: <i>Abbott</i> Date: 7/6/19
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34

Mastercard Statement Authorisation Form



Name: **Helen Beever**
Position: **Group Manager – Community Services**
Statement Date: **27 / 05 / 19**

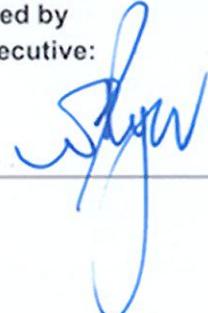
(1) Creditor: **Air NZ**
Date: **2 May 2019**
Amount: **\$406.00**
GL Code: **817 38 700**
Expenditure: **MAGIQ 2019 Conference - Tina Hitchen - Flights to Wellington**

(2) Creditor: **Air NZ**
Date: **2 May 2019**
Amount: **\$206.00**
GL Code: **817 38 700**
Expenditure: **MAGIQ 2019 Conference - Kat Brown-Merrin - Flights to Wellington**

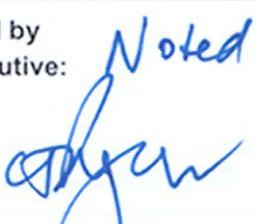
I certify that:
1 I have attached the necessary supplementary docket or receipt.
2 The account is payable.
3 The debt incurred is work related.
4 That any private component is identified and the amount has been reimbursed as follows:

Signature of
GM – Customer Services:

Date: **31/5/2019**

Authorised by
Chief Executive:

Date: **5/6/19**

Mastercard Statement Authorisation Form

Name:	Kobus du Toit
Position:	Group Manager – Assets
Statement Date:	27 / 05 / 19
(1) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$100.00
GL Code:	
Expenditure:	
(2) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$120.00
GL Code:	
Expenditure:	
(3) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$50.00
GL Code:	
Expenditure:	
(4) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$90.00
GL Code:	
Expenditure:	
(5) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$90.00
GL Code:	
Expenditure:	
(6) Creditor:	Bayton
Date:	15 May 2019
Amount:	\$400.00
GL Code:	
Expenditure:	
<p>I certify that:</p> <p>1 I have attached the necessary supplementary docket or receipt.</p> <p>2 The account is payable.</p> <p>3 The debt incurred is work related.</p> <p>4 That any private component is identified and the amount has been reimbursed as follows:</p>	
Signature of GM – Infrastructure Services:  Date: 19/6/2019	Authorised by Chief Executive: Noted + authorise d  Date: 19/6/2019

Note:

No Transactions this Period.

The expenditure incurred is the result of Mastercard Identity Theft.

Westpac initiated a Fraud Investigation and refunded \$850.00 on 31 May 2019.

Copy of Email Thread (Doc No. A431998) attached

Mastercard Statement Authorisation Form

36



Name:	Terrena Kelly
Position:	General Manager – Environmental Services
Statement Date:	27 / 05 / 19

(1) Creditor:	
Date:	
Amount:	No Transactions this Period
GL Code:	
Expenditure:	

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of GM – Environmental Services:</p> <p>Date:</p>	<p>Authorised by Chief Executive:</p> <p>Date:</p>
--	---



A43580 37

MasterCard
BusinessCard

53 GALWAY STREET, AUCKLAND CITY, 1010

RECEIVED

02 JUN 2019

WAITOMO DISTRICT
COUNCILTHE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/06/19	1

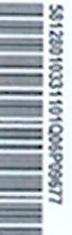
Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	MR C J RYAN	0000 0030 1565 8580	15.50
\$5000	MR A B HANNA	0000 0030 2936 5529	348.10
\$5000	MS M D HIGGIE	0000 0030 2936 5933	2386.59
\$5000	MRS H M BEEVER	0000 0030 3956 2081	1608.43
\$5000	MR S J DU TOIT	0000 0030 5022 0312	850.00-
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	3508.62

WE ADVISE THAT \$4,358.62 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 DN 20/07/19, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
DN 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.



58120910331010204P09677

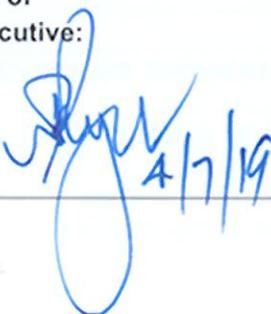
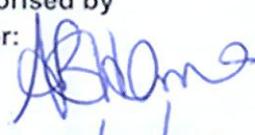
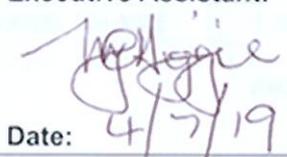
38 Mastercard Statement Authorisation Form



Name: Chris Ryan
Position: Chief Executive
Statement Date: 27 / 06 / 19

(1) **Creditor:** Urge Coffee & Tea Boutique
Date: 14 June 2019
Amount: \$15.50
GL Code: 811 20 700
Expenditure: Debrief: CEO, GM-Infrastructure Services and GM-Community Services – post Tompkins Wake Meeting in Hamilton

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of Chief Executive:  Date: 4/7/19</p>	<p>Authorised by Mayor:  Date: 4/7/19</p>	<p>Authorised by Executive Assistant:  Date: 4/7/19</p>
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39 Mastercard Statement Authorisation Form



Name: Brian Hanna
Position: Mayor
Statement Date: 27 / 06 / 19

(1) **Creditor:** Hamilton International Airport
Date: 6 June 2019
Amount: \$3.00
GL Code: 111 42 712
Expenditure: Parking (short-term) - Flight cancelled (was booked for 5th June - night before LGNZ Rural & Provincial Sector Meeting)

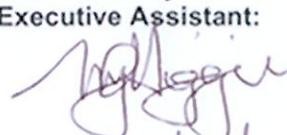
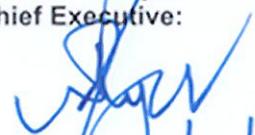
(2) **Creditor:** Kiwi Cabs
Date: 7 June 2019
Amount: \$42.10
GL Code: 111 42 712
Expenditure: Taxi Fare – Mayor’s attendance at LGNZ Rural & Provincial Sector Meeting in Wellington (6/7 June 2019)

(3) **Creditor:** Hamilton International Airport
Date: 10 June 2019
Amount: \$40.00
GL Code: 111 42 712
Expenditure: Car Parking at Hamilton Airport – Mayor’s attendance at LGNZ Rural & Provincial Sector Meeting in Wellington (6/7 June 2019)

(4) **Creditor:** Hotel Bristol
Date: 10 June 2019
Amount: \$113.00
GL Code: 111 42 700
Expenditure: Dinner for Mayor Hanna, Deputy Mayor Whitaker and Councillors Smith and Brodie at LGNZ Rural & Provincial Sector Meeting in Wellington (6/7 June 2019)

(5) **Creditor:** Smarty Pants
Date: 12 June 2019
Amount: \$150.00
GL Code: 111 40 500
Expenditure: Gift for Tatsuno Town Council

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of Mayor:  Date: 27/7/19	Authorised by Executive Assistant:  Date: 4/7/19	Authorised by Chief Executive:  Date: 4/7/2019
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Mastercard Statement Authorisation Form

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Name:	Michelle Higgle	
Position:	Executive Assistant	
Statement Date:	27 / 06 / 19	

✓	(1)	Creditor:	NZ Transport Agency
		Date:	27 May 2019
		Amount:	\$684.80
		GL Code:	820 277 22
		Expenditure:	10,000km Road User Charges for 2014 Holden Cruze (Rego HJA129)

✓	(2)	Creditor:	Air NZ
		Date:	5 June 2019
		Amount:	\$663.00
		GL Code:	111 42 710
		Expenditure:	Airfares - Cr Sue Smith attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 6/7 June 2019

✓	(3)	Creditor:	Pacer
		Date:	7 June 2019
		Amount:	\$293.47
		GL Code:	820 27 800
		Expenditure:	20 Litres of Powerwash with Drum Tap, 20 Litres of Window Washer Additive with Drum Tap for WDC Fleet Cleaning

✓	(4)	Creditor:	Air New Zealand
		Date:	20 June 2019
		Amount:	\$458.00
		GL Code:	817 38 700
		Expenditure:	Airfares: Chief Executive - Attendance at 2019 LGNZ Annual General Meeting and Conference in Wellington

✓	(5)	Creditor:	HotelsOne.com
		Date:	25 June 2019
		Amount:	\$287.32
		GL Code:	111 42 700
		Expenditure:	Accommodation: Cr Phil Brodie and Cr Alan Goddard - Attendance at Opus RMA Re-Certification "Making Good Decisions - Panel Course 2019"

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

Signature of Executive Assistant: Date: 3/7/19	Authorised by Chief Executive: Date: 4/7/19	Authorised by Mayor: Date: 4/7/19
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Mastercard Statement Authorisation Form



Name: **Helen Beever**
Position: **Group Manager – Community Services**
Statement Date: **27 / 06 / 19**

(1) Creditor: Sky City
Date: 15 April 2019
Amount: \$878.43
GL Code: 817 38 700
Expenditure: Accommodation Package (x3 Nights) - Health and Safety Facilitator attendance at Health and Safety Seminar in Auckland

(2) Creditor: Open Polytechnic NZ
Date: 2 July 2019
Amount: \$730.00
GL Code: 817 38 700
Expenditure: Professional Development: Leader - Communications and Engagement (Kelly Marriott)

I certify that:
1 I have attached the necessary supplementary docket or receipt.
2 The account is payable.
3 The debt incurred is work related.
4 That any private component is identified and the amount has been reimbursed as follows:

Signature of
GM – Customer Services:

Date: 3/7/19

Authorised by
Chief Executive:

Date: 4/7/2019

Mastercard Statement Authorisation Form

Name:	Kobus du Toit
Position:	Group Manager – Infrastructure Services
Statement Date:	27 / 06 / 19

(1) Creditor:	Westpac (Reversal of Fraudulent Transactions)
Date:	31 May 2019
Amount:	-\$850.00
GL Code:	9708702
Expenditure:	Reversal of Fraudulent Transactions

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of GM – Infrastructure Services:</p>  <p>Date: 3/7/19</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 4/7/2019</p>
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Mastercard Statement Authorisation Form

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Name: Terrena Kelly	
Position: General Manager – Strategy and Environment	
Statement Date: 27 / 06 / 19	
(1) Creditor:	
Date:	
Amount: No Transactions this Period	
GL Code:	
Expenditure:	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Environmental Services:	Authorised by Chief Executive:
Date:	Date:

Document No: ...	
Report To: Audit and Risk Committee Meeting	
	Meeting Date: 13 August 2019
	Subject: Progress Report: Risk Management Framework – Implementation Plan and Monitoring
	Type: Information Only

Purpose of Report

- 1.1 The purpose of this progress report is to inform the Audit and Risk Committee of progress in respect to implementation of the Risk Management Framework (RMF) and Risk Management Implementation Plan (RMI Plan) adopted by the Council on 28 May 2019.

Background

2.1 October 2018

- 2.2 In 2018, WDC agreed the importance of, and need for, a RMF. WDC set about development of a Draft RMF to provide a means for the identification and mitigation of key organisational risks.
- 2.3 At a Workshop of the Audit and Risk Committee (ARC) held on 16 October 2018, Council's strategic risks were considered and a Draft Risk Register agreed.
- 2.4 Following the 16 October 2018 Workshop, the following actions were then completed:
1. The Risk Register table was modified to incorporate the ARC's feedback from the 16 October 2018 Workshop.
 2. The agreed key risk identification and prioritisation methodology (risk assessment) was applied to each of the agreed strategic risks.
 3. An assessment and prioritisation of residual risks, following application of current risk controls and measures, was completed.
 4. Identification and documentation of future controls and treatments attaching to the high priority residual risks, including additional resourcing implications, was completed.
 5. A programme of implementation, monitoring and reporting on progress towards developing WDC's risk maturity has been drafted and if agreed will be included in Council's Roadmap for the appropriate years.

2.5 February 2019

- 2.6 The first four actions described above, were then consolidated into a Draft RMF and associated Risk Register and presented to the ARC for consideration at its

meeting of 12 February 2019. The ARC, at its 12 February 2019 meeting, resolved -

- 1 *Council notes and agrees the proposed controls and treatments needed to address the identified residual strategic risks, and the need for additional resourcing to implement those measures.*
- 2 *Council notes that the additional resourcing requirements will be introduced through the draft 2019/20 Exceptions Annual Plan process.*
- 3 *Council notes that monitoring and reporting progress towards developing the maturity of Council's Risk Management Framework will take place in accordance with Council's Roadmap.*

2.7 May 2019

2.8 The fifth and final step entailed development of a Draft RMI Plan and reporting on progress towards developing WDC's risk maturity for consideration by the ARC ahead of recommendation of both the RMF and RMI Plan to Council. Adoption of a RMF and an associated RMI Plan concluded the first phase of the risk management work.

2.9 The ARC at its meeting of 14 May 2019 considered a Draft RMI Plan to support the RMF agreed by ARC at its 12 February 2019 meeting, and resolved to recommend both the RMF and RMI Plan to Council for adoption as follows:

- 2 *The Audit and Risk Committee recommends that Council:*
 - (a) *Adopt the Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register;*
 - (b) *Note the requirement for an annual review of the Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly;*
 - (c) *Note the requirement for a monitoring and reporting programme to be adopted in May each year for the financial year ahead, which will be linked to the agreed strategic risks, and will form part of ARC's meeting programme for the year.*

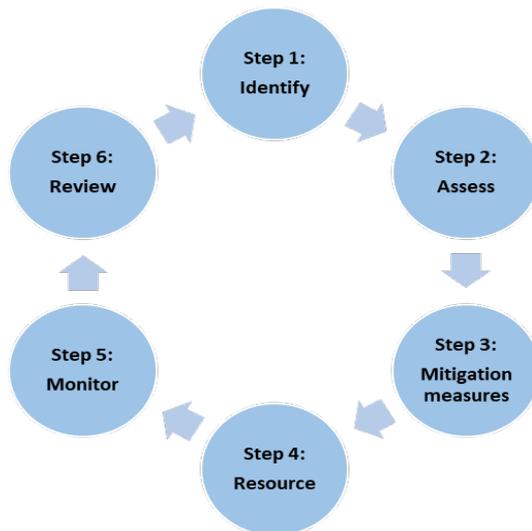
2.10 Council at its meeting on 28 May 2019 considered the recommendations of the ARC relating to RMF and RMI Plan and resolved as follows:

- 2 *The Risk Management Framework incorporating the overarching and strategic risks identified in the Strategic Risk Register be adopted.*
- 3 *Council note and agree the proposed controls and treatments needed to address the identified residual strategic risks, and the need for additional resourcing to implement those measures.*
- 4 *Council note that the additional resourcing requirements will be introduced through the draft 2019/20 Exceptions Annual plan process.*
- 5 *Council note that monitoring and reporting progress towards developing the maturity of Council's Risk Management Framework will take place in accordance with Council's Road Map Work Programme.*

- 6 The Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register be adopted.
- 7 Council note that the Audit and Risk Committee will undertake an annual review of the Strategic Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly.
- 8 Council note that the Audit and Risk Committee will develop a monitoring and reporting programme in May for the financial year ahead, linked to the agreed strategic risks, and to form part of Audit and Risk Committee's agenda programme for the year.

Risk Management Framework and Risk Management Implementation and Monitoring Plan

- 3.1 The RMF assumes a perpetual cycle (six-step continuum), starting with identification of potential risks, qualitative and quantitative assessment of those risks, development of controls and treatments designed to mitigate any residual risks, investment in the resourcing required to implement the agreed controls and measures (or accept the risk), then monitoring and reporting on progress towards implementation. The final step provides for a review of the RMF to take account of any new strategic risks that may be identified over time, and to assess risk management maturity.



- 3.2 The adopted RMF provides a prioritised RMI Plan which takes into account WDC's modest resource capacity, typical of smaller, rural local authorities, and noting the sensitivity of that resource to the demands of competing work demands.
- 3.3 The Draft RMI Plan addresses just those residual risks scored as "High" (assessed risk scores of 9-10).
- 3.4 Risk Priorities**
- 3.5 Priority Number One – Investment (Shareholding)**
- 3.6 There are two strategic risks assessed as having a high residual risk. The first of these relates to Council's investment (by way of a 100% shareholding) in Inframax Construction Ltd (Strategic Risk 3.2). The assessment shows that the likelihood and consequence of the investment not achieving its financial and

strategic objectives, even after allowing for current risk controls and treatments, is high. The agreed residual controls and treatments to mitigate this risk involve increased reporting, and establishment of a policy based rationale supported by an external cost/benefit analysis for the continued ownership of Inframax.

- 3.7 The development of same will require the engagement of an external resource to facilitate and inform definition of benefits, costs and risks of continued ownership.
- 3.8 As the top residual risk priority, it has been scheduled for the 2019/20 year. The work will be funded from the 2019/20 Audit and Risk budget.

3.9 Priority Number Two – Business Continuity

- 3.10 The second highest residual risk priorities relate to Council's business continuity (Strategic Risks 6.3 and 6.4). Interruption to business functionality and vulnerability of critical IT infrastructure are high residual risk exposures that would benefit from dedicated business continuity planning.

- 3.11 A programme for developing the necessary business continuity plans has been scheduled for 2020/21.

3.12 Other High Residual Risk Priorities

- 3.13 Subsequent mitigation measures for the remaining high residual risks (risk scores between 9 and 12) have been scheduled for implementation in order of relative priority, over subsequent years.

- 3.14 The full list (agreed by ARC on 12 February 2019) of High Residual Risks is summarised in the table below:

Risk Register Reference	Strategic Risk Category	Strategic Risk Description	Residual Risk Level Score	Proposed Residual Controls and Treatments
3.2	Financial	WDC's shareholding investment does not meet financial and strategic objectives	12	<ul style="list-style-type: none"> Establish a policy based rationale and supported by external cost/benefit analysis for continued ownership of Inframax
6.3	Business Continuity	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience	12	<ul style="list-style-type: none"> Develop business continuity plans
6.4	Business Continuity	Critical IT infrastructure failure	12	<ul style="list-style-type: none"> Develop business continuity plans
4.1	Technology	Cyber Security breach as a result of unauthorised access.	9	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. Undertake independent baseline securities and policies assessment

Risk Register Reference	Strategic Risk Category	Strategic Risk Description	Residual Risk Level Score	Proposed Residual Controls and Treatments
4.2	Technology	Not keeping up with technological change at the customer and internal services interface	9	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps.
4.3	Technology	Inadequate investment in WDC's ICT (technological & human resources)	9	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps. Investigate resourcing options for driving changes necessary to maintain WDC's ICT up to date and relevant to organisational and customer needs.
6.1	Business Continuity	Damage to critical WDC infrastructure and buildings following a natural disaster such as earthquake, fire , flood	9	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management/retreat plans.
6.2	Business Continuity	Damage to critical infrastructure and buildings following a manmade disaster such as explosion, fire, etc.	9	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management plans.

3.15 The six year implementation programme takes into account the limited WDC capacity available to advance a Risk Mitigation Work Plan.

3.16 Other Lower Risk Priorities

3.17 There are of course many other risks in addition to the identified "high" risk priorities, which while important, in the context of prioritisation are "lower" priorities.

3.18 Similarly, any new strategic risks that may be identified from time to time will be additional to this initial programme.

Risk Management Implementation Plan

No.	Risk Register Ref.	Strategic Risk Description (Residual Risk Scores 9 - 12 only)	Risk Controls and Treatments	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25
1	3.2	WDC's shareholding investment does not meet financial and strategic objectives	Establish a policy based rationale and supported by external cost/benefit analysis for continued ownership of Inframax						
2	6.3	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience	Develop business continuity plans						
3	6.4	Critical IT infrastructure failure	Develop IT business continuity plan						
4	4.1	Cyber security breach as a result of unauthorised access	Undertake independent baseline securities and policies assessment.						
			Monitor effectiveness of current risk controls & treatments on a periodic basis.						
5	4.2	Not keeping up with technological change at the customer and internal services interface	Review the effectiveness of current risk controls and treatments and identify interventions to address gaps						
6	4.3	Inadequate investment in WDC's ICT (technology and HR)	Review the effectiveness of current risk controls and treatments and identify interventions to address gaps						
			Investigate resourcing options for driving changes necessary to maintain WDC's IT up to date and relevant to organisational and customer needs						
7	6.1	Damage to critical infrastructure & buildings following a natural disaster	Undertake site specific risk audits of critical infrastructure & buildings & prepare risk management/retreat plans						
8	6.2	Damage to critical infrastructure & buildings following a human disaster	Undertake site specific risk audits of critical infrastructure & buildings & prepare risk management plans						
9	-	General	Annual Review of Risk Register incorporating any new externalities (May)						

3.19 A copy of the full Risk Register as adopted by Council on 28 May 2019 is enclosed separately and forms part of this business paper.

3.20 Next Steps

3.21 Now that the RMF (including the Risk Register) and RMI Plan have been adopted, the RMF and RMI Plan (for residual risk interventions, reporting on implementation of the agreed additional controls and treatments, or any new risk intervention requirements that may occur) will be incorporated into Council's Road Map Work Programme as a means of developing the maturity of WDC's risk management framework.

3.22 In addition to the staged RMI Plan, an annual review of the Risk Register by the ARC shall be undertaken in May each year. This annual review process will include a scan of externalities impacting on, or introducing new strategic risks, so that changing circumstances are anticipated, monitored and mitigated accordingly.

3.23 The proposal is to time the review to occur ahead of each new financial year start date and outside the development phase of each Exceptions Annual Plan/LTP.

3.24 Concurrently, a programme for the development of a monitoring and reporting arrangement for the financial year ahead, linked to the agreed strategic risks, will form part of the ARC's meeting programme for the year. This will ensure that Governance maintains an overview of the status and progress towards managing the top ranked risks.

3.25 It is anticipated that the RMI Plan will be staged so that each department is reporting against its relevant strategic risks at least once a year.

Progress to Date

4.1 Presentation of the Road Map Work Programme, revised to reflect adoption of the 2019/2020 Exceptions Annual Plan, was originally scheduled for presentation to Council at its August 2019 meeting.

4.2 However this has been deferred until the 8 October 2019 Council meeting to enable the new Group Manager – Business Support (who starts with WDC on Tuesday 20 August 2019) to have an input into the various projects which he will be accountable for, including the RMF work stream.

4.3 As a result, there is no reporting on the RMF work stream for this ARC meeting.

Suggested Resolution

The business paper on Progress Report: Risk Management Framework – Implementation Plan and Monitoring be received.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Attachment: Waitomo District Council Strategic Risk Register – (Doc No. A429516)

Waitomo District Council Risk Register

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
1	GOVERNANCE													
1.1	Elected members are not adequately trained and/or developed	Resulting in: <ul style="list-style-type: none"> Failing to deliver commitments made in LTP Potential breach of elected members responsibilities (e.g. pecuniary interests, legal responsibilities) 	3	3	M (9)	<ul style="list-style-type: none"> Induction process following election Code of Conduct Standing orders Access to Mayor and CEO for information needs and advice. Regular workshop briefings on key policy issues. Informal networking with elected members from other TAs. 	2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	
1.2	Elected members are not effective in making robust, informed decisions.	Resulting in: <ul style="list-style-type: none"> Loss of community confidence in elected members decision making Damage to organisational reputation and credibility Potential for judicial review of decision making 	3	3	M (9)	<ul style="list-style-type: none"> Access to mayor and CEO for information needs and advice. Regular workshop briefings on key policy issues. Detailed and accurate officer reporting. 	2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	
1.3	Elected member decision making not aligned with adopted plans and strategies	Resulting in: <ul style="list-style-type: none"> High incidence of unplanned initiatives outside LTP Decision making becomes ad-hoc rather than planned and sustainable, leading to potential for decision reversal and uncertainty Organisational capacity required to deliver strategic direction and core programme commitments becomes marginalised. 	3	3	M (9)		2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
2 ECONOMIC AND SOCIAL														
2.1	External economic and social factors are not appropriately considered in planning and direction setting	Resulting in: <ul style="list-style-type: none"> Significant financial loss Loss of public confidence Reduction of services provided to an affordable level 	2	3	M (6)	<ul style="list-style-type: none"> 3-yearly review of district population demographics. Access to and participation in regional economic development outlook. Access to and monitoring of BERL inflation adjustment forecasts. Review of LGNZ and SOLGM analysis of new legislation. Consideration of district deprivation and deprivation. 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
2.2	Unclear direction setting through LTP or inadequate follow through of set direction.	Resulting in: <ul style="list-style-type: none"> Reduction in service delivery. Loss of public confidence Reputational damage. Inadequate service delivery Disconnect between community expectations and service delivery 	2	4	M (8)	<ul style="list-style-type: none"> Early and regular planning and briefing sessions with elected members in preparation of draft annual plan Preparation of detailed Roadmap for monitoring implementation of agreed direction and actions. 	1	4	L (4)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
2.3	Major reduction in WDC funding source arising from external economic, environmental or government policy.	Resulting in: <ul style="list-style-type: none"> Reduction of services provided Reduction in budget allocations, OR; Increased cost of delivering same levels of service Loss of public confidence 	2	3	M (6)	<ul style="list-style-type: none"> Three yearly review of Revenue and Financing Policy and Funding Impact Statement to ensure cost of service delivery is allocated equitably and is affordable Robust business cases to ensure major funding source ex NZTA subsidy towards road and footpath maintenance and capital costs is secured. Implementation of new capital projects is dependent on external funding being secured before project proceeds (e.g. new toilet blocks for Mokau and Waitomo Village are dependent of 50% TIF funding) 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM – Corp. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
3	FINANCIAL													
3.1	WDC investments are not regularly assessed for strategic and or financial viability.	Resulting in: <ul style="list-style-type: none"> Loss of community and stakeholder (viz banks and auditors) confidence in WDC's ability to manage its finances 	3	3	M (9)	<ul style="list-style-type: none"> Regular review of and reporting on WDC investments. 	2	3	M (6)	VH	<ul style="list-style-type: none"> Review and develop risk controls and treatments for WDC investments. 	Council	GM - Corp. S	
3.2	WDC's shareholding investment does not meet financial and strategic objectives.	<ul style="list-style-type: none"> Additional financial costs and loss of financial sustainability to the extent that Council's ability deliver services is severely compromised Rates become unsustainable 	3	4	H (12)	<ul style="list-style-type: none"> Quarterly reporting against WDC financial performance targets. Regular informal meetings between Inframax and the Shareholders Investment Committee to monitor past and future performance and issues. 	3	4	H (12)	L	<ul style="list-style-type: none"> Six monthly reporting of performance by Inframax to ARC against its Annual Statement of Intent and performance and risks Establish policy based rationale for continued ownership of Inframax. 	Council	GM - Corp. S	
3.3	Financial policies & procedures are not adequately monitored, implemented or complied with.	Resulting in: <ul style="list-style-type: none"> Legislative non-compliance, possibility of fraud 	3	4	H (12)	<ul style="list-style-type: none"> Internal management control procedures in place to ensure compliance with financial processes and procedures. 	1	4	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. 	Council	GM - Corp. S	
3.4	Regional shared services do not adequately align with WDCs strategic direction or deliver positive cost benefit.	Resulting in: <ul style="list-style-type: none"> Financial loss due to resource allocation that serves no apparent or actual benefit WLASS alienation 	3	2	M (6)	<ul style="list-style-type: none"> Regional Shared Services are, by definition, developed and agreed through a process of negotiation to endeavour to achieve cross-boundary, TLA member alignment. 	2	2	L (4)	M	<ul style="list-style-type: none"> Monitoring and reporting, as required, on departures from or participation in Regional Shared Services, and the reasons why. 	Council	GM - Corp. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
4 TECHNOLOGY														
4.1	Cyber Security breach as a result of unauthorised access.	Resulting in: <ul style="list-style-type: none"> Reputational damage Financial Loss Loss of information 	5	4	Extreme (20)	<ul style="list-style-type: none"> ICT security practices include: <ul style="list-style-type: none"> Remote and automatic daily back-up of all data Information management policies in place ICT acceptable use policy in place and monitored Confidential document destruction service ICT incident management process established to manage breaches and potential issues 	3	3	M (9)	M	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. Undertake independent baseline securities and policies assessment. 	Council	GM - Corp. S	
4.2	Not keeping up with technological change at the customer and internal services interface	<ul style="list-style-type: none"> Lost opportunities for technology driven improvements to service delivery Privacy breaches Confidentiality breaches Non-compliance with legislative requirements Reputational harm /loss of stakeholder trust Operational downtime and productivity loss bringing about inefficiencies Ineffective and inefficient productivity through the use of outdated technology Outdated programmes 	3	3	M (9)		3	3	M (9)	M	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps 	Council	GM - Corp. S	
4.3	Inadequate investment in WDC's ICT (technological & human resources)		3	3	M (9)	<ul style="list-style-type: none"> Financial resourcing capacity requirements for technology are adequately provided for in the LTP. Off-site back-up resource 	3	3	M (9)	H	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps. Investigate resourcing options for driving changes necessary to maintain WDC's ICT up to date and relevant to organisational and customer needs. 	Council	GM - Corp. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
4.4	Inadequate HR market for the supply of technical skills required to implement ICT requirements.	<ul style="list-style-type: none"> Reliance on outsourcing of core ICT service requirements. Lost time due to unavailability of service, or misalignment of a coordinated approach to ICT system implementation and servicing 	3	4	H (12)	<ul style="list-style-type: none"> Employment packages that recognise competitive regional market for the supply of the required ICT implementation skills Succession and business continuity planning 	2	3	M (6)	M	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. 	Council	GM - Corp. S	

5 INFRASTRUCTURE														
5.1	Infrastructural assets do not meet current or future levels of service requirements and are not being renewed or managed efficiently.	<ul style="list-style-type: none"> Reputational damage Financial loss Reduced services Inhibited economic development Decline in levels of service Resource consent requirements not met Increased risk to public safety Decline in asset value. 	4	4	H (16)	<ul style="list-style-type: none"> Asset management plans ensure that infrastructure are reviewed 3-yearly to identify a prioritised, forecast work programme based on age, condition and performance of assets to ensure the agreed level of service delivery is provided Regular monitoring reports on the annual work programme to ensure the programme is achieved Every three years, through the LTP process, there is a formal review of asset management plans and funding provisions, agreeing acceptable level of reliability/risk profile, alignment with objectives and financial viability Independent external review, audit, and input into asset plans and peer reviews of project scopes Implementation of identified 3-yearly improvements to asset management plans. Training for effective asset management processes. 	2	2	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - IS	
5.2	Infrastructural asset capacity or condition does not support overall WDC objectives and does not support the delivery of service outcomes	<ul style="list-style-type: none"> Reputational damage Financial loss Reduced services Inhibited economic development Decline in levels of service Resource consent requirements not met Increased risk to public safety Decline in asset value. 	4	4	H (16)	<ul style="list-style-type: none"> Asset management plans ensure that infrastructure are reviewed 3-yearly to identify a prioritised, forecast work programme based on age, condition and performance of assets to ensure the agreed level of service delivery is provided Regular monitoring reports on the annual work programme to ensure the programme is achieved Every three years, through the LTP process, there is a formal review of asset management plans and funding provisions, agreeing acceptable level of reliability/risk profile, alignment with objectives and financial viability Independent external review, audit, and input into asset plans and peer reviews of project scopes Implementation of identified 3-yearly improvements to asset management plans. Training for effective asset management processes. 	2	2	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - IS	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
6	BUSINESS CONTINUITY													
6.1	Damage to critical WDC infrastructure and buildings following a natural disaster such as earthquake, fire, flood	Resulting in: <ul style="list-style-type: none"> Potential damage to social wellbeing (public health, access etc.) Reputational damage, Financial loss Reduced services or failure to deliver agreed services Inability to return to business as usual in a timely manner Loss of service delivery while continuity issues addressed Inefficiencies in recovery operation Failure to achieve expected business outcomes 	4	4	H (16)	<ul style="list-style-type: none"> Three yearly review of asset management plans to improve identification of critical assets and prepare programmes to increase resilience to man-made and natural disasters. Provision of duplicate services where practicable for critical assets. Regular testing of back-up systems for business function. Business continuity plans Investigations underway to identify an alternative water supply for Te Kuiti due to the recent experience highlighting instability of soils in the Mangaokewa Stream catchment. 	3	3	M (9)	M	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management/retreat plans. 	Council	GM - IS	
6.2	Damage to critical infrastructure and buildings following a manmade disaster such as explosion, fire, etc.		3	4	H (12)		3	3	M (9)	M				
6.3	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.		4	4	H (16)		3	4	H (12)	M	<ul style="list-style-type: none"> Develop business continuity plans 	Council	GM - Corp. S	
6.4	Critical IT infrastructure failure		3	4	H (12)		3	4	H (12)	L	<ul style="list-style-type: none"> Develop business continuity plans 	Council	GM - Corp. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
7	PROJECT/ CONTRACT DELIVERY													
7.1	Inability to attract contestable contractor market	Resulting in: <ul style="list-style-type: none"> Cost inefficiencies due to non-competitive pricing Limited contractor innovation Delay in completion of projects due to unavailability of contractors. 	3	4	H (12)	<ul style="list-style-type: none"> Preparation of 3-yearly review of procurement strategy for NZTA subsidised roading works Procurement planning - timing works to optimise availability of contractor market 	2	3	M (6)	H	<ul style="list-style-type: none"> Establish market availability at procurement planning stage, through direct engagement or stepped RoI, RFP, RFT. 	Council	GM - IS	
7.2	Poor performance by contractor (contracts over \$50,000)	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service. Reputational damage. Inefficient and ineffective use of resources (financial, technological, human) Legal proceedings against WDC. 	3	4	H (12)	<ul style="list-style-type: none"> Use of appropriate price and quality attributes at tender proposal stage Investigate track record and relevant experience of tenderers. Obtain references Examine pricing to confirm realistic value 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. Introduce contract management training for relevant staff. Improve consistency and standard of contract documentation - design drawings, specification and schedules 	Council	GM - IS	
7.3	Lack of staff capacity or capability to manage external contracts.	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service Poor or delayed delivery of outputs Loss of public confidence Loss of confidence from contractors Potential contractual disputes 	3	4	H (12)	<ul style="list-style-type: none"> Fit for purpose project structure incorporating mix of project, technical and contract management skills. Expenditure and progress monitoring and reporting with intervention if necessary. Supplementary technical skills obtained for areas lacking technical expertise 	2	2	L (4)	H	<ul style="list-style-type: none"> Increase staff training in contract management. Develop contract management procedures. 	Council	GM - IS	
7.4	Major unforeseen project expenditure creates a significant overspend.	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service Reduction of budgets Loss of public confidence 	3	3	M (9)	<ul style="list-style-type: none"> Structured pre-construction project planning – scoping, investigation of options, preliminary design, costing, procurement, construction. Procurement plan sign-off. Budget offset reallocation 	2	2	L (4)	M	<ul style="list-style-type: none"> For larger contracts (>\$50,000). More emphasis on investigation and reporting stage ahead of budgeting. 	Council	GM - IS	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
7.5	Inadequate Health and Safety procedures and measures in place for physical works projects.	Resulting in; <ul style="list-style-type: none"> Occupational death, injury or illness experienced by staff, contractors, volunteers or members of public Prosecution procedures commenced against Non-compliance with some or all of the legislation Loss of public confidence 	3	4	H (12)	<ul style="list-style-type: none"> SHE contractor pre-qualification process, contract monitoring and control. Hazard identification and documentation Site inductions, audits and inspections Contract specific safety plans Practising the plan KPI reporting Incident Reporting Contractor Public Liability insurance. 	2	4	M (8)	H	<ul style="list-style-type: none"> Develop health and safety workplace culture Monitor & review effectiveness of current risk controls and treatments 	Council	GM - IS	
7.6	Potential environmental impacts are not adequately managed.	Resulting in; <ul style="list-style-type: none"> Non-compliance with some or all of the legislation Legal proceedings against WDC Loss of public confidence 	3	3	M (9)	<ul style="list-style-type: none"> Obtaining all necessary resource consents before starting work. Requiring contractors to provide environmental management plans before starting work. Establishing a complaints register and investigating all complaints. Monitoring of work. Training of staff in safe environmental practices and consent compliance reporting. 	1	3	L (3)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments Require contractors to demonstrate compliance with conditions of consent 	Council	GM - IS	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
8	LEGAL & REGULATORY													
8.1	Failure to meet legislative, regulatory or policy requirements	Resulting in: <ul style="list-style-type: none"> Non-compliance with some or all relevant legislation Regulatory infringement Loss of public confidence Significant financial loss Prosecution proceedings 	2	4	M (8)	<ul style="list-style-type: none"> Review of LGNZ and SOLGM analysis of new legislation. Legal advice Pre-audit of draft LTP. LGNZ/SOLGM advice and guidelines. 	1	4	L	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
8.2	New legislation imposes additional financial compliance and reporting requirements that are not met	Resulting in: <ul style="list-style-type: none"> Qualified Annual Report Loss of public confidence Increased costs of compliance Additional demands on resources 	2	4	M (8)	<ul style="list-style-type: none"> Review of LGNZ and SOLGM analysis of new legislation. Legal advice Pre-audit of draft LTP. LGNZ/SOLGM advice and guidelines. 	1	4	L	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
8.3	Significant harm or death is caused to WDC employees or others present from time to time at WDC work places due to poor or inactive health & safety procedures, noncompliance with legislative requirements or inadequate management.	Resulting in: <ul style="list-style-type: none"> Occupational injury, illness or death, experienced by staff, elected members, contractors, visitors volunteers or members of public Regulatory or court action commenced against WDC Non-compliance with some or all of the legislation Loss of public confidence Negative and potentially serious outcomes for casualty 	3	4	H (12)	<ul style="list-style-type: none"> Health and Safety Management Framework Health & Safety Policies, Procedures & Guidelines Workplace audits, inspections & monitoring Local government contractor pre-qualification Health & Safety Committee Hazard identification and documentation H & S induction processes Contract safety plans, monitoring and post-contract review Training and reward for correct behaviour. KPI reporting Contractor Public Liability insurance. 	2	4	M (8)	H	<ul style="list-style-type: none"> Monitor and review effectiveness of current risk controls and treatments Develop a culture of health and safety Ensure all staff receive appropriate training in safe work practices relevant to WDC 	Council	GM – Comm. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
9 HUMAN RESOURCES														
9.1	Business outcomes are significantly impacted due to inability to attract appropriately skilled staff	Resulting in: <ul style="list-style-type: none"> Lack of workforce stability Pressure on staff as workload increase is spread Staff retention issues Service delivery compromised Lack of internal capability for key competency sets Over-reliance on contractors and Consultants 	3	3	M (9)	<ul style="list-style-type: none"> Use of contractors with skill sets required for specific projects Use of employment incentives to attract and retain skilled staff from a regional market Remuneration policy relevant to the employment market 	2	3	M (6)	H	<ul style="list-style-type: none"> Ensure appropriate resource capacity is in place relevant to business needs Development and use of shared services opportunities Monitor and review effectiveness of current risk controls and treatments. Develop an HR Strategy Marketing of district attributes to attract younger families offering skilled staff 	Council	GM – Comm. S	
9.2	Business outcomes are significantly impacted due to inability to retain appropriate staff	<ul style="list-style-type: none"> Erosion of leadership role Outcomes not fit-for purpose and/or not cost effective External opportunities lost Non-compliance with LGA decision making requirements 	3	3	M (9)	<ul style="list-style-type: none"> Workplace Health & Wellness Programme Personal Development Policy Succession planning Resource sharing – e.g. WLASS 	2	3	M (6)	H	<ul style="list-style-type: none"> Monitor and review effectiveness of current risk controls and treatments. Ensure adequate budgets are in place to attract, train and retain skilled staff Develop employee retention strategy 	Council	GM – Comm. S	
9.3	Business outcomes are significantly impacted due to inability to train and develop appropriate staff from available budget	<ul style="list-style-type: none"> Lack of advancement or diversity opportunities at WDC Lack of succession planning Organisational capacity to respond to work flow in an effective and timely manner is compromised 	3	3	M (9)	<ul style="list-style-type: none"> Professional development targeted to role specific needs Provision in LTP for adequate human resource budget and capability corresponding to business needs Resource sharing (e.g. WLASS) 	2	3	M (6)	H	<ul style="list-style-type: none"> Ensure adequate budgets are in place to attract, train and retain skilled staff Further develop opportunities for resource sharing to achieve effectiveness & efficiency gains, reduce duplication, of effort and to promote and contribute to the development of best practice 	Council	GM – Comm. S	

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
10	CIVIL DEFENCE AND EMERGENCY MANAGEMENT													
10.1	Inadequate provision is made to meet WDC's requirements for the 4 Rs	Resulting in: <ul style="list-style-type: none"> Breach of Civil Defence Emergency Management Act 2002. Reputational Damage Reduced services Lack of leadership or structured delivery during and after an event Heightened risk of endangerment of community and property Loss of community confidence in WDC's role Loss of emergency services' and lifeline partners' confidence in WDC's role Inability to return to business as usual in a timely manner Loss of service delivery while continuity issues are addressed 	3	4	H (12)	<ul style="list-style-type: none"> CDEM Response and Recovery Plan in place Emergency management team (WDC) in place. Local Controller and Recovery Manager appointed Waikato Region Emergency Management Group EDL established and resourced Lifelines identified in relevant asset management plans and projects to increase resilience Limited hazards identification as part of District Plan review 	2	3	M (6)	M	<ul style="list-style-type: none"> Improve the resilience of the WDC EMC to ensure earthquake protection and continuity of essential services (power, water, sanitary, ICT) over a sustained period Commit to training of emergency management staff Develop shared service arrangement – Western Waikato emergency operating area 	Council	GM - CS	

Document No: A431592

Report To: Audit and Risk Committee



Meeting Date: 13 August 2019

Subject: **Unaudited Interim Financial Report for the Year ended 30 June 2019**

Type: Information Only

Purpose of Report

1.1 The purpose of this business paper is to present the unaudited interim financial report for the period ended 30 June 2019.

Background

2.1 The period covered by this report is 1 July 2018 to 30 June 2019.

2.2 The order of the report is as follows:

- **Summary Income Statement** with comments detailing significant variances to budget on Council's operating performance for the period ended 30 June 2019.
- **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2018 to 30 June 2019.
- **Capital Expenditure** summary with commentary on material variances of expenditure for the period compared with the LTP 2018/19.
- **Summary Treasury Management** which reports on the Public Debt position, cash reserves and significant treasury transactions.
- **Cost of Service Statement** Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
- **Balance Sheet** as at 30 June 2019 is presented in **Appendix 2**.
- **Treasury Management Report** from Bancorp Treasury Services Limited, Council's treasury management advisors is enclosed as **Attachment 1**.

2.3 All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s).

Risk Considerations

3.1 This financial report is prepared based on information available at the time of preparation. The information contained within the report is subject to change as a result of finalising the financial result for the year and as part of the audit process. Any changes will be incorporated in the final Annual Report for 2018/19.

- 3.2 There is potential risk that some revenue included in the financial statements is subsequently not converted to cash or cash equivalents due to dispute by the customer or ratepayer. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk and trade debtors and other receivables are actively monitored and reviewed. This risk is also mitigated by the recognition of a provision for doubtful debt at 30 June 2019.
- 3.3 Depreciation could be materially different in this report compared with the year end result due to asset additions and disposals in the process of being completed. The depreciation on for Stormwater, Sewerage and Water Supply is **estimated** for the purposes of this report.
- 3.4 There is a risk that the financial results and position stated within this report is materially different for those assets were not revalued at 30 June 2019. To minimise this risk, an assessment of the fair value of significant assets in between revaluation years has been undertaken by external valuers which have confirmed that the carrying value of the asset classes not revalued this year is consistent with the fair value of the assets.

Financial Report to 30 June 2019

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 Set out below is the summary of financial information for the period ended 30 June 2019. Detailed Cost of Service Statements are attached as Appendix 1.

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Unaudited Interim Actual Jun 2019	Variance Jun 2019	% Variance
Total Expenditure					
- Direct Operating	15,771	16,520	15,708	(812)	
- Indirect Operating	11,691	13,400	12,769	(632)	
Total Expenditure	27,462	29,920	28,477	(1,444)	-5%
Total Revenue					
- Operating Revenue	(11,949)	(12,684)	(13,029)	(343)	
- Rates Revenue	(19,727)	(20,476)	(20,760)	(285)	
Total Revenue	(31,676)	(33,160)	(33,789)	(628)	2%
Net Operating Cost/(Surplus)	(4,214)	(3,240)	(5,312)	(2,072)	64%
Other Comprehensive Revenue and Expense					
- Revaluation of Property, plant and equipment	(5,975)	0	0	0	
-(Gains)/Losses from Cash Flow Hedges	53	0	727	727	
- Revaluation of available for sale assets	(7,300)	0	0	0	
Total Other Comprehensive Revenue and Expense	(13,222)	0	727	727	
Total Comprehensive Revenue and Expense	(17,436)	(3,240)	(4,585)	(1,345)	42%

4.3 **Net Operating Surplus:** The net operating surplus of \$5,312,000 was \$2,072,000 more than budget for the period ended 30 June 2019. The Cost of Service Statements for each activity are included as Appendix 1.

4.4 **Total Expenditure** was \$1,444,000 less than budget for the period ended 30 June 2019.

- **Direct operating expenditure** was \$812,000 less than budget. The main contributors to this variance in order of magnitude are:
 - Community Development: \$1,084,000 less as no grant expenditure has been recognised for the NKC stadium.
 - Sewerage: \$251,000 less as expenditures for power, sampling costs, plant maintenance and chemicals were less than budget.

This decrease in direct expenditure is offset by:

- Community Service: \$482,000 more than budget due mainly to loss on asset disposal recognised for Mangaokewa Reserve.
 - Roads and Footpaths: \$138,000 more than budget for emergency reinstatement and minor emergency events, sealed pavement maintenance, environmental maintenance and network asset management expenditures.
- **Indirect expenditure** was \$632,000 less than budget:
 - Interest: \$907,000 less than budget. The budgeted interest cost was based on 1 July 2018 projected public debt of \$47.57 million while the actual public debt at 30 June 18 was \$40.26 million. The main reason for the lower debt position than forecast in the LTP was due to reduced capital expenditure in prior years and reduced operational expenditure spend. The cost of funds were also lower than forecast.
 - Depreciation: \$36,000 less than forecast mainly due to reduced depreciation for Water Supply, Leadership and Solid Waste Management. This has been partly offset by an increase in roads depreciation as a result of the asset valuation at 30 June 2018.

This reduced expenditure was partly offset by:

- Allocated costs: \$311,000 more than forecast due to additional costs recognised for Riskpool interim call contribution, asset revaluations, consultants costs and organizational capacity and resourcing requirements. Further to this less staff time was capitalised than expected for time spent on asset additions completed during the year.

4.5 **Total Revenue** was (\$628,000) more than budget for the period ended 30 June 2019.

- **Operating revenue** \$343,000 more than budget. The main contributors to this variance are:
 - Solid Waste Management: \$342,000 more than budget due to an increase in revenue from Refuse Dump Charges and sales of Special Waste.
 - Community Service: \$281,000 more than budget due to grant revenue for the Te Kuiti Holiday Park, dump station construction and TIF funding for the provision of temporary toilets at Mokau. Proceeds were also received from tree logging at Brook Park.

- **Leadership:** \$168,000 more than budget due to an increase in quarry royalties revenue.

This increase in revenue is offset by:

- **Roads and Footpaths:** \$659,000 less than forecast as the subsidy received for capital expenditure is less due to planned expenditures not fully spent.
- **Rates revenue** was \$285,000 more than budget for all rate types including metered water revenue and rates penalties.

4.6 **BALANCE SHEET HIGHLIGHTS**

- 4.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2018 to 30 June 2019. The full Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2018	Interim Unaudited Actual Position 30 Jun 2019	Movement from 30 Jun 2018
Assets			
- Cash and cash equivalents	1,762	1,819	57
- Receivables	5,331	5,004	(327)
- Other current assets	84	199	115
- Other financial assets	12,616	12,321	(295)
- Non-current assets	343,305	347,148	3,843
TOTAL ASSETS	363,098	366,492	3,394
Liabilities			
- Other Liabilities	5,965	5,049	(916)
- Total Borrowings	41,737	40,258	(1,479)
- Derivative financial instruments	1,737	2,522	785
Total Liabilities	49,439	47,829	(1,610)
Equity			
- Equity	313,659	318,663	5,004
TOTAL LIABILITIES AND EQUITY	363,098	366,492	3,394

- 4.8 Total Assets have increased from \$363.1 million to \$366.5 million.

- Cash and cash equivalents have increased by \$57,000 from \$1,762,000 to \$1,819,000.
- Receivables decreased by \$329,000 since 30 June 2018 from \$5.33 million to \$5.00 million. There was a decrease in the receivable from NZTA for road subsidy and the GST refund receivable at 30 June.
- Other financial assets decreased by \$295,000. The decrease is due to repayment of the \$375,000 advance by Inframax Construction Limited, which completes the full repayment of this advance. The decrease is partly offset by an increase of \$80,000 in subscription to LGFA Borrower Notes.
- Non-current assets have increased by \$3,843,000. The increase is due to the net effect of asset additions of \$9,972,000, gain on investment properties of \$106,000 less depreciation of \$5,868,000 and the surrender of carbon credits on hand and asset disposals.

4.9 Total Liabilities decreased from \$49.4 million to \$47.8 million.

- Other Liabilities decreased by \$916,000 due to a general decrease in Payables at 30 June 2019 compared to June 2018. Included in the prior year balance were contract payments for Te Kuiti water treatment plant upgrade and bridge structural repairs.
- Total Borrowings decreased by \$1,463,000 from \$41.7 million to \$40.3 million. The decrease is due to repayment of the unsecured Westpac Loan of \$375,000, which was repaid by Inframax Construction Limited. In addition the Westpac Call Advance facility reduced by \$1,100,000 from 30 June 2018 to a nil balance at 30 June 2019. This was partly offset by accrued interest which increased by \$12,000.

4.10 Total equity increased by \$5.0 million to \$318.7 million. This increase is made up of the total comprehensive revenue and expense for the period of \$4.6 million and the estimated increase to equity as a result of finalising the asset ledger, including recognition of two operational assets not previously recognised in the accounts.

4.11 ADJUSTMENTS AND OTHER CONSIDERATIONS FOR THE ANNUAL REPORT

4.12 The following adjustments have yet to be made to the accounts and will be completed as part of development of the Annual Report.

- Landfill aftercare provision is still to be finalised and incorporated into the final accounts.
- Completion of the asset ledger: Which will involve completing asset additions and disposals and finalising depreciation expense for the year.
- Other minor adjustments: Throughout finalising the annual report minor adjustments may be required. These changes are not expected to materially alter the financial result reported in this report.
- This report includes rates paid on Council owned properties, as both rates revenue and expenditure. These transactions will be eliminated in the final Annual Report.

5.0 CAPITAL EXPENDITURE

5.1 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 30 June 2019.

CAPITAL EXPENDITURE SUMMARY	LTP	Unaudited Interim Actual	Variance
(Amounts in \$000's)	2018/19	Jun 2019	
Governance: Leadership and Investments			
- Corporate Support	860	380	(480)
Community Service			
- Parks and Reserves	207	73	(134)
- Housing and Other Property	51	388	337
- Recreation and Culture	191	177	(14)
- Public Amenities	519	58	(461)

CAPITAL EXPENDITURE SUMMARY	LTP	Unaudited Interim Actual	Variance
(Amounts in \$000's)	2018/19	Jun 2019	
Community Development			
- District Development	0	11	11
Solid Waste Management			
- Landfill Management	217	224	7
Stormwater			
- Urban	194	392	198
- Rural	5	0	(5)
Sewerage			
- Te Kuiti Sewerage	622	504	(118)
- Te Waitere Sewerage	0	5	5
- Benneydale Sewerage	52	0	(52)
- Piopio Sewerage	19	25	6
Water Supply			
- Te Kuiti Water	406	1,504	1,098
- Mokau Water	115	311	196
- Piopio Water	339	447	108
- Benneydale Water	4	25	21
Roads and Footpaths			
- Subsidised Roads	6,293	5,247	(1,046)
- Unsubsidised Roads	160	201	41
TOTAL CAPITAL EXPENDITURE	10,254	9,972	(282)

5.2 Capital Expenditure was \$9.97 million for the period ended 30 June 2019, of which \$5.44 million (55%) related to Roads, \$2.23 million (23%) related to Water Supply and \$0.70 million (7%) related to Community Service.

5.3 Capital expenditure budgets are listed in the table above and projects detailed in the commentary that follows. It should be noted that "Unspecified" renewal/upgrade budgets are forecast for expenditure to be incurred on an 'as needed' basis only.

5.4 **GOVERNANCE: LEADERSHIP AND INVESTMENTS**

5.5 **Corporate Support:**

- Corporate Support (Budget \$860,000 and carry over \$130,000): Expenditure of \$380,000 has been for fleet vehicle and mower replacements, renewal of Information System (IS) hardware and end user devices.

5.6 **COMMUNITY SERVICE**

5.7 **Parks and Reserves:**

- Park renewal expenditure and Brook Park development (Budget \$77,500 and carry over budget of \$16,500). Minor expenditure to date.
- Renewal expenditure for jetty/pontoon and development of coastal reserves (Budget \$34,200 and carry over of \$64,700). Expenditure was for the renewal of the Te Waitere and Mokau Jetties and renewal of the accessway stairs at Mokau. No work has been undertaken to date at the Te Waitere Jetty due to lack of sufficient budget. The quoted value to complete is \$184,000. The

required renewal work will be undertaken in two stages with the first commencing in the 2019/20 financial year.

- Playground renewals (Budget \$30,000 and carry over budget \$40,000): The construction of new playground at Benneydale was completed and a basketball area was installed next to the Eketone Street playground.

5.8 Housing and Other Property:

- The Housing and Other Property shows total capital expenditure of \$388,000.
- Expenditures incurred relate to the development of the Te Kuiti Holiday Park. Ministry of Business Innovation and Employment (MBIE) has committed funding of \$200,000 for the cooking and ablution block project and there has also been further funding of \$7,200 received from NZ Motor Caravan Association to install a new public dump station on the site.
- Expenditure to date on the Te Kuiti Holiday Park project totalled \$875,000 including services and stormwater costs. Of this total expenditure of \$292,000 has been recognised under Housing and other property. This expenditure includes fencing, electrical, landscaping, signage, plumbing, compliance and consultancy fees. The balance of the costs of the project relating to infrastructure assets have been recognised in Stormwater, Water Supply and Roads activities.
- The development of the Marokopa Holiday Park (\$58,000) involved the retrofitting of Kiwicamp technology, electrical and plumbing upgrades, BBQ area upgrade, installation of CCTV cameras, fencing and gates and signage.
- Elderly persons housing renewals and miscellaneous building renewals (Budget \$51,100). Miscellaneous building renewals of \$38,000 have been spent to date. This included urgent upgrades to the dog pound kennels to comply with animal welfare requirements and improvements for health and safety purposes.

5.9 Recreation and Culture:

- Expenditures for the period of \$45,000 was for library collection renewals (Budget \$48,000).
- Library technology and library renewals (Budget \$37,000 and carry over \$26,400): Expenditures of \$60,000 incurred for the replacement of library furniture, shelving and automatic doors and the replacement of the lower roof of the library building.
- Aquatic centre renewals (Budget \$21,000 and carry over \$12,000). Expenditure of \$16,000 for the replacement of the cladding for the back wall of the grandstand canopy.
- Les Munro Centre renewals (Budget \$85,000). Expenditure to date is \$48,000. Renewals included replacement cladding and roller doors to the rear of the building and new foyer seat covering.

5.10 Public Amenities:

- Minor expenditure of \$8,000 has been incurred for drainage at the Aerodrome.
- Te Kuiti toilet renewal and other minor toilet renewals (Budget \$73,000 and carry over \$7,900). Expenditure of \$27,000 to date with the replacement of vinyl flooring at Te Kuiti main street toilets and cubicle partitions were renewed

along with partial renewals undertaken incorporating lights, toilet pans, plumbing and signage at the existing Mokau public toilets.

- Mokau toilet renewal (Budget \$320,000): No expenditure to date.
- Te Kuiti Cemetery development and accessway renewals (Budget \$67,600 and carry over \$63,600): A new shelter has been constructed at Te Kuiti Cemetery with minor expenditure to date.
- Street furniture and public carpark renewal expenditure including security camera renewals (Budget \$58,600). The CCTV camera upgrades within Te Kuiti CBD has now been completed at a cost of \$20,000.
- Minor expenditures incurred for the period for i-SITE technology renewal (carry over budget of \$10,000).

5.11 COMMUNITY DEVELOPMENT

- Minor expenditures incurred for the period for i-SITE technology renewal (carry over budget of \$10,000).

5.12 SOLID WASTE MANAGEMENT

- Work is ongoing on the Resource Consent for volume expansion at the Landfill with expenditures of \$174,000. (Carry over \$22,000 and \$150,000 brought forward from 2019/20 LTP budget)
- Purchase of carbon credits required under the Emissions Trading Scheme (Budget \$175,000 and carry over \$75,000). No expenditure to date.
- Landfill and transfer station renewals (Budget \$42,000). Expenditure of \$44,000 has been spent to date. The road seal around the kiosk area of the landfill was renewed and improvements were made to landfill security with the installation of security cameras.
- The swing gate at the landfill was damaged by a customer. This gate was repaired of \$6,000 and insurance proceeds were received that covered the full cost of replacement.

5.13 STORMWATER

- Open drains improvement (Budget \$10,000): Expenditures of \$13,000 has been for improvement of Seddon St pipe work.
- Te Kuiti storm water minor renewals (Budget \$74,000 and carry over budget \$106,000): expenditure has been incurred for renewals of pipe and manholes along Ward Street, and for minor renewals between Edward and Hill Streets. This budget is utilised on as required basis for emergency works.
- Expenditure of \$359,000 was incurred for stormwater network extensions on Te Kumi Road (Budget \$34,000, carry over budgets of \$165,000 and \$160,000 brought forward from years 2-4 of the LTP).

5.14 SEWERAGE

- Te Kuiti waste water treatment plant (Budget \$234,000): Expenditures for the period of \$38,000 was for connecting pipework to the chemical tank and minor renewals.

- Te Kuiti Reticulation and Pump Station renewals (Budget \$388,000): Taupiri Street sewer upgrade project is completed with cost to date of \$376,000. Expenditure was also incurred for minor reticulation renewals, pumps stations renewals and the completion of the sewer pipework on Te Kumi Road.
- Te Waitete Sewerage expenditure of \$4,800 was incurred for unplanned pump renewals for replacement of sewer pump and guardrails. There was no budget for this cost.
- Benneydale treatment plant and reticulation renewals (Budget \$52,000): No expenditure to date.
- Piopio reticulation and unplanned pump renewals (Budget \$19,000): Expenditures of \$25,000 was incurred for the period. This included the replacement of submersible pump, installation of new Septic System at 3A Kuratahi Street and purchase of pumps for the network system as critical spares. The installation of the new septic tank is paid for by the customer.

5.15 WATER SUPPLY

- Te Kuiti Water Treatment plant upgrade including the raw water intake structure (Phase II) expenditure to date was \$1,141,000 (Budget \$80,000 plus a carryover budget of \$1,301,000 for the remainder of the project).
- On a project basis the total treatment plant upgrade project budget, as approved by Council is \$7,467,000. Total expenditure over the last four years to 30 June 2019 is \$7,306,000, leaving \$161,000 available for remaining costs and minor items still to be processed.
- A total of \$1,141,000 was spent for the year with the following details:
 - Phase 1 – UV and Chemical dosing: Completed
 - Phase 2 – New Intake Pump and controls: Completed
 - Phase 3 – Clarifier and Site Upgrade: Entrance and Exit gates with automation Completed
 - Phase 4 – Filters 3 and 4 upgrades Completed
 - General Electrical Upgrade (\$346K) Completed
 - SCADA and Telemetry Upgrades (\$83K) Completed (with the exception of final commission and fine tuning of the plant)
- Te Kuiti reticulation and pump station renewals (Budget \$254,000): Expenditures for the period was \$297,000 for network improvements and renewals including replacement of tobies with back-flow preventers.
- Reservoir Seismic Strengthening (Budget \$22,000): no expenditures incurred to date.
- Alternative water supply investigation (bore) (Budget \$50,000) for Te Kuiti was carried out and completed in May 2019 with \$67,000 of costs incurred for consultants and physical works.
- Mokau Water reticulation and plant renewals (Budget \$115,000 and carry over budget \$93,000): The Tainui Street reticulation upgrade and Aria Terrace renewal project will not go ahead. Expenditure to date for reticulation and plant renewals is \$70,000. The remaining budgets have been utilised for the repair of the water storage dam. This is now completed with expenditure to date of \$241,000 and supply and installation of new telemetry and PC/SCADA system at the treatment plant.

- Piopio reservoir has been completed, commissioned and operational at the end of May 2019 (Budget \$250,000): Expenditure to date is \$334,000. Cost includes supplies and installation, plus internal staff and consultant's time.
- Piopio Water reticulation renewals and treatment plant renewals including the installation of backflow preventers (Budget \$89,000 and carry over budget \$82,000): Tender process has commenced for the supply and installation of new pipe line to link Tui Street – State Highway 3 and the water bridge at Kuratahi Street. This project is on-hold due to insufficiency of funds. Renewal expenditure to date has been for new toby installations, with back-flow devices, minor renewals and supply and installation of 18 membrane modules at the water treatment plant (\$113,000).
- Benneydale Water reticulation renewals and plant renewals (Budget \$3,500). Expenditure to date of \$25,000 has been for UV system upgrade, minor filter renewals and installation of new PC in replacement of the old one.

5.16 ROADS AND FOOTPATHS

5.17 Subsidised Roads

- Minor improvements expenditure of \$72,000 incurred for the period in relation to the minor slip repairs and on road widening work following a washout, traffic calming islands in Robin Azariah Place and a pedestrian refuge island in Rora Street (Budget \$650,000).
- Initial costs associated with the Te Kuiti railway overbridge project were incurred during the period. This project is eligible for NZTA subsidy and will be continued in the 19/20 year.
- Drainage renewals (Budget \$250,000): Expenditure for the period was \$206,000. This activity is weather dependent.
- Pavement rehabilitation (Budget \$1,700,000): Expenditure for the period was \$1,626,000. A pavement rehabilitation project at Ramaroa Road is now complete and a pavement rehabilitation site on Taharoa Road was approximately 95% complete, as at 30 June 2019.
- Sealed road surfacing (Budget \$1,385,000): Carrying out this activity requires fair weather due to the high cost and volatility around sealing of road surfaces. The annual sealing program was undertaken with expenditure of \$1,396,000 incurred.
- Structures component replacements and bridge maintenance (Budget \$350,000): A portion of the 2017/18 bridge structural repairs project was successfully completed in July after a late start caused by professional services delays, expenditures for the period was \$83,000. The remains of this budget is carried over into the new financial year.
- Traffic services renewals (Budget \$150,000): Expenditure for the period was \$328,000 including the annual road remarking and professional services for an anticipated speed limit review. This overspend will be met by reduced expenditure for Unsealed Road Metaling.
- Unsealed road metaling (Budget \$600,000): Expenditure for the period was \$470,500. The annual unsealed road metaling program was delayed due to unreasonably dry weather continuing well into the autumn. The unspent budget will offset additional cost for Traffic Services Renewals.

- Emergency reinstatement (Budget \$700,000): Expenditure to date for this reporting period is \$538,000, comprised of a number smaller slip repair works outstanding from the Cyclone Debbie and Cook events in April 2017, storm events August/September 2017 and the storm that caused the Te Mahoe Road slip in June 2018.
- LED Street light upgrade work was completed in July 2018. Expenditures of \$78,000 spent in this financial year. This program was funded at 85% FAR by NZTA.
- Footpath improvement (Budget \$113,000): This portion of the footpaths programme was completed in June 2019. Expenditure of \$159,300 to date. This overspend will be met by reduced expenditure for Footpath renewals.
- Footpath renewal (Budget \$395,000): Expenditures for the period was \$263,000. This budget is for improving, widening and replacing existing narrow footpaths. Project completion was achieved in June 2019.

5.18 Unsubsidised Roads

- Unspecified retaining wall renewals and road improvements not eligible for subsidy (Budget \$160,000 and carryover budget of \$197,000): Expenditure to date is \$201,000 of which \$196,000 for unsubsidised road improvements undertaken on Te Kumi Road for the Te Kuiti Holiday park project.

6.0 TREASURY REPORT

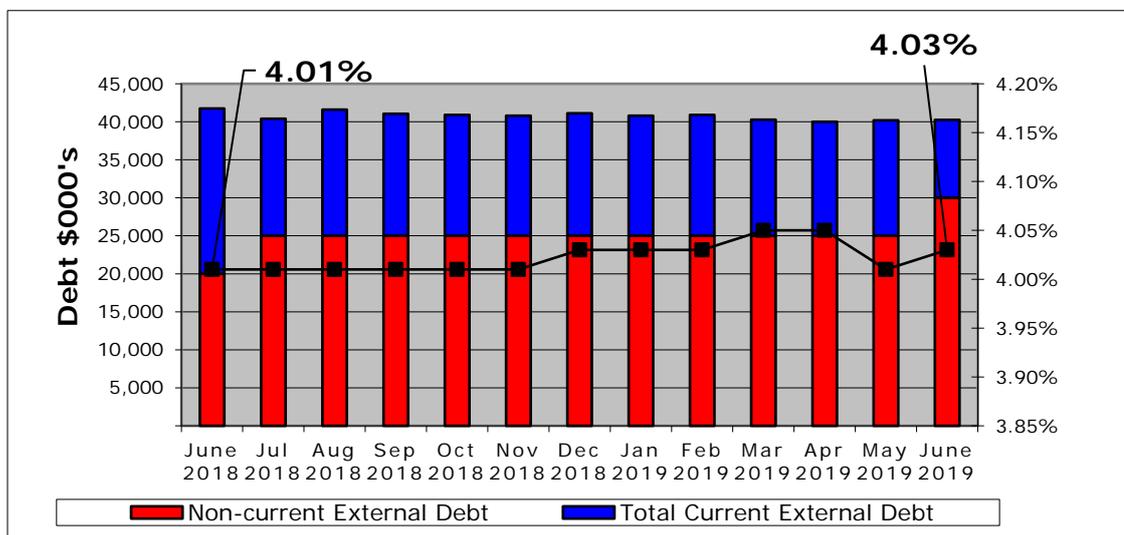
- 6.1 Set out in the following sections is the Treasury Report which provides details on Council's public debt position and debt financing costs.

6.2 CASH POSITION

- 6.3 Council's cash position at 30 June 2019 was \$1,819,000 in funds, at 30 June 2018 it was \$1,762,000. Included in the cash balance was \$470,000 of funds that are subject to restrictions. These include unspent waste minimisation levy funds and retention monies held.

6.4 SUMMARY OF PUBLIC DEBT POSITION

- 6.5 Set out below is a graph recording trends in Council's current and non-current debt for the period ended June 2019. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



6.6 At 30 June 2019 the effective weighted average interest rate (WAIR) for all loans excluding accrued interest and Call Advance facility costs was 4.03%, a small increase from 31 May 2019 when it was 4.01%.

6.7 The reason for the increase in the WAIR was due to a small increase in credit margin (0.43% to 0.595%) for the Floating Rate Note that was refinanced with an increased tenor.

6.8 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

6.9 Forecasted public debt at 30 June 2019 in the LTP 2018-28 was \$47,565,000. Actual public debt at 30 June 2019 was \$40,258,000.

6.10 WHOLESALE ADVANCE FACILITY (Call Advance Facility)

6.11 Council has a Call Advance facility with Westpac with a facility limit of \$10 million, with an expiry date of 1 July 2020.

6.12 The facility has a Line of Credit fee of 0.35% at an annual cost of \$35,000.

6.13 Interest is charged on a daily basis at a rate of 1.00% credit margin plus the Westpac Prime rate (which is similar to the BKBM rate). At 30 June the rate charged was 2.70%.

6.14 The on call rate increased by 0.10%, effective from the 1 February, due to a premium for overnight funding, which is used by the bank to provide the Call Advance Facility.

6.15 The facility is used to finance capital expenditure prior to a loan draw down, (such as a Floating Rate Note or Fixed Rate Bond) or to meet Council's working capital requirements between each of the quarterly rates instalments.

6.16 At 30 June 2019 there was a nil balance on the wholesale call advance facility.

6.17 DETAILS OF LOAN PORTFOLIO

6.18 The following table records the public debt position and the key dates for each loan as at 30 June 2019. The classification of current and non-current loans is based on when repayment is due, with current loans being those that are due for refinancing or repayment within 12 months of the balance sheet date.

At 30 June 2019	Interest Rate Exposure	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Current Loans						
Accrued Interest					257,882	0.000%
Call Advance	Floating		1/07/2020		0	2.700%
LGFA: Commercial Paper	Floating	30/01/2019	30/07/2019	30/07/2019	5,000,000	2.155%
LGFA: Commercial Paper	Floating	22/05/2019	19/11/2019	19/11/2019	5,000,000	1.900%
Total Current Loans					10,257,882	
Non-current Loans						
LGFA: Floating Rate Note	Hedged	18/07/2018	18/04/2022	20/04/2020	5,000,000	4.915%
LGFA: Floating Rate Note	Hedged	19/06/2017	15/11/2021	17/05/2021	6,000,000	5.455%
LGFA: Floating Rate Note	Hedged	19/06/2017	18/04/2024	18/04/2023	3,000,000	4.605%
LGFA: Floating Rate Note	Hedged	19/06/2017	10/09/2020	11/09/2020	5,000,000	4.260%
LGFA: Floating Rate Note (ICL)	Hedged	28/06/2019	30/08/2022	30/08/2019	5,000,000	4.495%
LGFA: Floating Rate Note	Hedged	19/06/2017	24/04/2023	24/01/2024	5,000,000	4.480%
LGFA: Fixed Rate Bond (ICL)	Fixed	19/06/2017	19/04/2025	19/04/2025	1,000,000	3.680%
Total Non-current Loans					30,000,000	
Total Public Debt					40,257,882	4.03%

At 30 June 2019	Interest Rate Exposure	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Cash & Liquid Investments						
Cash Held on Trust for Retention Obligations					470,000	
Call Deposits					1,000,000	
Cash					349,121	
Total Cash & Liquid Investments					1,819,121	
Public Debt Net of Investments					38,438,761	

6.19 Total public debt was \$40,257,882 and cash assets were \$1,819,121 at 30 June 2019 giving a net debt position of **\$38,438,761**.

6.20 The Effective Interest Rate details given in the table above is the total interest applicable to each tranche of debt; it is either the fixed rate on a Bond, or the credit margin and BKBM rate on unhedged Commercial Paper or the credit margin on the FRN plus the fixed rate in the associated interest rate swap contract.

6.21 All of Council's debt is now with the LGFA apart from the Call Advance facility which is with Westpac.

6.22 During the month of June a \$5 million Floating Rate Note that was maturing was refinanced through the issue of a new FRN of the same amount. The issuance was for 3 three years and two months to August 2022 at a margin of 0.595% over BKBM, with the initial interest rate set at 2.255%. The interest rate exposure for this debt is hedged with an interest rate swap until 30 August 2019, then it will become a floating rate debt.

6.23 TREASURY EVENTS SINCE 30 JUNE 2019

6.24 This treasury report portrays the debt position of Council at 30 June 2019.

6.25 Since that date to the date of this report no significant treasury management events have taken place. On 30 July 2019, the CP that matured on that date was be rolled over until 28 January 2020.

6.26 INTEREST COSTS

6.27 The total actual interest paid for the period was \$1,691,000 against the budget of \$2,598,000; **\$907,000** (or 35%) **less** due to a lower debt position and securing better interest rates than forecast in the LTP.

6.28 COMPLYING WITH FINANCIAL COVENANTS

6.29 The following financial parameters are contained in Council's Financial Strategy for the management of its liabilities (as part of the LTP 2018-28). Measurement of these parameters are undertaken as part of the quarterly financial reporting process and interim results for year ended 30 June are detailed in the following table.

Measure	Limit	Interim Actual	Met
Total borrowing costs will not exceed 10% of total revenue	10%	5%	✓
Net interest to total revenue will not exceed 20%	20%	5%	✓
Total borrowings must not exceed 20% of total assets	20%	11%	✓
Net debt to total (cash) revenue will not exceed 170%	170%	114%	✓
Net interest will not exceed 20% of annual rates	20%	8%	✓

6.30 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

- 6.31 Included in the balance sheet are valuation amounts for Derivative Financial Instruments (interest rate swaps). The valuation amount is componentised into current and non-current liabilities held at balance date. At 30 June 2018 the value of the swaps was a total net liability of \$1,737,000 and at 30 June 2019 the value was a total net liability of \$2,522,000. In accordance with the Treasury Policy the interest rate swaps valuation have been recognised in the balance sheet at 30 June 2019 as Derivative financial instruments.
- 6.32 The notional value of swap contracts in place at 30 June was \$29 million providing current interest rate risk cover plus \$10 million notional value with a future start date.

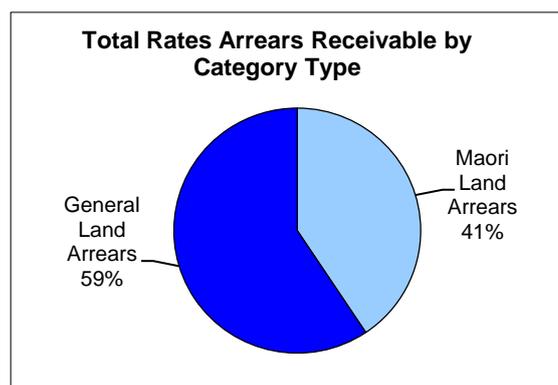
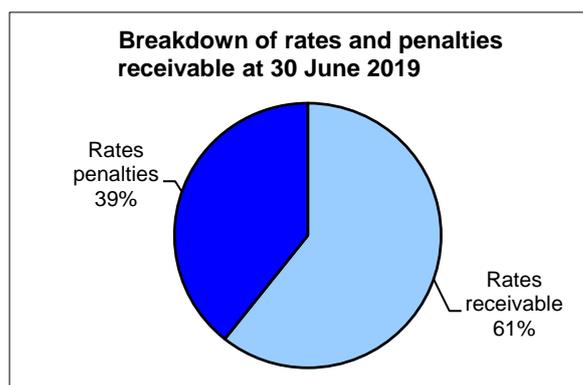
7.1 DEBTORS AND OTHER RECEIVABLES

- 7.2 Set out below is summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 30 June 2019 with comparatives from June 2018. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

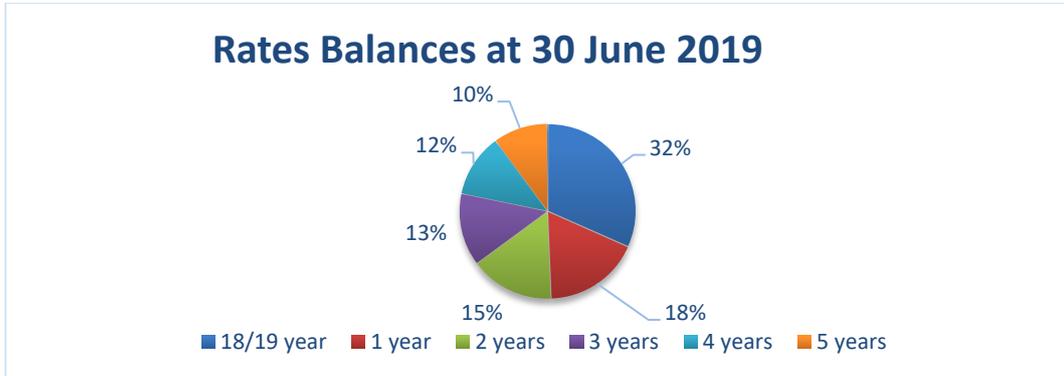
Receivables (Amounts in \$000's)	As at 30.06.18	As at 30.06.19	(Inc)/ Dec \$	(Inc)/ Dec %
Rates Receivable	2,309	2,283	26	1%
Rates Penalties	1,475	1,478	(3)	0%
Rates and Penalties Receivable	3,784	3,761	23	1%
Extraordinary Water Charges	297	310	(13)	-4%
Total Rates receivable	4,081	4,071	10	0%
NZ Transport Agency Subsidy	1,560	1,451	109	7%
Other Receivables	1,555	1,305	250	16%
Other Rates & Other Receivables	3,115	2,757	358	12%
Gross Receivables	7,196	6,828	368	5%
Less Provision for Doubtful Debts	(1,865)	(1,823)	(42)	2%
Total Receivables	5,331	5,004	326	6%

7.1 RATES AND PENALTIES RECEIVABLE (excluding water by meter rates)

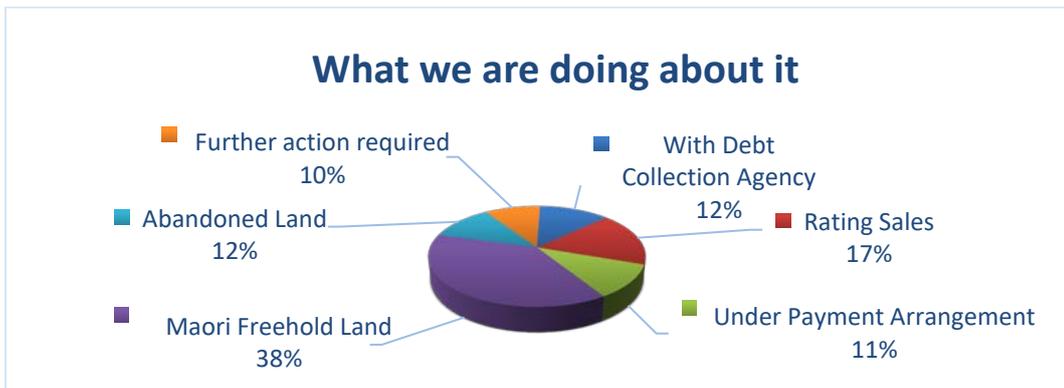
- 7.2 There was \$3.8 million of rates and penalties outstanding at 30 June 2019. This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2.3 million and penalties of \$1.5 million.



- 7.3 Rates and penalties receivable decreased by \$23,000 since June 2018. Of this increase, rates receivable decreased by \$26,000 and rates penalties increased by \$3,000.
- 7.4 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$3.8 million, \$1.2 million (32%) relates to 18/19 year, \$0.7 million (18%) for the 2017/2018 year rates and the balance spread across the remaining years in a diminishing fashion.



- 7.5 The outstanding balance of rates is being actively managed through a variety of collection methods including lump sum payments, approved payment arrangements, demands on mortgage holders, placement of arrears with external debt collection agency and initiating properties for abandoned land and rating sale processes.
- 7.6 For the year ended 30 June 2019, arrears that were outstanding at 30 June 2018 of \$3,786,000 reduced by \$1,217,000 (32%).
- 7.7 The action being taken on outstanding balances is shown in the following graph:



- 7.8 Of the arrears owing at 30 June,
- \$405,000 (11%) are under some form of payment arrangement
 - 22 Properties totaling \$656,000 (17%) have been identified for rating sale. Two properties have been approved by the courts to commence sale of the properties.
 - \$430,000 of arrears relating to 24 properties meet the criteria for abandoned land and are being progressed through the abandoned land process.
 - \$466,000 of arrears relating to 45 properties are currently lodged with external debt collection agency for recovery.

- A further \$370,000 of arrears requires further action. Some of these properties may have cleared their rates subsequent to 30 June. Any remaining properties be sent a final notice requesting payment and will then be transferred to external debt collection agency for recovery.

7.9 On 23 July 2019, five ratepayers were served via a public notice in the Waitomo News, advising that WDC has commenced legal proceedings to recover the rates on their properties. Several interested parties have made contact with DMC however no payments to clear the rates have been forthcoming. One property has been put on the market for sale to clear the rates on sale of the property.

7.10 These ratepayers have until the end of August to file a statement of defence with the court or arrange for payment of the arrears. If neither option is pursued by the ratepayer then WDC will continue with recovery by obtaining judgement from the court.

7.11 Rates and Penalties Remissions for 2018/19

7.12 A total of \$358,000 in rates and penalty remissions were granted against a full year budget of \$295,000.

7.13 The breakdown per remission type is detailed in the following table:

Remission Category	18/19 Actual	18/19 No.	17/18 Actual	17/18 No.
Clubs, Societies and Community Organisations	55,091	29	52,700	28
Maori Freehold Land	146,406	118	126,634	110
Organisations providing care for the Elderly	27,986	2	28,553	2
Penalties	71,258	129	29,478	122
Properties used joint as a single unit	48,341	53	55,934	62
New residential subdivisions	0	0	0	0
Cases of genuine financial hardship	0	0	0	0
Land affected by natural calamity	0	0	n/a	n/a
New businesses	0	0	n/a	n/a
Total remissions under policy	349,082	331	293,299	324
Remissions granted by Council resolution	8,790	2	470	1
Total remissions granted	357,872	333	293,769	325

7.14 Sixteen remission applications were declined during the year – 15 of which are penalty remissions and one under Properties Used Jointly. Most declined penalty remissions were because no direct debit authority was put in place for payment rates moving forward as required by the policy.

7.15 The following clubs, societies and community organisations were granted rates remission during the 2018/19 year.

- The Order of St John Central Region Trust Board (Mokau)
- The Order of St John Central Region Trust Board (Benneydale)

- The Order of St John Central Region Trust Board (Piopio)
- The Order of St John Central Region Trust Board (Te Kuiti)
- Scout Association of New Zealand
- Tainui District Fire Party
- Aria Toy Library
- Senior Net Inc
- Waitomo Caves Museum Society Inc
- Te Kuiti Lyceum Club Inc
- Tainui Historical Society Inc
- Piopio Senior Citizens Club Inc
- Te Kuiti Historical Society
- Awakino Bowling Club Inc
- Waitomo Scuba Club
- Hamilton Tomo Group Inc
- Maniapoto Rugby Sub Union Inc
- Otorohanga Club Inc (Waitomo Golf Club)
- Piopio Bowling Club
- Piopio Golf Club
- Piopio Lawn Tennis Club
- Te Kuiti Bowling Club Inc
- Te Kuiti Indoor Bowling Club Inc
- Te Kuiti Motorcycle Club Inc
- Te Kuiti Pig Hunting Club Inc
- Te Waitere Boating Club Inc
- Waitete Rugby Football Club Inc
- Te Kuiti Trapshooters Club
- Tainui Playgroup

7.16 Other Debtors Receivable

7.17 At 30 June 2019 'Other Receivables' totalled \$2.8 million of which \$37,000 was due and owing for more than three months. The three month and over receivables mainly relates to dog registration and dog infringement charges and some minor sundry debtors.

Suggested Resolution

The business paper on Unaudited Interim Financial Report for the period ended 30 June 2019 be received.



TINA HITCHEN

GENERAL MANAGER – BUSINESS SUPPORT (ACTING)

5 August 2019

Attachments:

1. Bancorp Treasury Services Limited: Treasury Report for Waitomo District Council for the quarter ended 30 June 2019 A438579

Appendix 1: Cost of Service Statements

The reasons for variance have been set out in sections 4.4 and 4.5 in the main body of the report and further details are also contained in the COSS for each activity that follows.

Summary Cost of Service (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Operating Expenditure					
- Leadership	986	510	441	(69)	
- Community Service	2,019	2,390	2,872	482	
- Community Development	838	1,973	889	(1,084)	
- Compliance	216	238	200	(38)	
- Solid Waste Management	999	1,318	1,454	136	
- Stormwater Drainage	305	159	98	(61)	
- Resource Management	89	321	258	(63)	
- Sewerage	1,699	1,761	1,510	(251)	
- Water Supply	2,146	1,571	1,569	(2)	
- Roads and Footpaths	6,474	6,279	6,417	138	
Total Direct Operating Expenditure	15,771	16,520	15,708	(812)	-5%
Indirect Expenditure					
- Allocated Costs	4,115	4,897	5,210	311	
- Interest	1,764	2,598	1,691	(907)	
- Depreciation	5,812	5,905	5,868	(36)	
Total Indirect Expenditure	11,691	13,400	12,769	(632)	-5%
TOTAL EXPENDITURE	27,462	29,920	28,477	(1,444)	-5%
Operating Revenue					
- Leadership	(80)	(100)	(268)	(168)	
- Community Service	(600)	(688)	(969)	(281)	
- Community Development	(155)	(44)	(47)	(3)	
- Compliance	(513)	(453)	(512)	(59)	
- Stormwater Drainage	(12)	0	(8)	(8)	
- Resource Management	(172)	(85)	(203)	(118)	
- Solid Waste Management	(1,386)	(1,120)	(1,462)	(342)	
- Sewerage	(1,140)	(860)	(863)	(3)	
- Water Supply	(19)	0	(18)	(18)	
- Roads and Footpaths	(7,872)	(9,334)	(8,679)	657	
Total Operating Revenue	(11,949)	(12,684)	(13,029)	(343)	3%
Rates Revenue					
- General Rate	(3,665)	(4,046)	(4,082)	(36)	
- UAGC	(3,279)	(3,355)	(3,367)	(12)	
- Targeted Rate	(11,604)	(11,905)	(11,985)	(81)	
- Rates Penalties	(426)	(420)	(466)	(46)	
- Metered Water Rates	(753)	(750)	(860)	(110)	
Total Rates Revenue	(19,727)	(20,476)	(20,760)	(285)	1%
TOTAL REVENUE	(31,676)	(33,160)	(33,789)	(628)	2%
Net Operating Cost/(Surplus)	(4,214)	(3,240)	(5,312)	(2,072)	64%

The actuals for 2017/18 excludes rates on Council properties from both revenue and expenditure.

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Representation	325	297	290	(7)	
- Planning & Policy & Monitoring	449	106	77	(29)	
- District and Urban Development	178	0	0	0	
- Investments	101	96	63	(33)	
- Treasury Management and Overhead Accounts	(67)	11	11	0	
Total Direct Expenditure	986	510	441	(69)	-14%
- Allocated Costs	1,274	952	1,107	156	
- Interest	264	331	200	(131)	
- Depreciation	468	489	488	0	
Total Operating Expenditure	2,992	2,282	2,236	(44)	-2%
Operating Revenue					
- Representation	(12)	(11)	(14)	(3)	
- Investments	(52)	(77)	(182)	(105)	
- Treasury Management and Overhead Accounts	(16)	(12)	(72)	(60)	
Total Operating Revenue	(80)	(100)	(268)	(168)	168%
Net Operating Cost/(Surplus)	2,912	2,182	1,968	(212)	-10%

The budget for Representation operating revenue excludes rates penalties revenue which is disclosed as part of rates revenue in the Combined Cost of Service Statement on the previous page.

Net Operating Cost for the Governance Activity was 10% (\$212,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 14% (\$69,000) less than budget for the period.

- Within Planning, Policy and Monitoring activity direct expenditure budgets for policy development and communication and consultation were not fully spent.
- Direct expenditure for the Investments activity is less than budget as expenditure for quarry assessments was not spent. This was offset partly by an increase in expenditure for LASS for Regional initiatives.

Operating Revenue was 168% (\$168,000) more than budget for the period.

- Revenue from the investment activity was more than budget due to receipt of Quarry Royalties Revenue. This was partly offset as no interest was received from ICL advance. This Debt was repaid in full in July 2018.
- The additional revenue recognised in Treasury Management and Overhead Accounts is due to depreciation recovered from the sale of Motor Vehicles. This is when the sale proceeds of a motor vehicle sold is more than its depreciated value.

Community Service

COMMUNITY SERVICE (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Parks and Reserves	402	551	980	429	
- Housing and Other Property	386	435	433	(2)	
- Recreation and Culture	472	537	551	14	
- Public Amenities	686	757	826	69	
- Safety	73	110	82	(28)	
Total Direct Expenditure	2,019	2,390	2,872	482	20%
- Allocated Costs	517	930	993	62	
- Interest	118	179	121	(58)	
- Depreciation	860	859	862	3	
Total Operating Expenditure	3,514	4,358	4,848	489	11%
Operating Revenue					
- Parks and Reserves	(25)	(27)	(60)	(33)	
- Housing and Other Property	(378)	(303)	(636)	(333)	
- Recreation and Culture	(143)	(144)	(125)	19	
- Public Amenities	(54)	(214)	(148)	66	
Total Operating Revenue	(600)	(688)	(969)	(281)	41%
Net Operating Cost/(Surplus)	2,914	3,670	3,879	208	6%

Net Operating Cost was 6% (\$208,000) more than budget for the period ended 30 June 2019.

Direct Expenditure was 20% (\$482,000) more than budget for the period.

- The expenditure for Parks and Reserves is more than budgeted for the year due to the loss on disposal of \$529,000 for the Mangaokewa Reserve which was transferred to the Department of Conservation. This additional expenditure was partly offset by reduced maintenance, including track maintenance.
- Within the Recreation and Culture activity there were increased expenditures incurred for repair and maintenance for the Aquatic Centre and preliminary planning costs for the Te Kuiti aerodrome health and safety improvements.
- Additional costs were incurred, within the Public Amenities activity, for the provision of temporary toilets at Mokau which is funded by Tourism Infrastructure Funding (TIF).
- Expenditure for the Safety activity was not fully spent for the year.

Operating Revenue was 41% (\$281,000) more than budget for the period.

- Revenue of \$38,000 was received from the logging of 0.5 ha in Brook Park. Of this revenue \$8,000 was paid to the Brook Park Committee for their part in creating access for the logging company.
- In Housing and Other Property, grant revenue of \$207,000 was received from NZMCA and MBIE for Te Kuiti Holiday Park and dump station construction.
- Council's investment properties, including Riverview Heights sections and two Piopio properties were revalued as required annually, with a gain on valuation of \$106,000 included as revenue.

- Recreation and Culture revenue was less than budget for both the Aquatic Centre and hireage of the Les Munro Centre.
- Included in the Public Amenities activity, revenue for cemetery fees was more than budget for the period. Grant revenue from TIF was recognised for the provision of temporary toilets in Mokau. The budgets included TIF funding for the construction of the Mokau toilets however this will now be received in the 19/20 year.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Community Support	505	1,644	669	(975)	
- District Development	333	329	220	(109)	
Total Direct Expenditure	838	1,973	889	(1,084)	-55%
- Allocated Costs	594	748	659	(89)	
- Interest	0	2	0	(2)	
- Depreciation	10	17	10	(7)	
Total Expenditure	1,442	2,740	1,558	(1,182)	-43%
Operating Revenue					
- Community Support	0	(2)	(2)	0	
- District Development	(155)	(42)	(45)	(3)	
Total Operating Revenue	(155)	(44)	(47)	(3)	7%
Net Operating Cost/(Surplus)	1,287	2,696	1,511	(1,185)	-44%

Net Operating Cost for the Community Development Activity was 44% (\$1,185,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 55% (\$1,084,000) less than budget for the period as no grant expenditure has been recognised for the NKC Stadium and district development budgets were not fully spent for the year. This was partly offset by additional rates remission expenditure.

Operating Revenue was 7% (\$3,000) more than budget for the period.

Compliance

Compliance (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Compliance	216	238	200	(38)	
Total Direct Expenditure	216	238	200	(38)	-16%
- Allocated Costs	724	770	762	(8)	
- Interest	1	1	0	(1)	
- Depreciation	5	5	6	1	
Total Expenditure	946	1,014	968	(46)	-5%
Operating Revenue					
- Compliance	(513)	(453)	(512)	(59)	
Total Operating Revenue	(513)	(453)	(512)	(59)	13%
Net Operating Cost/(Surplus)	433	561	456	(105)	-19%

Net Operating Surplus for the Compliance Activity was 19% (\$105,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 16% (\$38,000) less than budget for the period.

- Expenditures for contractors' costs for animal control, earthquake prone building work (EPB), compliance schedule project and environmental health were less than budget.
- Expenditure for the District Licencing Committee was more than budget.

Operating Revenue was 13% (\$59,000) more than budget for the period.

- Building Control revenue was more than budget for the period. Building consent revenue received for the period to 30 June 2019 was \$217,000 from 182 processed consents (with a total value of \$13,829,660), compared to \$215,000 from 171 processed consents for the same period last year (with a total value \$19,920,422). Compliance Schedule revenue was also more than budget for the period.
- Health Act licence revenue was less than budget for the period. This is due to amendments to the Food Act, which have resulted in some premises being registered under the national programme (no longer inspected by WDC), and changes in the frequency of inspections.
- Dog registration, infringement and impounding fees revenue was slightly more than budget for the period.
- There has been a reduction in state highway revenue for stock control, as WDC no longer provides this service for the New Zealand Transport Agency.
- The grant contribution for menacing dogs from the Central Government has been carried over to current year. These funds are specific for the neutering of the menacing of dogs campaign. Any unspent funds will be carried over to the next financial year.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- District Plan Administration	89	71	61	(10)	
- District Planning	0	250	197	(53)	
Total Direct Expenditure	89	321	258	(63)	-20%
- Allocated Costs	183	610	621	10	
- Interest	0	27	16	(11)	
Total Expenditure	272	958	895	(64)	-7%
Operating Revenue					
- District Plan Administration	(172)	(85)	(139)	(54)	
- District Planning	0	0	(64)	(64)	
Total Operating Revenue	(172)	(85)	(203)	(118)	139%
Net Operating Cost/(Surplus)	100	873	692	(182)	-21%

Net Operating Cost for the Resource Management Activity was 21% (\$182,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 20% (\$63,000) less than budget for the period.

- This is mainly due to reduced expenditure in all legal expenses (both district plan administration and district plan development) and advertising.
- Expenditures incurred for the period includes a range of key consultant work-streams related to District Plan Review (i.e. coastal hazards, landscapes, flood modelling, land stability modelling, significant natural areas, archaeology and ecology). Additional expenditure will be incurred on an on-going basis in relation to the District Plan Review project.

Operating Revenue was 139% (\$118,000) more than budget for the period.

- District Plan Administration revenue is more than budget due to an increase in resource consent revenue. The reason for increase in resource consent revenue is due to the complexity and number of applications being processed and cost recovery of actual processing costs from applicants.
- Land Information Memorandum (LIM) revenue was less than budget for the period. 133 LIM applications were received in this period, compared to 161 in 2017/18.
- District Planning revenue is \$64,000 more than budget due to a funding contribution from Waikato Regional Council (WRC) to WDC's Significant Natural Area (SNA) workstream, flood hazard modelling report and land stability modelling report. This will be used to fund the District Plan Review consultant fees for these workstreams.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Collection	302	289	272	(17)	
- Landfill Management	697	1,029	1,182	153	
Total Direct Expenditure	999	1,318	1,454	136	10%
- Allocated Costs	395	389	436	47	
- Interest	183	255	160	(95)	
- Depreciation	86	91	67	(24)	
Total Expenditure	1,663	2,053	2,117	64	3%
Operating Revenue					
- Collection	(132)	(137)	(136)	1	
- Landfill Management	(1,254)	(983)	(1,326)	(343)	
Total Operating Revenue	(1,386)	(1,120)	(1,462)	(342)	31%
Net Operating Cost/(Surplus)	277	933	655	(278)	-30%

Net Operating Cost for the Solid Waste Management Activity was 30% (\$278,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 10% (\$136,000) more than budget for the period.

- Landfill management costs are more than budget for operations costs due to greater volumes of refuse being received. Transfer station costs were also higher over the summer period for collection of recycling from the transfer stations.
- Expenditure for waste minimisation initiatives, which are included within Landfill Management activity, were more than budget for the year. This expenditure included a minimisation audit for kerbside collections and e-waste collections. These costs are funded the waste minimisation levy revenue received from the Ministry for the Environment.

Operating Revenue was 31% (\$342,000) more than budget for the period.

- Revenue received at the landfill was more than budget due to increase in general refuse charges, special waste and green waste. This appears to be general trend that usage of the facility has increased.
- A substantial amount was also collected for general waste that was brought in from Hampton Downs Landfill when EnviroWaste experienced a fire in the landfill and had to defer their waste.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Te Kuiti Stormwater	286	134	80	(54)	
- Rural Stormwater	19	25	18	(7)	
Total Direct Expenditure	305	159	98	(61)	-38%
- Allocated Costs	25	50	68	18	
- Interest	3	4	2	(2)	
- Depreciation	181	180	190	10	
Total Expenditure	514	393	358	(35)	-9%
Operating Revenue					
- Te Kuiti Stormwater	(12)	0	(7)	(7)	
- Rural Stormwater	0	0	(1)	(1)	
Total Operating Revenue	(12)	0	(8)	(8)	0%
Net Operating Cost/(Surplus)	502	393	350	(43)	-11%

Net Operating Cost for the Stormwater Drainage Activity was 11% (\$43,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was 38% (\$61,000) less than budget for the period.

- Expenditures for resource consent compliance and internal WSBU charges were less than budget.

Operating Revenue was \$8,000 more than budget for the period for connection fees.

Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Waitomo Village	6	5	0	(5)	
- Te Kuiti	1,415	1,460	1,341	(119)	
- Te Waitere	17	41	14	(27)	
- Benneydale	140	108	53	(55)	
- Piopio	121	147	102	(45)	
Total Direct Expenditure	1,699	1,761	1,510	(251)	-14%
- Allocated Costs	196	211	272	60	
- Interest	343	478	329	(149)	
- Depreciation	770	778	812	34	
Total Expenditure	3,008	3,228	2,923	(306)	-9%
Operating Revenue					
- Te Kuiti	(1,123)	(850)	(835)	15	
- Te Waitere	(2)	0	0	0	
- Benneydale	(3)	(1)	(1)	0	
- Piopio	(12)	(9)	(27)	(18)	
Total Operating Revenue	(1,140)	(860)	(863)	(3)	0%
Net Operating Cost/(Surplus)	1,868	2,368	2,060	(309)	-13%

Net Operating Cost for the Sewerage Activity was 13% (\$309,000) below budget for the period ended 30 June 2019.

Direct Expenditure was 14% (\$251,000) less than budget for the period.

- Expenditure for power, sampling costs, plant maintenance and chemicals for Te Kuiti were less than budget. This was partly offset by increased internal WSBU costs.
- Internal WSBU costs were less than budget for Benneydale, Te Waitere and Piopio schemes.

Operating Revenue was \$3,000 more than budget for the period.

- Connection fees revenue were received for Te Kuiti and Piopio.
- Trade waste revenue for Te Kuiti was less than forecast due to existing process in place for better pre-treatment of trade waste to reduce nutrient loads in their discharge.
- Insurance proceeds of \$14,000 was received for the accidental damage to a floating electrical cable supplying power to the sludge dredge at the oxidation ponds at the Te Kuiti Waste Water Treatment plant.

Water Supply

WATER SUPPLY (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Te Kuiti	1,546	986	1,090	104	
- Mokau	284	204	178	(26)	
- Piopio	210	259	205	(54)	
- Benneydale	88	117	96	(21)	
- Waitomo Village	18	5	0	(5)	
Total Direct Expenditure	2,146	1,571	1,569	(2)	0%
- Allocated Costs	207	221	278	57	
- Interest	276	533	314	(219)	
- Depreciation	560	638	501	(137)	
Total Expenditure	3,189	2,963	2,662	(301)	-10%
Operating Revenue					
- Te Kuiti	(7)	0	(9)	(9)	
- Mokau	(4)	0	(4)	(4)	
- Piopio	0	0	(3)	(3)	
- Benneydale	(2)	0	(2)	(2)	
Total Operating Revenue	(13)	0	(18)	(18)	
Subsidy Revenue					
- Mokau	(6)	0	0	0	
Total Subsidy Revenue	(6)	0	0	0	
Total Revenue	(19)	0	(18)	(18)	
Net Operating Cost/(Surplus)	3,170	2,963	2,644	(319)	-11%

Net Operating Cost for the Water Supply Activity was 11% (\$319,000) less than budget for the period ended 30 June 2019.

Direct Expenditure was \$2,000 less than budget for the period.

- Expenditure for internal WSU charges and reticulation maintenance costs were more than budget. These were partly offset by reduced chemicals and electricity costs for Te Kuiti.
- Expenditure for internal WSBU and overall operational expenditure was less for Piopio Mokau and Benneydale.

Operating Revenue was \$18,000 more than budget for the period for new water connections and sundry water charges.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2017/18	LTP Budget 2018/19	Interim Unaudited Actual Jun 2019	Variance Jun 2019	% Variance
Direct Expenditure					
- Subsidised Roads	6,356	6,152	6,320	168	
- Unsubsidised Roads	118	127	97	(30)	
Total Direct Expenditure	6,474	6,279	6,417	138	2%
- Allocated Costs	0	16	14	(2)	
- Interest	576	788	549	(239)	
- Depreciation	2,872	2,848	2,932	84	
Total Expenditure	9,922	9,931	9,912	(19)	0%
Operating Revenue					
- Subsidised Roads	(7,772)	(9,237)	(8,575)	664	
- Unsubsidised Roads	(100)	(97)	(104)	(7)	
Total Operating Revenue	(7,872)	(9,334)	(8,679)	657	-7%
Net Operating Cost/(Surplus)	2,050	597	1,233	638	107%
Subsidised Roads Maintenance (Excl losses on asset disposals)	6,281	6,152	6,285	168	
Subsidised Roads Capital	5,509	6,293	5,247	(1,046)	
Combined Maintenance and Capital	11,790	12,445	11,532	(878)	-7%
Subsidy Revenue for Subsidised Roads	(7,619)	(9,101)	(8,424)	677	-7%

Net Operating Cost for the Roads and Footpaths Activity was 107% (\$638,000) more than budget for the period ended 30 June 2019.

Direct Expenditure was 2% (\$138,000) more than budget for the period.

- Emergency Re-instatement (first response). Expenditures for this reporting period of \$510,000 were incurred for minor emergency events related repairs due to weather related damages on the network against a budget of \$370,000.
- Sealed pavement maintenance, environmental maintenance, network and asset maintenance and professional services expenditures were more than budget for the period.
- Expenditure totalling \$63,000 were incurred for the preliminary planning for the Te Kuiti Railway Overbridge project.
- Unsubsidised roads expenditure was less than budget for street cleaning and road legalisation.

Operating Revenue was 7% (\$659,000) less than budget for the period.

- Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 73%. As capital expenditure was less than budget, the subsidy associated with this is also less than budget. Subsidy revenue also received for LED street lights upgrade at 85%, which was not budgeted for.

Appendix 2: Interim Unaudited Balance Sheet as at 30 June 2019

STATEMENT OF FINANCIAL POSITION (Amounts in \$000's)	Actual 30 Jun 2018	Interim Unaudited Actual Position 30 Jun 2019	Movement from 30 Jun 2018	LTP 30 Jun 2019	Variance from LTP
Equity					
- Accumulated Funds	210,881	216,794	5,913	215,202	(1,592)
- Other Reserves	25,225	24,498	(727)	15,006	(9,492)
- Revaluation Reserve	77,553	77,371	(182)	74,535	(2,836)
TOTAL EQUITY	313,659	318,663	5,004	304,743	(13,920)
Current Assets					
- Cash and Cash Equivalents	1,762	1,819	57	298	(1,521)
- Inventory	84	99	15	49	(50)
- Assets Held for Sale	0	100	100	0	(100)
- Other Financial Assets	378	3	(375)	3	0
- Receivables (Non-exchange)	4,800	4,473	(327)	5,966	1,493
- Receivables (Exchange)	531	531	0	395	(136)
Total Current Assets	7,555	7,026	(529)	6,711	(315)
Current Liabilities					
- Payables and Deferred Revenue (Exchange)	3,718	2,796	(922)	4,109	1,313
- Payables and Deferred Revenue (Non-exchange)	878	878	0	526	(352)
- Current Portion of Borrowings	21,737	10,258	(11,479)	15,000	4,742
- Provisions	3	3	0	26	23
- Employee Entitlements	616	622	6	549	(73)
- Derivative Financial Instruments	605	677	72	608	(69)
Total Current Liabilities	27,557	15,234	(12,323)	20,818	5,584
NET WORKING CAPITAL	(20,002)	(8,208)	11,794	(14,107)	(5,899)
Non Current Assets					
- Property Plant and Equipment	342,203	346,044	3,841	347,181	1,137
- Intangible Assets	314	210	(104)	525	315
- Investment Property	788	894	106	750	(144)
- Other Financial Assets	418	498	80	407	(91)
- Investment in CCO & Civic Financial Services Ltd	11,820	11,820	0	4,520	(7,300)
Total Non Current Assets	355,543	359,466	3,923	353,383	(6,083)
Non Current Liabilities					
- Borrowings	20,000	30,000	10,000	32,565	2,565
- Provisions	750	750	0	940	190
- Derivative Financial Instruments	1,132	1,845	713	1,028	(817)
Total Non Current Liabilities	21,882	32,595	10,713	34,533	1,938
NET ASSETS	313,659	318,663	5,004	304,743	(13,920)

Document No: A439913

Report To: Audit and Risk Committee



Meeting Date: 13 August 2019

Subject: Waitomo Sister City Committee – Review of the Waitomo Sister City Relationship Delivery

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee with respect to delays in implementing the change of service delivery for the Waitomo Sister City Relationship.

Background

- 2.1 On 22 March 1994 the Council established a Waitomo Sister City Committee (WSCC). At that time, the WSCC comprised of the Mayor, the Chief Executive, Customer Services Executive and such members of the public as may from time to time be agreed.
- 2.2 At the same Council meeting a Terms of Reference for the WSCC was adopted as follows:

Terms of Reference (Approved by Council 22.3.94 Min No. 99/94)

- To develop and maintain a meaningful and beneficial sister city relationship with Tatsuno in Japan.
- To prepare a sister city agreement outlining the respective responsibilities and obligations of the Waitomo District Council and the Tatsuno Town Council for consideration.
- To prepare an annual budget setting out the desired initiatives and expenditures for the consideration of the Waitomo District Council.
- To identify key sectors in the Sister City relationship and develop interest in contact and exchanges between Waitomo and Tatsuno.
- To liaise actively with community groups and organisations, providing encouragement to develop a rapport with a similar organisation or group of people in Tatsuno.
- To prepare the details of desired points of contact or exchanges with Tatsuno and the existing potential it has to provide an enriched cultural experience for the residents of Waitomo District.

- 2.3 A Sister City relationship was formed on 30 March 1995 with the signing of a formal Agreement by Waitomo District Council (WDC) and the Tatsuno Township on behalf of their communities. The Agreement was later signed in Tatsuno on the 26 April 1995. This Agreement outlines key factors such as the promotion of friendship and goodwill along with the endeavour to encourage an understanding and awareness of the separate cultures and the exchange of ideas and people between the communities.
- 2.4 The relationship with the Tatsuno International Association has been led by the WSCC on which both WDC staff and Elected Members of different appointments have historically sat.
- 2.5 There have been varied levels of membership and association to external supporting groups over the years as a means to enhance the Sister City relationship.
- 2.6 In 2017 guideline documents were developed to support the Waitomo Sister City Committee, WDC and Host Schools involved in the maintenance and enhancement of the Sister City relationship with Tatsuno Township.
- 2.7 The documents were reviewed and considered by the Committee and subsequently the Waitomo Sister City Guidelines and the Committee Terms of Reference were adopted by Council at its 31 October 2017 meeting.
- 2.8 Waitomo Sister City Committee – Request to Review Delivery Model**
- 2.9 At its meeting of 31 July 2018, Council considered a business paper presenting a written request from the Chairperson of the WSCC for Council to consider a review of the Waitomo Sister City Relationship delivery model.
- 2.10 The WSCC proposed the establishment of a stand-alone entity and suggested an Incorporated Society, or similar appropriate entity.
- 2.11 The written request noted WDC continuing to play an important role as a funder and member on the Committee.
- 2.12 Consideration to re-purpose the Sister City annual budget to that of an annual grant was also proposed. It was noted the WSCC would endeavour to source additional funds from third parties and that the annual WDC grant could be carried-over to subsequent years if unspent.
- 2.13 The intent of the WSCC is to be in a position where it can offer students in the District the experience of a cultural exchange on a more regular basis.
- 2.14 The WSCC considered the concept of a stand-alone entity with the ability to support enhanced cultural exchange experiences through annual grants and funding opportunities would help considerably with achieving the WSCC's goals.

Commentary

- 3.1 Following the request from the WSCC to establish the Sister City Committee as an independent entity, Council agreed to include a project in the 2018-2028 Road Map Work Programme to investigate future delivery options.

3.2 A review was subsequently undertaken with three options identified, as follows:

- **Option 1:** Business as Usual – do nothing.
- **Option 2:** Form an Incorporated Society (**Society**) (incorporated under the Incorporated Societies Act 1908).
- **Option 3:** Register as a Charitable Trust (**Trust**) (incorporated under the Charitable Trusts Act 1957).

3.3 At its meeting of 27 November 2018 Council considered a business paper on the review of the WSCC relationship delivery and resolved:

Council support the disestablishment of the Waitomo Sister City Committee upon the successful establishment of a Sister City Incorporated Society.

Council approve the re-purposing of the Sister City annual budget to a Triennial Grant for the period 1 July 2018 – 30 June 2021 upon the successful establishment of a Sister City Incorporated Society.

3.4 The WSCC were advised of the proposal for the establishment of a Sister City Incorporated Society and the re-purposing of the Sister City annual budget to that of a Triennial Grant.

3.5 The WSCC advised they would proceed with arrangements to formalise an Incorporated Society.

3.6 The intent, as resolved by Council at the 27 November 2018 meeting, was to re-purpose the Sister City annual budget to that of a Triennial Grant for the period 1 July 2018 – 30 June 2021.

3.7 Due to the delay in an Incorporated Society being formed, the re-purposing of the 2018/2019 Sister City budget to a Triennial Grant did not occur.

3.8 Expenditure relating to Sister City activities for 2018/2019 was allocated by WDC as usual through the WDC's Sister City 2018/2019 annual budget as follows:

\$ 71.30	Gift for retiring Committee member
\$ 300.00	Sister City NZ annual membership
\$2,180.47	Visiting Tatsuno Delegation
\$3,835.36	Delegation to Tatsuno

Note: The 2018/2019 budget of \$6,000.00 was overspent by \$387.13.

3.9 The new Waitomo Sister City Incorporated Society (the Society) was incorporated under the Incorporated Societies Act 1908 on 17 July 2019.

3.10 WDC is still awaiting formal notification of the incorporation of the Society together with a Triennial Grant Application (relating to Years 2 and 3 of the current triennium).

- 3.11 Upon receipt of formal notification and a Triennial Grant Application from the Society, a business paper will be prepared for consideration by the Council recommending formalisation of the new delivery arrangement and approval of a Triennial Grant for Years 2 (2019/20) and 3 (2020/21) of the current Long Term Plan cycle.
- 3.12 Due to the delay in the forming of the Society, the Triennial Grant Application will fall outside WDC's Triennial Grant criteria of aligning with WDC's Long Term Plan cycle.
- 3.13 However, this Application will be an outlier in that it is not granting new expenditure, but re-purposing funds already budgeted for by WDC for the Sister City relationship and therefore will not set any precedent for accepting Triennial Grant applications out of cycle.

Suggested Resolution

1. The business paper on Waitomo Sister City Committee Incorporation be received.
2. The Audit and Risk Committee note the delay in the establishment of the Waitomo Sister City Incorporated Society.



HELEN BEEVER
GROUP MANAGER – COMMUNITY SERVICES

August 2019

Document No: A439940

Report To: Audit and Risk Committee



Meeting Date: 13 August 2019

Subject: **Progress Report: Civil Defence and Emergency Management**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on current activities within the Civil Defence and Emergency Management (CDEM) portfolio.

Background

- 2.1 Waitomo District Council (WDC) provides Civil Defence and Emergency Management functions for the District as required by the Civil Defence and Emergency Management Act 2002 ("the Act").
- 2.2 WDC's emergency management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by WDC to provide a shared service arrangement for Waipa District Council, Otorohanga District Council and Waitomo District Council; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

Commentary

- 3.1 For the period April 2019 to June 2019, the following CDEM activities have been undertaken in the Waitomo District under the four "Rs" (Reduction, Readiness, Response, and Recovery).
- 3.2 **Reduction**
- 3.3 Hazard workshops led by the Waikato Regional Council and the Group Emergency Management Office are being held across the Region. The Waitomo District workshop is scheduled for 14 August 2019. A cross-section of staff will attend along with Emergency Services. Local hazards together with resilience and reduction strategies will be the focus. The Regional Council will also introduce its new Hazards Portal and will outline access, functionality and content during the workshop.
- 3.4 **Readiness**
- 3.5 In April 2019 a CDEM exercise was held at WDC. The exercise involved establishment of the Emergency Operating Centre (EOC) and response to a severe weather event / flooding. Planning is underway to complete a CDEM exercise at WDC in December 2019.

3.6 **Response**

3.7 MCDEM national alerts were received following significant earthquakes in the Solomon Islands and Papua New Guinea during the month of May and the Kermadec Islands in June which required initial 'monitoring only' response for potential tsunami for coastal towns within Waitomo. These were downgraded within a short timeframe.

3.8 A severe weather 'watch' on 4 June 2019 for heavy rain for Western Waikato was elevated to a severe weather 'warning' by the Met Service which prompted a monitoring stage by Local Controllers and the CDEM Operations Manager. High level river alerts were received for the Awakino River, however water levels receded within hours, together with improved weather conditions over the following 48 hours.

3.9 **Recovery**

3.10 Recovery is one of the 4 'R's (reduction, readiness, response, recovery). Planning for recovery helps ensure measures are in place to minimise the consequences of emergencies on communities.

3.11 The Civil Defence Emergency Management Act 2002 places a duty on Local Authorities to plan and provide for CDEM within their districts or regions (section 64); and this includes recovery.

3.12 A Draft Recovery Plan is currently under development.

3.13 The Draft Recovery Plan:

- Outlines the importance of recovery;
- Confirms arrangements for recovery, including the framework and principles;
- Confirms all actions required during readiness, response, recovery activation and transition from recovery, along with the structures and processes used to facilitate recovery;
- defines the roles and responsibilities of agencies involved in recovery and to plan to best support agencies to support recovery; and
- Sets expectations of key stakeholders.

3.14 **General**

3.15 **Training**

3.16 Foundation Training has been delivered for new staff. Two staff attended a two day Intermediate Emergency Operations Centre training session during this period.

3.17 For the year ending 30 June 2019, 39 WDC staff have received Civil Defence Emergency Management training.

3.18 **Welfare**

3.19 The joint Waitomo/Otorohanga Welfare Committees have held meetings during this period.

3.20 **Regional CDEM Monitoring and Evaluation Assessments**

3.21 As part of reviewing the Waikato Civil Defence Emergency Management Group Plan all TLA's within the Waikato Region have been audited by the Ministry of Civil Defence and Emergency Management to evaluate levels of capability. This process involved interviews with a broad range of key staff who have involvement with emergency management, along with reviewing documentation, processes and facilities.

3.22 Waitomo District Council's evaluation took place on 1 August 2019.

Suggested Resolution

The Progress Report: Civil Defence and Emergency Management (CDEM) be received.



HELEN BEEVER
GROUP MANAGER – COMMUNITY SERVICES

August 2019

Document No: A439793	
Report To: Audit and Risk Committee	
 <p>Waitomo District Council</p>	Meeting Date: 13 August 2019
	Subject: Progress Report: WDC Resource Consents – Compliance Monitoring
	Type: Information Only

1.0 Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on compliance reporting against Resource Consent conditions.

2.0 Local Government Act S.11A Considerations

- 2.1 Section 11A of the LGA reads as follows:

11A Core services to be considered in performing role

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

- (a) *network infrastructure;*
- (b) *public transport services;*
- (c) *solid waste collection and disposal;*
- (d) *the avoidance or mitigation of natural hazards;*
- (e) *libraries, museums, reserves, and other recreational facilities and community amenities.*

- 2.2 Compliance and monitoring against Resource Consent conditions is consistent with Section 11A of the Local Government Act 2002.

3.0 Risk Considerations

- 3.1 This is a progress report only, and as such no risks have been identified in regards to the information contained in this business paper.

4.0 Commentary

- 4.1 WDC is required to report on resource consent compliance to Waikato Regional Council (WRC) in accordance with the conditions that regulate the various resource consents held by WDC.
- 4.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents.

RESOURCE CONSENT	REPORT DUE
Monthly	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 to 19 (Discharge) Condition 30 (Reasonable Mixing)	Monthly
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly
Quarterly	
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 11 TEKLR 20	February, May, August, November
No. 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 7 and 14 (SW2) TEKLR 32	February, May, August, November
Six Monthly	
No. 133317 - Te Kuiti Water Treatment Plant Condition 11 (Water Take)	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Condition 16 to 23	January/July
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	February and August <i>(also include in Annual Report 30th September)</i>
No. 117945 - Benneydale Water Treatment Plant (Backwash)	April/October
No. 124718 - Te Kuiti Landfill (William Street) Condition 6 and 14 DH2/3/4/7 (Oct to March, April to Nov)	April/October
No. 107477 - Piopio Water Treatment Plant Conditions 6 and 9 (Water Take) (Nov-April, May-Oct)	May/November
No. 107478 - Piopio Water Treatment Plant (Backwash) (Nov-April, May-Oct)	May/November
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 10 TEKLR10 (*)	May/October

RESOURCE CONSENT	REPORT DUE
Annually	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26 (Discharge to Land and Water)	31st March
No. 124718 - William Street, Te Kuiti Conditions 7 & 14 (SW1,SW2, SW3, SW4, SW5)	April or May
No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10	Monitoring Ceased by mutual agreement with WRC (11/2017)
No. 113038 - Te Kuiti Water Treatment Plant Conditions 1 & 2 (Ground Water Take)	1st of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31st May
No. 105054 - Te Kuiti Stormwater Condition 6	31st May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1st of June
No. 113544 - Mokau Water Treatment Plant (Water Take)	July
No. 113545 - Mokau Water Treatment Plant (Backwash)	July
No. 101753, 101754 and 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition Schedule 1(5) and 13	1st August
No. 101753, 101754 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents Schedule 1 (6) Independent Peer Reviewer	1st September
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30th
No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill Discharge to Land, Air and Divert (Nov, Jun)	November <i>(within two months of sampling)</i>
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5	Monitoring Ceased by mutual agreement with WRC (08/2018)
No. 103194 - Conditions 2 and 3	

RESOURCE CONSENT	REPORT DUE
No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4	Monitoring Ceased by mutual agreement with WRC (08/2018)
No. 103198 - Aria Closed Landfill Conditions 2 and 4	Monitoring Ceased by mutual agreement with WRC (08/2018)
Biennial	
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7 (Groundwater b1 to b7)	December 2016
No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Operations and Management)	September 2014, 2016, 2018, etc.
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24	June 2015 (<i>and every two years after</i>)
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Management Plan Review)	from 2010 every two years
Other	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (after 3 years Fish Passage/Migration Barrier Assessment)	Monday, 18 December 2017
No. 133317 - Te Kuiti Water Treatment Plant Condition 10 (Telemeter)	1st July 2018

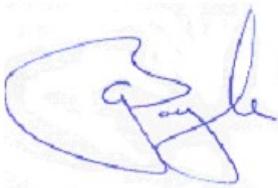
4.3 The following Resource Consent Compliance Reports have been made to WRC:

1. RC 112639 – Te Kuiti WWTP Discharge, April 2019 (Doc A429433).
 - Full compliance achieved.
2. RC 117290 – Piopio WWTP Discharge to Water, April 2019 (Doc A429728).
 - Full compliance achieved.
3. RC 105054 (Schedule 1) - Mangaokewa Stream Non-routine contaminant discharge from stormwater system (Doc A431307).
 - Incident report.
4. RC 117290 – Piopio WWTP, May 2019 (Doc A431713).
 - Response to Letter of Direction.
5. RC 116844 – Benneydale WTP, Surface Water Take - May 2019 (Doc A436441).
 - Full compliance achieved.
6. RC 116844 – Benneydale WTP, Surface Water Take - April 2019 (Doc A436445).
 - Full compliance achieved.
7. RC 112639 - Te Kuiti WWTP Discharge, May 2019 (Doc A436498).
 - Full compliance achieved.
8. RC 117290 – Piopio WWTP Discharge to Water, May 2019 (Doc A436602).
 - Full compliance achieved.
9. RC 112639 - Te Kuiti WWTP Discharge, June 2019 (Doc A436517).
 - Full compliance achieved.
10. RC 117290 - Piopio WWTP Discharge to Water, June 2019 (Doc A436634).
 - Full compliance achieved.
11. RC 116274 – Benneydale WTP, Groundwater Take Annual Report 2018/2019 (Doc A437505).
 - Partial compliance achieved.
 - There were two breaches to the Water Take Limits, due to maintenance of the Surface Water Intake Line and due to a leak within the Reticulation, both in extraordinary circumstances. The WTP needed to increase the intake volume in order to cope with the temporary increase in the water demand.
12. RC 101753 - Te Kuiti Landfill: Leachate Monitoring, November 2018 to April 2019 (Doc A438334).
 - Leachate characterisation only, no thresholds.

13. RC 105054-105060 Annual Stormwater Report June 2018 to May 2019 (Doc A438139).
 - Full compliance achieved.
14. RC 124718, Te Kuiti Landfill – Leachate Monitoring into Stormwater SW1 to SW5. Annual Report 2018/2019 (Doc A438641).
 - Partial compliance achieved.
 - Chloride values at SW2 were just above WRC trigger limits, however, new WDC trigger levels are currently under review. Under the new trigger levels, all stormwater remained within compliance.
15. RC 107478, Piopio WTP – Backwash Discharge to Water. November 2018 to April 2019 (Doc A438922)
 - Partial compliance achieved.
 - There were three exceedances to the dissolved aluminium trigger levels during the current reporting period, in November 2018 at 0.09 mg/l and in March 2019 at 0.13 and 0.081 mg/l.
 - The settling Pond was emptied and de-sludged, as well as dug out to increase the retention volume at the beginning of April 2019. Sample taken after showed values below trigger levels at 0.071 mg/l.
16. RC 107477, Piopio WTP – Surface Water Take. November 2018 to April 2019 (Doc A438924)
 - Full compliance achieved.

Suggested Resolution

The Progress Report: Resource Consent – Compliance Monitoring, 13 August 2019, be received.



GREG BOYLE

ACTING GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document No: A440122

Report To: Audit and Risk Committee

Meeting Date: 13 August 2019

Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose of Report

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

Commentary

- 2.1 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.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Progress Report: Risk Management – Procurement/Contract Schedule (May 2019 to July 2019)	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Progress Report: Health and Safety	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)
3. Elected Members Interests	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)
4. Progress Report: Carter Holt Harvey (CHH) Litigation	7(2)(g) maintain legal professional privilege;	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

A handwritten signature in blue ink, appearing to read 'M Higgie', is positioned above the typed name.

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT