

Document No: A394688

Report To: Audit and Risk Committee



Meeting Date: 29 May 2018

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 Interest

2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves and spouses or partners. It is

up to the elected member to judge whether they have any interests to declare. Some elected members may have none.

- 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 Members who have declared an interest in any matters that are due to be considered at a Council or Committee meeting should declare that they have an interest in the matter, leave the table and not take part in any discussion, debate or vote on that matter.
- 2.11 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:	

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.

**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 28 FEBRUARY 2018 AT
12.35AM**

PRESENT: Mayor Brian Hanna, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Terry Davey, Allan Goddard, and Sue Smith

IN ATTENDANCE: Chief Executive and Group Manager – Corporate Services

1. Apology

Resolution

The apology from Cr Janene New be received and leave of absence granted.

Smith/Whitaker Carried

2. Declarations of Member Conflicts of Interest
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Declarations were made as follows:

Mayor Hanna	Progress Report: No 5 Trust - Offer of Service for ongoing provision of Exhibition Space
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Mayor Hanna noted that the conflict of interest in this instance is “significant” and as such he would leave the table and take no part in discussion or voting on this item and would request the Deputy Mayor to Chair the meeting for this item.

Cr Davey	Procurement Arrangement
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Cr Davey declared a potential conflict of interest in so far as his business, PaperPlus, has a procurement arrangement in place with Waitomo District Council.

3. Confirmation of Minutes – 28 November 2017
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Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 28 November 2018, including the Public Excluded minutes, be confirmed as a true and correct record.

Goddard/Whitaker Carried

4. Terms of Reference of the Audit and Risk Committee
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Resolution

This item of business be moved to the Public Excluded portion of the meeting pursuant to Section 7(2)(i) of the Local Government Official Information and Meetings Act 1977.

Brodie/Smith Carried

5. Financial Report for the Period ended 31 December 2017	A380848
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Council considered a business paper presenting the financial and non-financial results for the period ended 31 December 2017.

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

Resolution

The business paper on Financial and Non-Financial Report for the period ended 31 December 2017 be received.

Davey/Whitaker Carried

6. Audit Engagement Letter for the Audit of the Consultation Document and Long Term Plan 2018-28	A384858
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Council considered a business paper presenting the Audit Engagement Letter for the audit of the Consultation Document and the Long Term Plan 2018-28 and to obtain the Committee’s approval for the signing of the Audit Engagement Letter.

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

Resolution

- 1 The business paper on Audit Engagement Letter for the Audit of the Consultation Document and Long Term Plan 2018-28 be received.
- 2 The Audit and Risk Committee approve signing of the Audit Engagement Letter.

Brodie/Whitaker Carried

7. Mastercard Expenditure Report (November 2017 to January 2018)	A385166
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Council considered a business paper presenting for the Committee’s information and consideration, details of expenditure incurred via WDC issued Corporate Mastercard.

The Chief Executive expanded verbally on the business paper and answered Members’ questions.

Resolution

The Mastercard Expenditure Report for the period November 2017 to January 2018 be received.

Brodie/Whitaker Carried

8. Progress Report: 2017 NZTA Investment Audit	A385562
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Council considered a business paper providing a brief on the findings of the New Zealand Transport Agency's (NZTA) Investment Audit carried out onsite over the period 24 – 27 October 2017.

The Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: 2017 NZTA Investment Audit be received.

Brodie/Whitaker Carried

9. Progress Report: WDC Resource Consent – Compliance Monitoring

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

The Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

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

Goddard/Smith Carried

10. Motion to Exclude the Public for the consideration of:

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 from the whole or any part of a meeting on one or more of the grounds contained within that Section.

The Committee noted that Item 4 on the Order Paper - Progress Report: No 5 Trust - Offer of Service for ongoing provision of Exhibition Space is to be moved into the Public Excluded portion of the meeting.

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
Group Manager – Corporate Services

- 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. Terms of Reference of the Audit and Risk Committee	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)(a)
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)(a)
3. Progress Report: Risk Management – Procurement/Contract Schedule (November 2017 to February 2018)	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)(a)
4. Progress Report: No 5 Trust - Offer of Service for ongoing provision of Exhibition Space	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)(a)

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.

Brodie/Smith Carried

There being no further business the meeting closed at 1.53pm.

Dated this day of 2017.

BRIAN HANNA
MAYOR

Confidential Confidential

Confidential Confidential

Confidential

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Confidential

Document No: A390743

Report To: Audit and Risk Committee



Meeting Date: 29 May 2018

Subject: Mastercard Expenditure Report
February 2018 to April 2018

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 the 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 February 2018 to April 2018.

Suggested Resolution

The Mastercard Expenditure Report for the period February 2018 to April 2018 be received.



MICHELLE HIGGIE
EXECUTIVE ASSISTANT

Attachments: Credit Card Policy (Doc A207793)

Mastercard Statement Authorisation Forms for:

- February 2018 (Doc A385163)
- March 2018 (Doc A390760)
- April 2018 (Doc A394687)



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



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MasterCard
BusinessCard

53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/02/18	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
\$5000	MR A B HANNA	0000 0030 2936 5529	328.20
\$5000	MS M D HIGGIE	0000 0030 2936 5933	3303.80
\$5000	MRS H M BEEVER	0000 0030 3956 2081	85.00
\$5000	MR S J DU TOIT	0000 0030 5022 0312	2013.20
\$5000	MISS T D KELLY	0000 0030 5326 1230	433.90
TOTAL CARDHOLDER LIMIT	\$25000	NET BALANCE	6164.10

Waitomo District Council
RETURN TO FILE
 Date: - 5 MAR 2018
 Doc #: A386668
 File #:

WE ADVISE THAT \$6,164.10 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
 030449 0070201 00 ON 20/03/18, 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: Brian Hanna
Position: Mayor
Statement Date: 27 / 02 / 18

(1) **Creditor:** Hamilton International Airport
Date: 13 February 2018
Amount: \$20.00
GL Code: 110 42 705
 Expenditure: Airport Parking – Attendance at LGNZ National Council Meeting in Wellington on Monday 12 February 2018

(2) **Creditor:** Wellington Taxi Cabs
Date: 13 February 2018
Amount: \$42.80
 GL Code: 110 42 705
Expenditure: Taxi Fare: Airport to Wellington CBD – Attendance at LGNZ National Council Meeting in Wellington on Monday 12 February 2018

(3) **Creditor:** Green Cabs Ltd
Date: 14 February 2018
Amount: \$48.90
 GL Code: 110 42 705
Expenditure: Taxi Fare: Wellington CBD to Airport – Attendance at LGNZ National Council Meeting in Wellington on Monday 12 February 2018

(4) **Creditor:** Emerald Hotel Gisborne
Date: 26 February 2018
Amount: \$170.00
GL Code: 110 42 710
 Expenditure: Accommodation - Attendance at the launch of the new \$1 billion per annum Provincial Growth Fund in Gisborne by Regional Economic Development Minister Shane Jones

(5) **Creditor:** Emerald Hotel Gisborne
Date: 26 February 2018
Amount: ~~\$170.00~~ 46.50
 GL Code: 811 20 700
Expenditure: Meal - Attendance at the launch of the new \$1 billion per annum Provincial Growth Fund in Gisborne by Regional Economic Development Minister Shane Jones

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: 14/3/18	Authorised by Executive Assistant: Date: 15/3/18	Authorised by Chief Executive: Date: 19/3/18
--	---	---

Mastercard Statement Authorisation Form



23

Name:	Michelle Higgle	
Position:	Executive Assistant	
Statement Date:	27 / 02 / 18	
<hr/>		
(1)	Creditor:	Rubber Tree
	Date:	25 January 2018
	Amount:	\$199.00
	GL Code:	820 27 719
	Expenditure:	Replacement Heavy Duty Deep Dish Floor Mats for ISU Ute (Rego GUS513)
<hr/>		
(2)	Creditor:	NZTA
	Date:	1 February 2018
	Amount:	\$3,104.80
	GL Code:	820 27 734
	Expenditure:	50,000km Road User Charges for Group Manager – Corporate Services Santa Fe (Rego KBM454)
<hr/>		
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:	Authorised by Chief Executive:	Authorised by Mayor:
Date: 7/3/18	Date: 13/3/18	Date: 13/3/18

Mastercard Statement Authorisation Form



24

Name: **Helen Beever**
 Position: **Group Manager – Community Services**
 Statement Date: **27 / 02 / 18**

(1) Creditor: **Oops A Daisy**
 Date: **8 February 2018**
 Amount: **\$85.00**
 GL Code: **817 39 705**
 Expenditure: **Farewell Gift - Nicola Waghorn**

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: *[Signature]* 7/3/18

Authorised by
 Chief Executive: *[Signature]*

 Date: 13/3/18

Mastercard Statement Authorisation Form

25



Name:	Kobus du Toit		
Position:	Group Manager – Assets		
Statement Date:	27 / 02 / 18		
(1) Creditor:	Ibis Hotels, Auckland		
Date:	29 January 2018		
Amount:	-\$796.00		
GL Code:	817 38 700		
Expenditure:	Accommodation - Venelyn - Asset Finda Training Course		
	Training Course cancelled. Accommodation refunded. Copy of Refund details attached.		
(2) Creditor:	NZ Transport Agency		
Date:	8 February 2018		
Amount:	\$624.80		
GL Code:	820 27 716 <i>[Signature]</i>		
Expenditure:	Purchase of 10,000km Road User Charges for Triton Ute (Rego GEM14)		
(3) Creditor:	NZ Transport Agency		
Date:	8 February 2018		
Amount:	\$314.80		
GL Code:	820 27 7112 <i>[Signature]</i>		
Expenditure:	Purchase of 5,000km Road User Charges for Triton Ute (Rego FYZ718)		
(4) Creditor:	NZ Transport Agency		
Date:	8 February 2018		
Amount:	\$624.80		
GL Code:	820 27 722 <i>[Signature]</i>		
Expenditure:	Purchase of 10,000km Road User Charges for Holden Cruze (Rego HJA129)		
(5) Creditor:	NZ Transport Agency		
Date:	14 February 2017		
Amount:	\$1,244.80		
GL Code:	820 27 762 <i>[Signature]</i>		
Expenditure:	Purchase of 20,000km Road User Charges for Triton Ute (Rego JHR357)		
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 – Assets:	Authorised by Chief Executive:		
<i>[Signature]</i>	<i>[Signature]</i>		
Date: 7/3/18	Date: 13/3/18		

26 Mastercard Statement Authorisation Form



Name:	Terrena Kelly
Position:	Group Manager – Compliance
Statement Date:	27 / 02 / 18


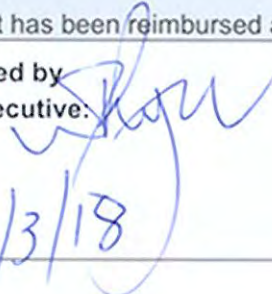
✓	(1)	Creditor:	Trade Tested
		Date:	8 February 2018
		Amount:	\$184.90
		GL Code:	51140550
		Expenditure:	Folding Non-Slip Pet Ramp for Animal Control Vehicle

✓	(2)	Creditor:	NZLS CLE Limited
		Date:	8 February 2018
		Amount:	\$91.00
		GL Code:	81738700
		Expenditure:	Regulatory Roadblock Webinar - Alex Bell

✓	(3)	Creditor:	The Warehouse
		Date:	12 February 2018
		Amount:	\$10.00
		GL Code:	51140550
		Expenditure:	Shotz 10kg Laundry Powder for WDC Pound

✓	(4)	Creditor:	The Warehouse NZ Te Kuiti
		Date:	14 February 2018
		Amount:	\$148.00
		GL Code:	81621700
		Expenditure:	External Harddrive and USB hub for WDC Pound CCTV

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 – Compliance: 	Authorised by Chief Executive: 
Date: 7/3/18	Date: 13/3/18



53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/03/18	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

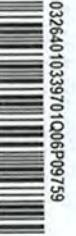
Card/ Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****




LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$5000	MR A B HANNA	0000 0030 2936 5529	142.90
\$5000	MS M D HIGGIE	0000 0030 2936 5933	1987.00
\$5000	MRS H M BEEVER	0000 0030 3956 2081	306.00
\$5000	MR S J DU TOIT	0000 0030 5022 0312	174.00
\$5000	MISS T D KELLY	0000 0030 5326 1230	74.50
TOTAL CARDHOLDER LIMIT	\$25000	NET BALANCE	2684.40



WE ADVISE THAT \$2,684.40 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/04/18, 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.



03264010339701006P9759

Name:	Brian Hanna	
Position:	Mayor	
Statement Date:	27 / 03 / 18	
(1) Creditor:	Capital Taxis	
Date:	12 March 2018	
Amount:	\$41.80	
GL Code:	110 42 705	
Expenditure:	Taxi Fare: Airport to Wellington CBD – Attendance at LGNZ National Council Meeting in Wellington on Tuesday 13 March 2018	
(2) Creditor:	Green Cabs Ltd	
Date:	14 March 2018	
Amount:	\$41.10	
GL Code:	110 42 705	
Expenditure:	Parking: Wellington CBD to Airport – Attendance at LGNZ National Council Meeting in Wellington on Tuesday 13 March 2018	
(3) Creditor:	Hamilton Airport	
Date:	14 March 2018	
Amount:	\$20.00	
GL Code:	110 42 705	
Expenditure:	Parking: – Attendance at LGNZ National Council Meeting in Wellington on Tuesday 13 March 2018	
(4) Creditor:	Hamilton Airport	
Date:	26 March 2018	
Amount:	\$40.00	
GL Code:	110 42 710	
Expenditure:	Parking: Attendance at LGNZ Mayor's Reflection Workshop on 22 March 2018 and LGNZ National Council Meeting on 23 March 2018.	
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: 7/5/18	Date: 7/5/18	Date: 7/5/2018

Mastercard Statement Authorisation Form

29



Name: Michelle Higgle
Position: Executive Assistant
Statement Date: 27 / 03 / 18

(1) **Creditor:** Air New Zealand
Date: 1 March 2018
Amount: \$1,286.00
GL Code: \$643.00 - GL 111 42 710 (Cr Brodie) \$643.00 - GL 817 38 700 (CE)
Expenditure: Airfares: Councillor Brodie and Chief Executive - Attendance at LGNZ Rural & Provincial Sector Meeting in Wellington on Thursday 8 and Friday 9 March 2018

(2) **Creditor:** Air New Zealand
Date: 6 March 2018
Amount: -\$643.00
GL Code: 817 38 700
Expenditure: Airfare **Refund:** Chief Executive's **cancelled** flight to LGNZ Rural & Provincial Sector Meeting in Wellington on Thursday 8 and Friday 9 March 2018

(3) **Creditor:** AirNZ
Date: 26 March 2018
Amount: \$652.00
GL Code: 110 42 705
Expenditure: Airfares: Chief Executive and Christine Ryan - Attendance at 2018 LGNZ AGM and Annual Conference in Christchurch

Note: 50% to be invoiced to the Chief Executive for Christine's airfare. This will be done after the Conference so that meals, partner tours, etc. can be included in the invoice.

(4) **Creditor:** AirNZ
Date: 26 March 2018
Amount: \$692.00
GL Code: 110 42 705
Expenditure: Airfares: Mayor Brian and Andrea Hanna - Attendance at 2018 LGNZ AGM and Annual Conference in Christchurch

Note: 50% to be invoiced to the Mayor for Andrea's airfare. This will be done after the Conference so that meals, partner tours, etc. can be included in the invoice.

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: 4/5/18</p>	<p>Authorised by Chief Executive:</p> <p>Date: 7/5/2018</p>	<p>Authorised by Mayor:</p> <p>Date: 14/5/18</p>
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Mastercard Statement Authorisation Form



30

Name: **Helen Beever**
 Position: **Group Manager – Community Services**
 Statement Date: **27 / 03 / 18**

(1) Creditor: **Air NZ**
 Date: **15 March 2018**
 Amount: **\$306.00**
 GL Code: **81738700**
 Expenditure: **Flights for Kate Turner - ALGIM Conference**

- 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: **4/5/2018**

Authorised by
Chief Executive:

Date:

[Handwritten signature]
7/5/2018

31 Mastercard Statement Authorisation Form



Name: Kobus du Toit
Position: Group Manager – Assets
Statement Date: 27 / 03 / 18


(1) **Creditor:** BP 2GO Te Kuiti
Date: 1 March 2018
Amount: \$18.00
GL Code: 820 27 764 *CAR WASH*
Expenditure: ** NO RECEIPT*


(2) **Creditor:** Lakeland Resort Taupo
Date: 28 February 2018
Amount: \$139.00
GL Code: 817 38 700
Expenditure: Accommodation and Breakfast - Leader - Asset Management Systems attendance at Training Seminar

(3) **Creditor:** SkyCity Hamilton
Date: 1 March 2018
Amount: \$17.00
GL Code: 817 38 700
Expenditure: *Parking - Insurance Risk Contribution*
No Receipt.

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 – Assets: 
Date: 04/03/2018

Authorised by Chief Executive: 
Date: 7/5/2018

32 Mastercard Statement Authorisation Form



Name:	Terrena Kelly
Position:	Group Manager – Compliance
Statement Date:	27 / 03 / 18

(1)	Creditor:	Secure Parking Chancery Carpark Auckland
	Date:	12 March 2018
	Amount:	\$40.00
	GL Code:	51240550
	Expenditure:	Parking for attendance at Heany and Partners Seminar - Greg Ward Media & Crisis Management on 12 March 2018

(2)	Creditor:	Stoked Eatery
	Date:	21 March 2018
	Amount:	\$34.50
	GL Code:	51240550
	Expenditure:	Compliance Team thank you

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 – Compliance: 	Authorised by Chief Executive: 
Date: 7/5/18 .	Date: 7/5/2018

Mastercard Statement Authorisation Form

33



Name: Chris Ryan
Position: Chief Executive
Statement Date: 27 / 03 / 18

(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
Chief Executive:

Authorised by
Mayor:

Authorised by
Executive Assistant:

Date:

Date:

Date:

Mastercard Statement Authorisation Form

34



Name: Vibhuti Chopra	
Position: Group Manager – Corporate Services	
Statement Date: 27 / 03 / 18	
(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:



35
RECEIVED

3 MAY 2018

WAITOMO DISTRICT
COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010



MasterCard
BusinessCard

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
29/04/18	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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11645010338701006P09734

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

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$5000	MR A B HANNA	0000 0030 2936 5529	1277.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	3512.91
\$5000	MRS H M BEEVER	0000 0030 3956 2081	2181.59
\$5000	MR S J DU TOIT	0000 0030 5022 0312	2127.10
\$5000	MISS T D KELLY	0000 0030 5326 1230	1387.56
TOTAL CARDHOLDER LIMIT	\$25000	NET BALANCE	10486.16

WE ADVISE THAT \$10,486.16 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/05/18, 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.

36 Mastercard Statement Authorisation Form



Name: Brian Hanna
Position: Mayor
Statement Date: 29 / 04 / 18



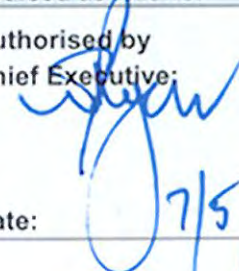
(1) **Creditor:** Air NZ Online
Date: 4 April 2018
Amount: \$438.00
GL Code:
Expenditure: *Tuna Rep - Shastanga - Hamilton → Christchurch for Tuna Whanga*

(2) **Creditor:** Babaganush Café
Date: 5 April 2018
Amount: \$7.50
GL Code: 110 40 550
Expenditure: Coffee Meeting (WDC and NZTA) - Mayor Hanna and Parekawhia McLean

(3) **Creditor:** Babaganush Café
Date: 5 April 2018
Amount: \$7.50
GL Code: 110 40 550
Expenditure: Coffee Meeting (WDC and NZTA) - Mayor Hanna and Parekawhia McLean

(4) **Creditor:** NZ Shearing Committee (Te Kuiti)
Date: 9 April 2018
Amount: \$824.00
GL Code: 110 40 551
Expenditure: Hosting of VIPs at 2018 NZ Shearing Championships Finals
Credited \$400 from B. Hanna Receipt attached

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: 7/5/18	Authorised by Executive Assistant:  Date: 7/5/18	Authorised by Chief Executive:  Date: 7/5/2018
--	---	---

37 Mastercard Statement Authorisation Form



Name: Michelle Higgle
Position: Executive Assistant
Statement Date: 29 / 04 / 18

✓ (1) **Creditor:** LGNZ R&P Accommodation at West Plaza
Date: 28 March 2018
Amount: \$184.32
GL Code: 817 38 700
Expenditure: Accommodation at LGNZ Rural & Provincial Meeting: CEO Chris Ryan

✓ (2) **Creditor:** LGNZ R&P Accommodation at West Plaza
Date: 28 March 2018
Amount: \$184.32
GL Code: 111 42 700
Expenditure: Accommodation at LGNZ Rural & Provincial Meeting: Cr Phil Brodie

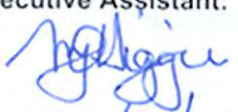
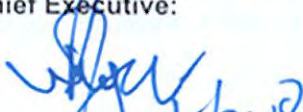

✓ (3) **Creditor:** NZTA
Date: 28 March 2018
Amount: \$3,104.80
GL Code: 820 27 736
Expenditure: Purchase of 50,000km Road User Charges for Santa Fe (Rego KEF968)

✓ (4) **Creditor:** Facebook
Date: 2 April 2018
Amount: \$28.41
GL Code: 43224515
Expenditure: Promotion of the Muster 2018

✓ (5) **Creditor:** NZTA
Date: 5 April 2018
Amount: \$6.90
GL Code: 820 27 764
Expenditure: Mayor's Travel - Toll Road Expenses (Tauranga Eastern Link Westbound) on 23 February 2018 – Travel to Launch of the Provincial Growth Fund

✓ (6) **Creditor:** VTNZ
Date: 9 April 2018
Amount: \$4.16
GL Code: 820 27 728
Expenditure: Replacement Road User Charges Label for Holden Colorado (Rego JAC855)

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: 4/5/18	Authorised by Chief Executive:  Date: 7/5/2018	Authorised by Mayor:  Date: 14/5/18
--	---	--

38 Mastercard Statement Authorisation Form



Name:	Helen Beever
Position:	Group Manager – Community Services
Statement Date:	29 / 04 / 18

✓	(1)	Creditor:	Air NZ
		Date:	28 March 2018
		Amount:	\$1,142 (to be split across 2 GL numbers as below)
		GL Code:	CEO Chris Ryan - GL 817 38 700 Councillor Phil Brodie GL 111 42 710
		Expenditure:	Airfares: CEO Chris Ryan and Cr Phil Brodie - Attendance at the LGNZ Rural & Provincial Sector Meeting in Wellington on Thursday 7 and Friday 8 June 2018.

✓	(2)	Creditor:	Proximity Apartments
		Date:	12 April 2018
		Amount:	\$201.59
		GL Code:	817 38 700
		Expenditure:	Accommodation for Byron Morgan - Animal Control Training

✓	(3)	Creditor:	BP 2GO Te Kuiti
		Date:	13 April 2018
		Amount:	\$380.00
		GL Code:	81739705
		Expenditure:	Employee of the month 2018. FuelCards staff recognition

✓	(4)	Creditor:	Air NZ
		Date:	18 April 2018
		Amount:	\$440.00
		GL Code:	817 38 700
		Expenditure:	Flights for Julie O'Toole to Wellington - National Library Forum 2018

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: 4/5/2018	Authorised by Chief Executive: Date: 7/5/2018
--	--

39 Mastercard Statement Authorisation Form



Name: **Kobus du Toit**
 Position: **Group Manager – Assets**
 Statement Date: **29 / 04 / 18**

✓

(1) Creditor: NZ Transport Agency
 Date: 5 April 2018
 Amount: \$624.80
 GL Code: 820 27 714
 Expenditure: Purchase of 10,000km Road User Charges for Miŝi Challenger (Rego GPW9)

✓

(2) Creditor: NZ Transport Agency
 Date: 5 April 2018
 Amount: \$1,244.80
 GL Code: 820 27 732
 Expenditure: Purchase of 20,000km Road User Charges for Triton Ute (Rego JCA987)

(3) Creditor: Tiffany's Café & Restaurant
 Date: 11 April 2018
 Amount: \$12.50
 GL Code: 811 20 700
 Expenditure: NZ Caravan ASS Alberg

✓

(4) Creditor: Mount Richmond Hotel Auckland
 Date: 6 April 2018
 Amount: \$245.00
 GL Code: 817 38 700
 Expenditure: Accommodation and Meals - Tim Marriott - Operational Level 2 Inspector Training (PlayGround)

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 – Assets:
 Date: 04/05/2018

Authorised by Chief Executive:
 Date: 7/5/2018

40 Mastercard Statement Authorisation Form



Name: Terrena Kelly
Position: Group Manager – Compliance
Statement Date: 29 / 04 / 18


(1) **Creditor:** Air New Zealand
Date: 9 April 2018
Amount: \$724.00
GL Code: 817 38 700
Expenditure: Flights - Group Manager Compliance attendance at LGNZ Freedom Camping Symposium - Nelson

(2) **Creditor:** Air New Zealand
Date: 18 April 2018
Amount: \$378.00
GL Code: 817 38 700
Expenditure: Flights - Group Manager Compliance attendance at Department of Prime Minister and Cabinet Civil Defence TAG Review Regional Structures Working Group Attendance on 30 April 18

(3) **Creditor:** Nelson City Taxis
Date: 19 April 2018
Amount: \$32.60
GL Code: 817 38 700
Expenditure: Taxi - Group Manager Compliance attendance at LGNZ Freedom Camping Symposium - Nelson

(4) **Creditor:** Trailways Hotel Nelson
Date: 19 April 2018
Amount: \$272.96
GL Code: 817 38 700
Expenditure: Accomodation and Meals - Group Manager Compliance attendance at LGNZ Freedom Camping Symposium - Nelson

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 – Compliance: 
Date: 7/5/18.

Authorised by Chief Executive: 
Date: 7/5/18

Mastercard Statement Authorisation Form

41



Name:	Chris Ryan
Position:	Chief Executive
Statement Date:	29 / 04 / 18

(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 Chief Executive:	Authorised by Mayor:	Authorised by Executive Assistant:
Date:	Date:	Date:

Mastercard Statement Authorisation Form

42



Name: Vibhuti Chopra	
Position: Group Manager – Corporate Services	
Statement Date: 29 / 04 / 18	
(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:

Document No: A389112

Report To: Audit and Risk Committee



Meeting Date: 29 May 2018

Subject: **Financial and Non-Financial Report for the Period ended 31 March 2018**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the financial and non-financial results for the period ended 31 March 2018.

Background

- 2.1 The period covered by this report is 1 July 2017 to 31 March 2018.

- 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 31 March 2018.
- **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2017 to 31 March 2018.
- **Capital Expenditure** summary with commentary on material variances of expenditure for the year compared with the EAP 2017/18.
- **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 31 March 2018 is presented in **Appendix 2**.
- **Treasury Management Report** from Bancorp Treasury Services Limited, Council's treasury management advisors is enclosed as **Attachment 1**.
- **Performance Management Report** on the Levels of Service and Key Performance Indicators is enclosed as **Attachment 2**.

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

Financial Report to 31 March 2018

3.1 INCOME STATEMENT HIGHLIGHTS

3.2 Set out below is the summary of financial information for the period to 31 March 2018. Detailed Cost of Service Statements are attached as Appendix 1.

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2016/17	EAP 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Total Expenditure						
- Direct Operating	13,409	16,090	11,795	10,716	(1,079)	
- Indirect Operating	11,980	13,290	9,963	8,732	(1,231)	
Total Expenditure	25,389	29,380	21,758	19,448	(2,310)	-11%
Total Revenue						
- Operating Revenue	(10,580)	(10,767)	(7,336)	(8,290)	(954)	
- Rates Revenue	(19,197)	(20,031)	(15,040)	(15,037)	3	
Total Revenue	(29,777)	(30,798)	(22,376)	(23,327)	(951)	4%
Net Operating Cost/(Surplus)	(4,388)	(1,418)	(618)	(3,879)	(3,261)	
Other Comprehensive Revenue and Expense						
- Revaluation of Property, plant and equipment	493	(4,620)	0	0	0	
-(Gains)/Losses from Cash Flow Hedges	(1,121)	0	0	0	0	
Total Other Comprehensive Revenue and Expense	(628)	(4,620)	0	0	0	
Total Comprehensive Revenue and Expense	(5,016)	(6,038)	(618)	(3,879)	(3,261)	

3.3 **Net Operating Surplus:** The net operating surplus of \$3,879,000 was \$3,261,000 more than budget for the period ended 31 March 2018. The Cost of Service Statements for each activity are included as Appendix 1.

3.4 **Total Expenditure** was 11% (\$2,310,000) less than budget forecast for the period ended 31 March 2018.

- **Direct operating expenditure** was \$1,079,000 less than budget. The main contributors to this variance in order of magnitude are:
 - Sewerage: \$417,000 less mainly due to expenditures for internal WSBU charges, power and chemicals tracking less than budget.
 - Community Service: \$352,000 less as repair and maintenance expenditure were tracking less than budget.
 - Water Supply: \$176,000 less as chemicals, electricity, reticulation and pump station maintenance and operational costs were less than budget.
- **Indirect expenditure** was \$1,231,000 less than budget:
 - Interest: \$737,000 less than budget. The budgeted interest cost was based on 1 July 2017 projected public debt of \$50 million while the

actual public debt at that date was \$43.4 million. The main reason for lower debt position than forecast in the EAP was due to reduced capital expenditure in prior years and the cost of funds were lower than forecast.

- Depreciation: \$294,000 less than forecast mainly due to reduced depreciation for Te Kuiti Water and Road assets.
- Allocated Costs: \$200,000 less as staff costs, human resources costs, motor vehicles and information services costs were less than budget.

3.5 **Total Revenue** was 4% (\$951,000) more than budget for the period ended 31 March 2018.

- **Operating revenue** \$954,000 more than budget. The main contributors to this variance are:
 - Solid Waste Management: \$333,000 more than budget due to increased revenue received for landfill charges including a significant one-off revenue transaction from a commercial customer.
 - Roads and Footpaths: \$235,000 more than budget. More NZTA subsidy being received due to both maintenance and capital expenditure being more than year to date forecast. In addition to that the subsidy rate being received for the LED street light upgrade is at 85%, more than the 64% being received for most work categories.
 - Sewerage: \$191,000 more than budget due to increased volume of discharge.
- **Rates revenue** was \$3,000 less than budget overall, with Metered Water Rates and Rates Penalties being less than budget but General Rates, UAGC and Targeted Rates being more.

3.6 **BALANCE SHEET HIGHLIGHTS**

3.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2017 to 31 March 2018. The full Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2017	Actual Position 31 Mar 2018	Movement from 30 Jun 2017
Assets			
- Cash and cash equivalents	112	1,614	1,502
- Receivables	6,361	4,029	(2,332)
- Other current assets	1,099	49	(1,050)
- Other financial assets	5,686	5,691	5
- Non-current assets	332,439	333,948	1,509
TOTAL ASSETS	345,697	345,331	(366)
Liabilities			
- Other Liabilities	6,452	4,634	(1,818)
- Total Borrowings	43,419	40,992	(2,427)
- Derivative financial instruments	1,636	1,636	0
Total Liabilities	51,507	47,262	(4,245)
Equity			
- Equity	294,190	298,069	3,879
TOTAL LIABILITIES AND EQUITY	345,697	345,331	(366)

3.8 Total Assets have decreased from \$345.7 million to \$345.3 million.

- Cash and cash equivalents have increased by \$1,502,000 from \$112,000 to \$1,614,000.
- Receivables decreased by \$2,332,000 since 30 June 2017 from \$6.36 million to \$4.09 million due to a decrease in NZTA subsidy receivable, GST receivable and other debtors. This is partly offset by an increase in rates receivables due to penalties and current year rates being charged.
- Other current assets decreased by \$1,050,000. The decrease is due to the complete disposal of the Parkside Sections which classed as Current Assets held for sale.
- Non-current assets have increased by \$1,509,000. The increase is due to the net effect of asset additions of \$5,858,000 less depreciation of \$4,209,000 and asset disposals of \$140,000.

3.9 Total Liabilities have decreased from \$51.5 million to \$47.3 million.

- Other Liabilities decreased by \$1,818,000 due to a general decrease in Payables at 31 March 2018.
- Total Borrowings decreased by \$2,427,000 from \$43.4 million to \$41.0 million.

3.10 Equity increased by \$3.88 million to \$298.07 million which equals the total comprehensive revenue and expense for the period.

- Within Total Equity two transactions have been processed. The effect of these transactions have no effect on total comprehensive revenue and expense for the period;
- \$255,000 has been transferred from Revaluation Reserve to Accumulated Funds, for assets that were revalued but have now been disposed.
- An adjustment has been made to Council Created Reserves, where the write down of valuation of Inframax Construction Ltd at 30 June 2009 of \$3,313,000 was held in the Investments Operational Reserve has been cleared to Accumulated Funds.

3.11 CAPITAL EXPENDITURE

3.12 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 31 March 2018.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)	EAP 2017/18	YTD Actual Mar 2018	Variance 2017/18
Governance: Leadership and Investments			
- Investments	105	0	(105)
- Corporate Support	531	260	(271)
Community Service			
- Parks and Reserves	261	103	(158)
- Housing and Other Property	89	60	(29)
- Recreation and Culture	380	185	(195)
- Public Amenities	96	248	152
- Safety	5	0	(5)
Community Development			
- District Development	65	0	(65)
Solid Waste Management			
- Landfill Management	316	171	(145)
Stormwater			
- Urban	299	51	(248)
- Rural	5	0	(5)
Sewerage			
- Te Kuiti Sewerage	536	309	(227)
- Te Waitere Sewerage	0	9	9
- Benneydale Sewerage	52	8	(44)
- Piopio Sewerage	31	4	(27)
Water Supply			
- Te Kuiti Water	1,098	1,105	7
- Mokau Water	145	34	(111)
- Piopio Water	114	21	(93)
- Benneydale Water	7	2	(5)
Roads and Footpaths			
- Subsidised Roads	5,680	3,162	(2,518)
- Unsubsidised Roads	335	127	(208)
TOTAL CAPITAL EXPENDITURE	10,150	5,859	(4,291)

3.13 Capital Expenditure was \$5.86 million for the period ended 31 March 2018, of which \$3.29 million (56%) related to Roads, \$1.16 million (20%) related to Water Supply and \$0.60 million (10%) related to Community Service.

3.14 Capital expenditure budgets are listed in the table above and major 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.

3.15 Governance: Leadership and Investments

Investments:

- Safety improvement capital works budgeted for at a number of Council owned quarries (Budget \$105,000 and carryover budget \$115,000): No expenditure to date.

Corporate Support:

- Corporate Support (Budget \$531,000): Expenditure of \$260,000 has been for computer hardware renewals, replacement of motor vehicles, category 3 building assessment and renewals of administration building.

3.16 Community Service

Parks and Reserves:

- Maintenance for Centennial Park, ex-Albion Soccer (Carryover budget of \$65,000): No expenditures to date.
- Expenditure of \$21,000 has been incurred for Esplanade Reserves (Budget \$65,000).
- Brook Park Entrance (Budget \$123,000): Work commenced with to date costs of \$82,000.
- No expenditures to date for park renewals in Passive Reserves (Budget \$33,000).
- Playground renewals (Budget \$40,000): No expenditure to date.

Housing and Other Property:

- Expenditures of \$60,000 incurred in relation to the Marokopa Camp Ground upgrade, installation of new audio system in Piopio Hall, installation of dog pound fence, modification work for wheel chair access to Mokauiti Hall and toilets (Budget \$89,000).

Recreation and Culture:

- Expenditure for the period on Library collection renewals is \$39,000 and is ongoing (Budget \$50,000).
- Library technology and library renewal (Budget \$43,000): No expenditures to date.
- Expenditures incurred for replacement of variable speed drive for pump for the Aquatic Centre renewals (Budget \$68,000).
- The renewal of the bathroom facilities at the Les Munro Centre was completed in August with a total cost of \$141,000 (Budget \$180,000).

Public Amenities:

- The Public Amenities capital expenditure budget shows total expenditure for the nine months to March of \$248,000, whereas the total budget is \$96,000. The reason for the variation is the timing of the budget compared with the completion timings of the two projects. The toilet replacement for Benneydale was budgeted in 2015/16 and for Marokopa in 2016/17.
- Toilet replacement project at Benneydale was completed in July 2017 with a total project cost of \$219,000 of which \$117,000 is included in 2017/18 year.
- The replacement work of Marokopa toilet has been completed with expenditure to date of \$117,000 of which \$2,000 was included in the prior year (Carryover budget \$223,000).
- No expenditure for the period on Cemetery signage and Cemetery access way upgrades (Budget \$15,000).
- Te Kuiti railway pedestrian over-bridge renewal is under review (Carryover budget \$140,000).

Safety:

- No expenditure incurred for the year on signage for Civil Defence initiatives (Budget \$5,000).

3.17 Community Development

- No expenditure incurred for the period on Motor Home Friendly District Initiative (Budget \$40,000).
- No expenditure incurred for the period for Information Centre technology (Budget \$10,000).

3.18 Solid Waste Management

- Work has commenced on the Resource Consent for volume expansion at Landfill with costs still to come in for this work (Budget \$50,000).
- The work for shaping of the high wall was completed in 2016/17 financial year. Future works are likely to be required to ensure ongoing safety. Repair work has been undertaken for landfill swing gate for better access management with expenditures to date of \$28,000 (Budget \$44,000).
- Landfill main entrance and tip head improvements (Budget \$126,000): Landfill entrance way and safety improvements at all transfer station tip heads have been completed with a total expenditures of \$135,000.
- No expenditure incurred for the period for purchase of carbon credits required under the Emissions Trading Scheme (Budget \$75,000).

- Expenditures incurred for the installation of fencing at Piopio transfer station (Budget \$21,000).

3.19 **Stormwater**

- The investigation and construction of View Rd pipework is substantially completed. The Waitete Road pipe work has been planned for 2018 year. This project is currently under design phase and an investigation has also been undertaken (Unspecified minor storm water renewals budget \$100,000).
- No expenditures incurred for the Taupiri Street storm water pipe rehabilitation (Budget \$46,000).
- Storm water rehabilitation (Budget \$110,000): Expenditures of \$14,000 incurred for repairing storm water outlet at Te Kuiti Landfill.
- Storm water asset risk minimisation (Budget \$43,000): Minor expenditures to date.
- Unspecified stormwater renewals for rural communities (Budget \$5,000): Minor expenditures incurred for the period. A section of new storm water extending an existing outfall in Oha Street is planned to allow the Tainui Street water main to be properly installed.

3.20 **Sewerage**

- Expenditure to date of \$167,000 at the waste water treatment plant has been for sand filter removal and recommissioning, UV reactor and SCADA repairs, valve and pipe improvements for the sludge removal process. Construction is currently in progress for chemical tank banded fill area and a storage shed (Budget \$146,000).
- Te Kuiti Reticulation and Pump Station renewals (Budget \$252,000 and carryover budget \$230,000): Expenditure for the period was \$91,000 for minor reticulation renewals. Carroll Street sewer replacement under the railway is due to start and the sewer replacement under the river has been installed. Tender process has commenced for Taupiri Street augmentation, work is likely to start this financial year and continue into next financial year.
- Te Kuiti Ingress and Infiltration investigation and rehabilitation (Budget \$138,000): Expenditure for the period was \$50,000 for rehabilitation work and CCTV maintenance.
- Te Waitere unspecified renewals, pump station renewals and resource consent renewal (Carry over Budget \$29,000): Expenditures incurred for the approval of resource consent. A new electrical cabinet has been installed due to old fiber glass unit became unsafe. A new sewer pump is planned to install in the near future as the old one has come to the end of its useful life.
- Benneydale treatment plant and reticulation renewals (Budget \$52,000): Expenditures incurred for the installation of new sewer pump.

- Piopio unspecified minor treatment plant, reticulation and separator tank renewals (Budget \$31,000): Expenditure of \$3,400 was incurred at Piopio Sewer Treatment Plant. The UV disinfection unit is being rebuilt and electrical components were replaced. The lamp and sleeve replacement is due.

3.21 **Water Supply**

- Te Kuiti Water Treatment Plant Upgrade including clarifier refurbish and upgrade, and investigation of raw storage dam (Budget \$816,000): Expenditure for the period was \$731,000 for raw water intake design work (Phase II) and electrical upgrade (Phase II & III). Phase II (raw water intake structure) work is in progress. Phase III work which is clarifier rehabilitation (work completed in mid-December 2017), driveway and site improvements work are well underway. The demolition work for old building has been completed.
- Te Kuiti reticulation and pump station renewals (Budget \$260,000): Expenditure for the period was \$373,000. Water main replacement projects for Awakino Road and Hetet and Henderson Streets have been completed but at additional cost to that budgeted. The reasons for additional expenditure was unforeseen challenging ground conditions, existing pipes were found to be in worse condition than expected, there were a number of properties that were found to be interconnected and required additional mains to be installed to provide separate connections and the level of service of supply was increased in some instances.
- Reservoir Seismic Strengthening (Budget \$22,000): Mangarino reservoir work in planning stage.
- Mokau Water reticulation renewals including the reservoir seismic strengthening (Budget \$145,000): Tender process has commenced for the Tainui Street reticulation upgrade and Aria Terrace renewal. These two projects are interdependent. Any unspent budget will be carried over to the next financial year.
- Piopio Water reticulation renewals and treatment plant renewals including the installation of backflow preventers (Budget \$114,000): Planning to install the Tui Street – State Highway 3 link and the water bridge at Kuritahi Street has commenced. The unseasonal rain during the previous summer construction period delayed all earthworks related work. Work is scheduled to start in this financial year with a view to complete in the next financial year, any unspent budget will be carried over to the next financial year.

3.22 **Roads and Footpaths**

3.23 **Subsidised Roads**

- Minor improvements expenditure of \$59,000 for the period incurred in relation to the design work of Te Waitere Road slips and other areas within this work category (Budget \$650,000).

- Drainage renewals (Budget \$400,000): Expenditure for the period was \$199,000. This activity is weather dependent.
- Pavement rehabilitation (Budget \$1,452,000 and carryover budget \$289,000): Expenditure for the period \$565,000. The pavement rehabilitation work for Totoro Road is completed, chip sealing portion of this work has been delayed due to the adverse weather.
- Sealed road surfacing (Budget \$1,400,000): Carrying out this activity requires fair weather due to the high cost and volatility around sealing of road surfaces. The annual sealing program is well underway. Expenditure of \$927,000 to date.
- Structures component replacements and bridge maintenance (Budget \$300,000 and carryover budget \$80,000): Expenditures of \$132,000 relates to bridge maintenance work.
- Traffic services renewals (Budget \$200,000): Expenditure for the period was \$86,000 and is subject to completion of other work categories.
- Unsealed road metaling (Budget \$622,000): Expenditure was \$397,000 with further work to follow during the next quarter. This activity is best done in the wet (winter) season.
- Emergency reinstatement (Budget \$650,000 and carryover budget \$246,000): Expenditure of \$584,000 incurred to date removing slips and replacing washed out culverts from the April 2017 storm event. The program is well under way.
- LED street light upgrade work has commenced with to date costs of \$213,000.

3.24 Unsubsidised Roads

- Footpath renewals (Budget \$122,000): Expenditure for the period was \$127,000.
- Unspecified retaining wall renewals and road improvements not eligible for subsidy (Budget \$213,000): Minor expenditures incurred to date.

4.0 TREASURY REPORT

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

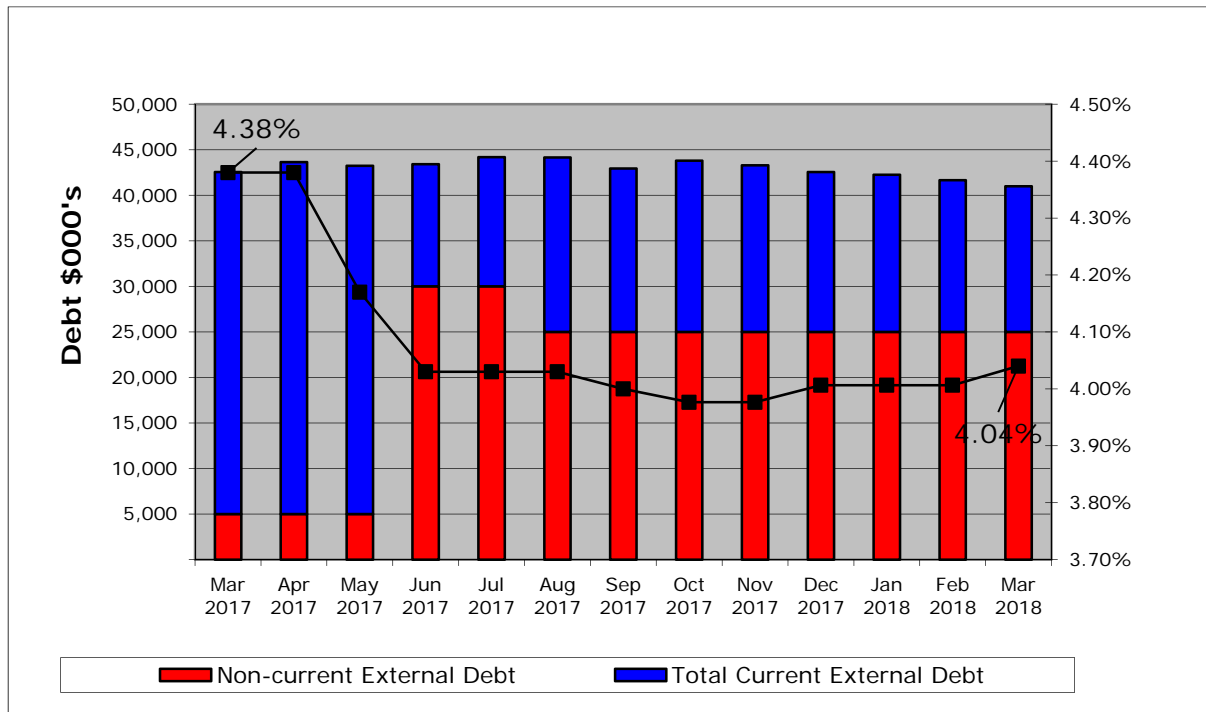
4.2 CASH POSITION

4.3 Council's cash position at 31 March 2018 was \$1,614,000 in funds, at 30 June 2017 it was \$112,000.

4.4 Included in the cash balance was \$1,300,000 Call Deposit and \$150,000 which is held on trust to contractors for retention obligations for new contracts started on or after the 31 March 2017.

4.5 SUMMARY OF PUBLIC DEBT POSITION

- 4.6 Set out below is a graph recording trends in Council's current and non-current debt for the period ended March 2018. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



- 4.7 At 31 March 2018 the effective weighted average interest rate for all loans excluding finance leases, accrued interest and Call Advance facility costs was 4.04%. At 31 March 2017 it was 4.38% and a number of factors have contributed to the interest rate decrease, notably the transfer of bank debt and FRN's held in Council's name to the Local Government Funding Agency (LGFA), with most of the transfer occurring on the 19 June 2017.

- 4.8 The slight increase in interest rates from February to March 2018 is due the proportionality of floating rate debt reducing over this period. The Call Advance had a balance of \$1,500,000 at 31 December 2017 and attracted an interest rate of 2.85%. This was repaid as at 31 March 2018.

4.9 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

- 4.10 Forecasted public debt at 30 June 2018 as per the EAP 2017/18 is \$51,136,000. Actual public debt at 31 March 2018 was \$40,992,000. Reduced capital expenditure in prior years and savings in operational expenditure has resulted in a lower debt position than forecast in the EAP. It should be noted that the capital expenditure program is still to be completed for the year and comparison can only be made at 30 June 2018.

4.11 WHOLESALE ADVANCE FACILITY (Call Advance Facility)

- 4.12 Council has a Call Advance facility with Westpac with a facility limit of \$10 million, with an expiry date of 1 July 2018.

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

4.14 Interest is charged on daily basis at a rate of 0.90% credit margin plus the Westpac Prime rate (which is similar to the BKBM rate).

4.15 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.

4.16 DETAILS OF LOAN PORTFOLIO

4.17 The following table records the public debt position and the key dates for each loan as at 31 March 2018. The classification of current and non-current loans is based on when repayment is due. Current loans being those that are due for refinancing or repayment within 12 months of the balance sheet date (of this report).

AT 31 March 2018	Interest Rate Exposure	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Current Loans						
Accrued Interest					242,419	0.000%
Call Advance	Floating		1/07/2018		0	2.850%
LGFA Commercial Paper	Floating	02/02/2018	2/08/2018	2/02/2018	5,000,000	2.105%
LGFA Commercial Paper	Hedged	18/07/2017	18/04/2018	20/04/2020	5,000,000	4.515%
Floating Rate Note	Floating	24/08/2015	24/08/2018	26/02/2018	5,000,000	2.430%
Westpac Term Loan (ICL)	Floating	24/11/2011	24/11/2018	12/02/2018	750,000	5.000%
Total Current Loans					15,992,419	
Non-current Loans						
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	Hedged	19/06/2017	24/04/2023	24/01/2024	5,000,000	4.480%
LGFA: Floating Rate Note (ICL)	Hedged	19/06/2017	30/06/2019	30/08/2019	5,000,000	4.330%
LGFA: Fixed Rate Bond (ICL)	Fixed	19/06/2017	19/04/2025	19/04/2025	1,000,000	3.680%
Total Non-current Loans					25,000,000	
Total Public Debt					40,992,419	4.04%
Cash & Liquid Investments						
Cash Held on Trust for Retention Obligations					150,000	
Call Deposits					1,300,000	
Cash					164,020	
Total Cash & Liquid Investments					1,614,020	
Public Debt Net of Investments					39,348,399	

4.18 Total public debt was \$40,992,419 and cash assets were \$1,614,020 at 31 March 2018 giving a net debt position of **\$39,348,399**.

4.19 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 Floating Rate Notes or the credit margin on the FRN plus the fixed rate in the associated interest rate swap contract.

4.20 Most of Council's debt is held by the LGFA. The debt not held by the LGFA includes one FRN for \$5 million issued in Council's name and the Westpac Term Loan and Call advance facility. It is anticipated that on maturity of the FRN issued in Council's name it will be refinanced through the LGFA.

4.21 TREASURY EVENTS SINCE 31 MARCH 2018

4.22 This treasury report portrays the debt position of Council at 31 March 2018.

4.23 Since that date to the date of this report there has been no significant treasury management events or transactions to report.

4.24 INTEREST COSTS

4.25 The total actual interest paid for the period was \$1,282,000 against the year to date budget of \$2,019,000; \$737,000 (or 37%) less due to a lower debt position and securing better interest rates than forecast in the EAP. **Interest paid as a portion of total revenue is 6%**; Council's Treasury Policy requires that this amount not exceed 15%.

4.26 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

4.27 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 2017 the value of the swaps was a total net liability of \$1,636,000 whereas at 31 March 2018 their net value was a liability of \$1,743,000.

4.28 The notional value of swap contracts in place at 31 March was \$29 million providing current interest rate risk cover plus \$5 million notional value with a future start date.

5.1 DEBTORS AND OTHER RECEIVABLES

5.2 Set out below is summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 31 March 2018 with comparatives from last year. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

Receivables (Amounts in \$000's)	As at 31.03.17	As at 31.03.18	(Inc)/Dec \$	(Inc)/Dec %
Rates Receivable	2,632	2,509	123	5%
Rates Penalties	1,606	1,649	(44)	-3%
Rates and Penalties Receivable	4,238	4,158	80	2%
Extraordinary Water Charges	89	63	26	29%
Total Rates receivable	4,327	4,222	106	2%
NZ Transport Agency Subsidy	566	604	(38)	-7%
Ministry of Health Subsidy	898	0	898	0%
Other Receivables	747	1,303	(556)	-74%
Other Receivables	2,211	1,907	304	14%
Gross Receivables	6,538	6,129	409	6%
Less Provision for Doubtful Debts	(1,764)	(2,100)	336	-19%
Total Receivables	4,774	4,029	745	16%

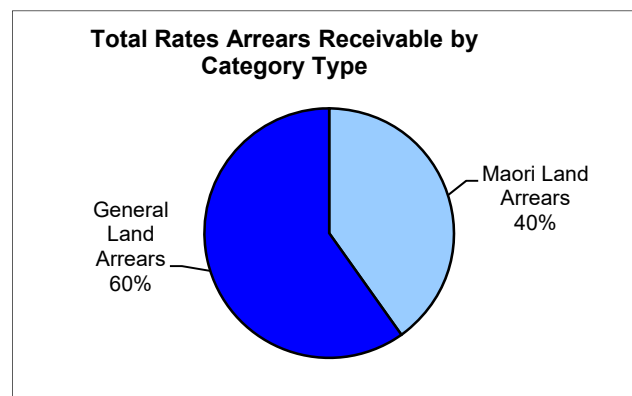
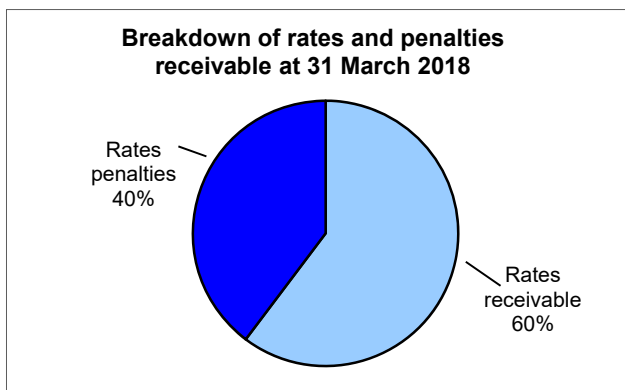
5.2 RATES AND PENALTIES RECEIVABLE

5.3 Current year rates

5.4 At 31 March, the third rates instalment had been issued and was due and payable by February 2018. The collection percentage on the second instalment to date was 96% (2017: 95%).

5.5 Rates Receivables (excluding metered water rates)

5.6 There was \$4.16 million of rates and penalties outstanding at 31 March 2018 (2017: \$4.23 million). This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2.51 million (2017: \$2.63 million) and penalties of \$1.65 million (2016: \$1.60 million).

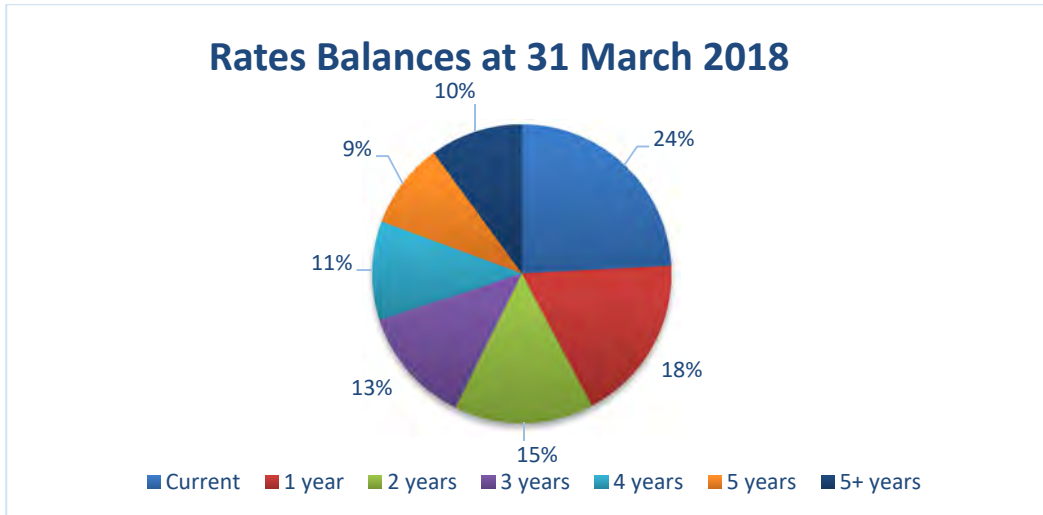


5.7 For the nine months of this financial year to 31 March 2018, arrears have been reduced by \$688,248 (18%) of the \$3,841,630 that was outstanding at 30 June 2017.

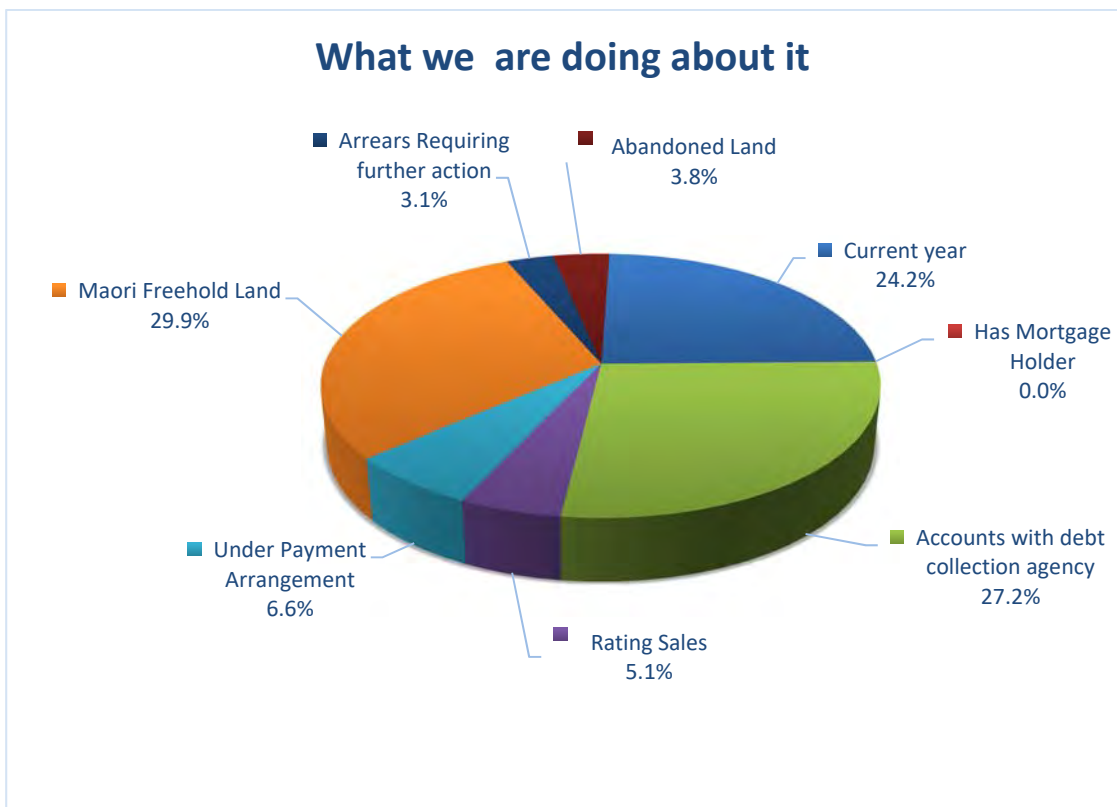
5.8 For the 12 months from 31 March 2017, rates and penalties receivable decreased by \$80K. Of this decrease, rates receivable decreased by \$123K and rates penalties increased by \$46K.

5.9 A total of \$232K of rates and penalties remissions have been entered against a full year's budget (\$290K).

5.10 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$4.16 million, \$1.0 million (24%) relates to current year, \$751K (18%) for the 2016/2017 year rates and the balance spread across the remaining years in a diminishing fashion.



- 5.11 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.
- 5.12 Recovery of arrears with the bank or financial institution that hold the mortgage over a property is available for general land properties, where there is a mortgage registered on the title. One mortgage demand was issued in April with payment due in May on a property where the arrears remain outstanding and no payment arrangement is in place.
- 5.13 The action being taken on outstanding balances is shown in the following graph:



5.14 Of the total arrears owing as at 31 March 2018 -

- \$1,266,822 relates to Maori freehold land
- \$1,131,844 have been placed with an external debt collection agency for collection
- \$274,065 are under some form of payment arrangement
- In addition to this, there are \$159,681 of arrears relating to 12 properties that meet the criteria for abandoned land and are being progressed through the abandoned land process. The courts have granted approval for the sale or lease of 9 of these properties.
- A further \$130,908 of arrears requires further action. Some of these properties have been identified to be placed with an external debt collection in the next quarter. These are properties where there is no mortgage registered against the property and communications with the ratepayers have not resulted in payment arrangements being entered into or payments being received to clear the arrears.

5.15 Other Receivables

At 31 March 2018 'Other Receivables' totalled \$1,907,000 of which \$67,461 was due and owing for more than three months. The three month and over receivables include trade waste charges, dog registrations and infringements and other sundry debtors.

Suggested Resolution

1. The business paper on Financial and Non-Financial Report for the period ended 31 March 2018 be received.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

16 May 2018

Attachment 1: Treasury Report for the quarter ended 31 March 2018 (Bancorp Treasury Services Limited (A389935))

Attachment 2: Performance Management Report on Levels of Service and Key Performance Indicators (zA3745)

Appendix 1: Combined Cost of Service Statements

Summary Cost of Service (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Operating Expenditure						
- Leadership	721	1,341	605	643	38	
- Community Service	1,827	2,380	1,828	1,476	(352)	
- Community Development	714	913	767	686	(81)	
- Regulation	142	200	148	128	(20)	
- Solid Waste Management	1,072	1,223	882	893	11	
- Stormwater Drainage	81	174	146	75	(71)	
- Resource Management	53	61	30	38	8	
- Sewerage	1,531	1,867	1,430	1,013	(417)	
- Water Supply	1,614	1,655	1,269	1,093	(176)	
- Roads and Footpaths	5,654	6,276	4,690	4,671	(19)	
Total Direct Operating Expenditure	13,409	16,090	11,795	10,716	(1,079)	-9%
Indirect Expenditure						
- Allocated Costs	4,160	4,595	3,441	3,241	(200)	
- Interest	1,981	2,690	2,019	1,282	(737)	
- Depreciation	5,839	6,005	4,503	4,209	(294)	
Total Indirect Expenditure	11,980	13,290	9,963	8,732	(1,231)	-12%
TOTAL EXPENDITURE	25,389	29,380	21,758	19,448	(2,310)	-11%
Operating Revenue						
- Leadership	(327)	(132)	(111)	(51)	60	
- Community Service	(959)	(523)	(400)	(450)	(50)	
- Community Development	(98)	(59)	(45)	(135)	(90)	
- Regulation	(433)	(481)	(401)	(430)	(29)	
- Stormwater Drainage	(7)	0	0	(11)	(11)	
- Resource Management	(91)	(59)	(45)	(103)	(58)	
- Solid Waste Management	(1,067)	(998)	(749)	(1,082)	(333)	
- Sewerage	(997)	(863)	(648)	(839)	(191)	
- Water Supply	(12)	0	0	(17)	(17)	
- Roads and Footpaths	(6,589)	(7,652)	(4,937)	(5,172)	(235)	
Total Operating Revenue	(10,580)	(10,767)	(7,336)	(8,290)	(954)	13%
Rates Revenue						
- General Rate	(3,503)	(3,646)	(2,734)	(2,749)	(15)	
- UAGC	(3,113)	(3,268)	(2,451)	(2,469)	(18)	
- Targeted Rate	(11,447)	(11,945)	(8,896)	(8,995)	(99)	
- Rates Penalties	(444)	(460)	(425)	(405)	20	
- Metered Water Rates	(690)	(712)	(534)	(419)	115	
Total Rates Revenue	(19,197)	(20,031)	(15,040)	(15,037)	3	0%
TOTAL REVENUE	(29,777)	(30,798)	(22,376)	(23,327)	(951)	4%
Net Operating Cost/(Surplus)	(4,388)	(1,418)	(618)	(3,879)	(3,261)	528%

The reasons for variance have been set out in sections 3.4 and 3.5 in the main body of the report and further details are also contained in the COSS for each activity that follows.

The actuals for 2016/17 excludes rates on Council properties from both revenue and expenditure.

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Representation	297	300	235	223	(12)	
- Planning & Policy & Monitoring	282	386	176	210	34	
- District and Urban Development	8	505	117	122	5	
- Investments	118	140	77	88	11	
- Treasury Management and Overhead Accounts	16	10	0	0	0	
Total Direct Expenditure	721	1,341	605	643	38	6%
- Allocated Costs	893	1,250	935	946	11	
- Interest	241	386	289	204	(85)	
- Depreciation	484	495	367	324	(43)	
Total Operating Expenditure	2,339	3,472	2,196	2,117	(79)	-4%
Operating Revenue						
- Representation	(18)	(19)	(17)	(11)	6	
- Investments	(234)	(103)	(87)	(32)	55	
- Treasury Management and Overhead Accounts	(75)	(10)	(7)	(8)	(1)	
Total Operating Revenue	(327)	(132)	(111)	(51)	60	-54%
Net Operating Cost/(Surplus)	2,012	3,340	2,085	2,066	(19)	-1%

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 1% (\$19,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 6% (\$38,000) more than budget for the period.

- Policy development and advocacy cost was more than budget.
- Expenditures to date incurred includes the initial work for the structure planning and town concept planning for Mokau and Te Kuiti as part of the District Plan Review. The structure/town concept planning project is well underway, along with a range of other key consultant work-streams related to the District Plan Review (i.e. coastal hazards). Additional expenditure will be incurred on an on-going basis in relation to the District Plan project.

Operating Revenue was 54% (\$60,000) less than budget for the period.

- Revenue from the investment activity was less than budget due to reduced revenue for quarry royalties. In addition to this, whilst there was an overall cash profit from the sale of the remaining Parkside sections of \$60,000, an accounting loss on sale has been recognised. This is the result of the value of the sections being revalued upwards at 30 June 2017 to \$1,050,000 (due to sections required to be transferred to Investment Properties and then transferred back to Assets held for sale in the holding period, which was greater than the sale proceeds. The initial purchase of the sections was \$1,269,000 in November 2011 and all sections were sold for \$1,359,000 by March 2018 giving a cash gain of \$90,000.

Community Service

COMMUNITY SERVICE (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Parks and Reserves	392	553	416	266	(150)	
- Housing and Other Property	249	479	385	312	(73)	
- Recreation and Culture	469	524	399	362	(37)	
- Public Amenities	633	700	532	481	(51)	
- Safety	84	124	96	55	(41)	
Total Direct Expenditure	1,827	2,380	1,828	1,476	(352)	-19%
- Allocated Costs	747	832	625	470	(155)	
- Interest	130	207	156	86	(70)	
- Depreciation	814	897	673	619	(54)	
Total Operating Expenditure	3,518	4,316	3,282	2,651	(631)	-19%
Operating Revenue						
- Parks and Reserves	(9)	(18)	(11)	(17)	(6)	
- Housing and Other Property	(305)	(290)	(218)	(273)	(55)	
- Recreation and Culture	(132)	(159)	(128)	(113)	15	
- Public Amenities	(513)	(56)	(43)	(47)	(4)	
- Safety	0	0	0	0	0	
Total Operating Revenue	(959)	(523)	(400)	(450)	(50)	13%
Net Operating Cost/(Surplus)	2,559	3,793	2,882	2,201	(681)	-24%

Net Operating Cost was 24% (\$681,000) below budget for the period ended 31 March 2018.

Direct Expenditure was 19% (\$352,000) below budget for the period.

- Expenditure for Parks and Reserves, Housing and Other Property, Recreation and Culture and Public Amenities activities are tracking less than budget as repairs and maintenance expenditure is only spent when required. No expenditure has been incurred for the Passive Reserves management plan. Some expenditure will be incurred prior to 30 June.
- Safety: There has been no direct expenditure for rural fires as the New Zealand Fire Service Commission (NZFSC) has undertaken this work stream from this financial year. There is a 12 month transitional agreement in place with NZFSC which involves WDC issuing Fire Permits.

Operating Revenue was 13% (\$50,000) more than budget for the period. Contribution received from Piopio Hall Committee for Piopio Hall, Waipa Network for granting easement on State Highway 3 Hangatiki and gain on disposal of operational land. This was partly offset by less revenue received from Aerodrome, Aquatic Centre, and Les Munro Centre Hire, which are within the Recreation and Culture activity.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Community Support	503	515	458	427	(31)	
- District Development	211	398	309	259	(50)	
- Agencies	0	0	0	0	0	
Total Direct Expenditure	714	913	767	686	(81)	-11%
- Allocated Costs	520	683	510	416	(94)	
- Interest	1	2	2	0	(2)	
- Depreciation	9	7	5	8	3	
Total Expenditure	1,244	1,605	1,284	1,110	(174)	-14%
Operating Revenue						
- Community Support	(23)	(2)	(2)	(2)	0	
- District Development	(62)	(57)	(43)	(133)	(90)	
- Agencies	(13)	0	0	0	0	
Total Operating Revenue	(98)	(59)	(45)	(135)	(90)	200%
Net Operating Cost/(Surplus)	1,146	1,546	1,239	975	(264)	-21%

Net Operating Cost for the Community Development Activity was 21% (\$264,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 11% (\$81,000) less than budget for the period.

- Included in the District Development activity was the Sir Colin Meads Public Memorial Service cost which was not budgeted for. This was offset by funding provided from the Office of the Prime Minister.
- Expenditure for district promotions, telecommunication initiative and district development are less than budget.

Operating Revenue was 200% (\$90,000) more than budget for the period.

- Funding contribution has been received from the Office of the Prime Minister for Sir Colin Meads Public Memorial Service.
- A donation of \$2,800 was received from Destination Waitomo as part of the organisation winding up process.

Regulation

REGULATION (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Regulation	142	200	148	128	(20)	
Total Direct Expenditure	142	200	148	128	(20)	-14%
- Allocated Costs	814	733	549	514	(35)	
- Interest	1	1	1	1	0	
- Depreciation	5	4	4	4	0	
Total Expenditure	962	938	702	647	(55)	-8%
Operating Revenue						
- Regulation	(433)	(481)	(401)	(430)	(29)	
Total Operating Revenue	(433)	(481)	(401)	(430)	(29)	7%
Net Operating Cost/(Surplus)	529	457	301	217	(84)	-28%

Net Operating Cost for the Regulation Activity was 28% (\$84,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 14% (\$20,000) less than budget for the period.

- No costs have been incurred for the compliance schedule project to date. This has partly been offset by items listed below.
- WLASS Building Consent Group costs are more than budget.
- Some costs have been incurred in relation to the Carter Holt Harvey litigation proceedings (that 48 other councils are also party to). These litigation costs are being shared as appropriate between all councils party to the proceedings.

Operating Revenue was 7% (\$29,000) more than budget for the period.

- Animal and Dog Control and Building Control revenue were more than budget. Building consent revenue received for the nine months to March was \$188,000 from 119 processed consents, considerably higher than that received from 92 processed consents for last period. This was partly offset by reduced compliance schedule revenue.
- The grant contribution from the Central Government has been carried over to current year. These funds are specific for the neutering of the menacing of dogs campaign. Unspent fund will be carried over to the next financial year.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- District Plan Administration	53	61	30	38	8	
Total Direct Expenditure	53	61	30	38	8	27%
- Allocated Costs	160	184	139	129	(10)	
Total Expenditure	213	245	169	167	(2)	-1%
Operating Revenue						
- District Plan Administration	(91)	(59)	(45)	(103)	(58)	
Total Operating Revenue	(91)	(59)	(45)	(103)	(58)	129%
Net Operating Cost/(Surplus)	122	186	124	64	(60)	-48%

Net Operating Cost for the Resource Management Activity was 48% (\$60,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 27% (\$8,000) more than budget for the period. This is mainly due to planning consultant costs to process complex consents, which will be recovered from resource consent applicants.

Operating Revenue was 129% (\$58,000) more than budget for the period.

- District Plan Administration revenue is more than full year budget due to an increase in resource consent and LIM revenue. The reason for increase in resource consent revenue is due to the complexity of applications being processed. There have been 24 resource consents and 116 LIMs processed for the nine months to March.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Collection	277	297	223	226	3	
- Landfill Management	795	926	659	667	8	
Total Direct Expenditure	1,072	1,223	882	893	11	1%
- Allocated Costs	353	371	278	309	31	
- Interest	224	244	183	119	(64)	
- Depreciation	91	64	48	45	(3)	
Total Expenditure	1,740	1,902	1,391	1,366	(25)	-2%
Operating Revenue						
- Collection	(134)	(134)	(101)	(99)	2	
- Landfill Management	(933)	(864)	(648)	(983)	(335)	
Total Operating Revenue	(1,067)	(998)	(749)	(1,082)	(333)	44%
Net Operating Cost/(Surplus)	673	904	642	284	(358)	-56%

Net Operating Cost for the Solid Waste Management Activity was 56% (\$358,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 1% (\$11,000) more than budget for the period.

- Expenditures for landfill operational costs, waste minimisation levy and asset management plans were more than budget. This was partly offset by reduced capping materials costs.

Operating Revenue was 44% (\$333,000) more than budget for the period.

- Revenue received at the landfill was more than budget mainly due to a significant one-off increase in building material charges from a commercial user. There has also been an increase in general refuse charges, recovered materials and contaminated waste.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Te Kuiti Stormwater	65	146	125	72	(53)	
- Rural Stormwater	16	28	21	3	(18)	
Total Direct Expenditure	81	174	146	75	(71)	-49%
- Allocated Costs	94	57	42	48	6	
- Interest	4	5	4	2	(2)	
- Depreciation	170	172	130	127	(3)	
Total Expenditure	349	408	322	252	(70)	-22%
Operating Revenue						
- Te Kuiti Stormwater	(7)	0	0	(11)	(11)	
Total Operating Revenue	(7)	0	0	(11)	(11)	0%
Net Operating Cost/(Surplus)	342	408	322	241	(81)	-25%

Net Operating Cost for the Stormwater Drainage Activity was 25% (\$81,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 49% (\$71,000) less than budget for the period.

- Expenditure for resource consent compliance, Te Kuiti storm water drainage maintenance, insurance costs and internal WSBU charges were less than budget. The reason for reduction in insurance cost is due to change in insurance provider from LAPP to AON.

Operating Revenue was \$11,000 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 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Waitomo Village	9	0	0	6	6	
- Te Kuiti	1,326	1,549	1,189	898	(291)	
- Te Waitere	31	40	29	9	(20)	
- Benneydale	72	118	91	33	(58)	
- Piopio	93	160	121	67	(54)	
Total Direct Expenditure	1,531	1,867	1,430	1,013	(417)	-29%
- Allocated Costs	272	237	178	200	22	
- Interest	417	525	394	250	(144)	
- Depreciation	753	781	585	565	(20)	
Total Expenditure	2,973	3,410	2,587	2,028	(559)	-22%
Operating Revenue						
- Te Kuiti	(954)	(860)	(645)	(827)	(182)	
- Benneydale	(2)	(1)	(1)	(3)	(2)	
- Piopio	(41)	(2)	(2)	(9)	(7)	
Total Operating Revenue	(997)	(863)	(648)	(839)	(191)	29%
Net Operating Cost/(Surplus)	1,976	2,547	1,939	1,189	(750)	-39%

Net Operating Cost for the Sewerage Activity was 39% (\$750,000) below budget for the period ended 31 March 2018.

Direct Expenditure was 29% (\$417,000) less than budget for the period.

- Expenditure for internal WSBU charges, power and chemicals for Te Kuiti were less than budget. This was partly offset by increased reticulation routine operational costs. Some major faults were picked up during routine maintenance on the reticulation that have resulted in some major work being carried out.
- Operations and maintenance costs are also less than budget for Benneydale, Piopio and Te Waitere schemes.
- Investigation and planning expenditure was incurred for the possible supply of sewerage services for Waitomo Village.

Operating Revenue was 29% (\$191,000) more than budget for the period.

- Trade waste revenue for Te Kuiti is more than forecast due to an increase in the quantity of discharge from the major commercial users. The likely reason for increase in quantity of discharge may be due to seasonal factor notwithstanding existing process in place for better pre-treatment of trade waste to reduce nutrient loads in their discharge.
- Trade waste revenue in Piopio was more than full year budget.
- Connection fees revenue has also been received for Te Kuiti, Te Waitere and Benneydale.

Water Supply

WATER SUPPLY (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Te Kuiti	1,032	1,064	815	796	(19)	
- Mokau	247	212	166	107	(59)	
- Piopio	217	280	213	130	(83)	
- Benneydale	109	99	75	52	(23)	
- Waitomo Village	9	0	0	8	8	
Total Direct Expenditure	1,614	1,655	1,269	1,093	(176)	-14%
- Allocated Costs	290	248	185	209	24	
- Interest	264	458	344	201	(143)	
- Depreciation	552	627	472	414	(58)	
Total Expenditure	2,720	2,988	2,270	1,917	(353)	-16%
Operating Revenue						
- Te Kuiti	(2)	0	0	(5)	(5)	
- Mokau	0	0	0	(4)	(4)	
- Piopio	(2)	0	0	0	0	
- Benneydale	0	0	0	(2)	(2)	
Total Operating Revenue	(4)	0	0	(11)	(11)	
Subsidy Revenue						
- Te Kuiti	0	0	0	0	0	
- Mokau	(8)	0	0	(6)	(6)	
Total Subsidy Revenue	(8)	0	0	(6)	(6)	
Total Revenue	(12)	0	0	(17)	(17)	
Net Operating Cost/(Surplus)	2,708	2,988	2,270	1,900	(370)	-16%

Net Operating Cost for the Water Supply Activity was 16% (\$370,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was 14% (\$176,000) less than budget for the period.

- Expenditure for chemicals, electricity and pump station maintenance and operational costs were less than budget for Te Kuiti. These were partly offset by increased internal WSBU charges.
- Expenditure for internal WSBU and overall operational expenditure was less for Piopio, Benneydale and Mokau.
- Investigation and planning expenditure was incurred for the possible supply of water services for Waitomo Village.
- The disposal of old building at Te Kuiti water treatment plant has not yet been recognised in accounts.

Operational Revenue was \$11,000 more than budget for the period.

- Revenue received for new water connections in Te Kuiti and Benneydale.
- The Ministry of Health allowed claiming the full subsidy for Mokau water which resulted an increase in the subsidy revenue.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2016/17	EAP Budget 2017/18	YTD Budget Mar 2018	YTD Actual Mar 2018	Variance Mar 2018	% Variance
Direct Expenditure						
- Subsidised Roads	5,496	6,019	4,526	4,606	80	
- Unsubsidised Roads	158	257	164	65	(99)	
Total Direct Expenditure	5,654	6,276	4,690	4,671	(19)	0%
- Allocated Costs	17	0	0	0	0	
- Interest	699	862	646	419	(227)	
- Depreciation	2,961	2,958	2,219	2,103	(116)	
Total Expenditure	9,331	10,096	7,555	7,193	(362)	-5%
Operating Revenue						
- Subsidised Roads	(6,465)	(7,562)	(4,886)	(5,115)	(229)	
- Unsubsidised Roads	(124)	(90)	(51)	(57)	(6)	
Total Operating Revenue	(6,589)	(7,652)	(4,937)	(5,172)	(235)	5%
Net Operating Cost/(Surplus)	2,742	2,444	2,618	2,021	(597)	-23%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	5,496	5,918	4,526	4,573	47	
Subsidised Roads Capital	4,561	5,680	2,950	3,162	212	
Combined Maintenance and Capital	10,057	11,598	7,476	7,735	259	3%
Subsidy Revenue for Subsidised Roads	(6,317)	(7,422)	(4,785)	(4,978)	(193)	4%

Net Operating Cost for the Roads and Footpaths Activity was 23% (\$597,000) less than budget for the period ended 31 March 2018.

Direct Expenditure was \$19,000 less than budget for the period.

- The Emergency Re-instatement (first response) expenditures were more than full year budget due to weather related damages on the network.
- Sealed pavement maintenance and traffic services maintenance expenditures were more than budget for the period.
- Network and Asset Management expenditures were more than full year budget. Additional costs have also been incurred for asset management plan.
- The overspent items detailed above are partly offset by reduced expenditures in unsealed pavement maintenance, structures maintenance and administration services charges.
- Unsubsidised roads expenditure was less than budget for street cleaning and footpath maintenance.

Operating Revenue was 5% (\$235,000) more than budget for the period.

- Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 64%. As both capital and maintenance expenditure was more than forecast the subsidy associated with this is also more than budget. In addition to that the subsidy rate for LED street lights upgrade is 85%, which was not budgeted for.
- Revenue for unsubsidised roads was more than budget for the period.

Appendix 2: Balance Sheet as at 31 March 2018

STATEMENT OF FINANCIAL POSITION (Amounts in \$000's)	Actual 30 Jun 2017	Actual Position 31 Mar 2018	Movement from 30 Jun 2017	Exceptions Annual Plan 30 Jun 2018	Variance from EAP
Equity					
- Accumulated Funds	210,367	211,188	821	214,879	3,691
- Other Reserves	13,287	16,600	3,313	6,741	(9,859)
- Revaluation Reserve	70,536	70,281	(255)	77,413	7,132
TOTAL EQUITY	294,190	298,069	3,879	299,033	964
Current Assets					
- Cash and Cash Equivalents	112	1,614	1,502	100	(1,514)
- Inventory	49	49	0	38	(11)
- Other Financial Assets	378	378	0	3	(375)
- Receivables (Non-exchange)	5,966	3,634	(2,332)	5,690	2,056
- Receivables (Exchange)	395	395	0	357	(38)
- Assets Held for Sale	1,050	0	(1,050)	9	9
Total Current Assets	7,950	6,070	(1,880)	6,197	127
Current Liabilities					
- Payables and Deferred Revenue (Exchange)	4,111	2,273	(1,838)	2,811	538
- Payables and Deferred Revenue (Non-exchange)	685	685	0	719	34
- Current Portion of Borrowings	13,419	15,992	2,573	5,200	(10,792)
- Provisions	26	26	0	20	(6)
- Employee Entitlements	549	688	139	514	(174)
- Derivative Financial Instruments	608	608	0	561	(47)
Total Current Liabilities	19,398	20,272	874	9,825	(10,447)
NET WORKING CAPITAL	(11,448)	(14,202)	(2,754)	(3,628)	10,574
Non Current Assets					
- Property Plant and Equipment	331,301	332,810	1,509	345,685	12,875
- Intangible Assets	388	388	0	733	345
- Investment Property	750	750	0	742	(8)
- Other Financial Assets	788	793	5	5	(788)
- Investment in CCO & Civic Financial Services Ltd	4,520	4,520	0	4,520	0
- Derivative Financial Instruments	0	0	0	0	0
Total Non Current Assets	337,747	339,261	1,514	351,685	12,424
Non Current Liabilities					
- Payables and Deferred Revenue (Non-exchange)	141	22	(119)	0	(22)
- Borrowings	30,000	25,000	(5,000)	45,936	20,936
- Employee Entitlements	0	0	0	0	0
- Provisions	940	940	0	933	(7)
- Derivative Financial Instruments	1,028	1,028	0	2,155	1,127
Total Non Current Liabilities	32,109	26,990	(5,119)	49,024	22,034
NET ASSETS	294,190	298,069	3,879	299,033	964

**Statements of Service Performance Report
on
Levels of Service and Key Performance Indicators**



Statements of Service Performance Report On
Levels of Service and Key Performance Indicators

2017/18

(For the period ending 31st March 2018)

Introduction

- 1.1 The purpose of this report is to record the detail of non-financial performance or service performance for different periods of the 2017/18 financial year. These service performance measures were adopted as part of the Long Term Plan 2015-25. Council uses service performance measures to measure non-financial performance in providing services to its Community.
- 1.2 The format of the report is in tabular form and the results are grouped under each major activity;
- Description of the **level of service**, which translates the high level strategic goal into measurable levels of service.
 - The **key performance indicator**, which is a description of the measure that will be monitored throughout the financial year and the life of the Long Term Plan 2015-25.
 - The **performance target**, which is the quantitative target Council will strive to achieve.
 - **Performance achieved** to 31 March 2018. The result is recorded, whether the target has been achieved and comments to further explain actual results to target result.

Commentary

2.1 Structure of Groups of Activities

Council carries out a number of activities or functions in order to meet its statutory responsibilities and in response to the aspirations of its District community. Council's functions are arranged under ten Groups of Activities. These ten Groups of Activities are further organised under three main 'Sustainability Groups'.

Sustainability Groups			
Groups of Activities	Community and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
	Governance: Leadership and Investments	Resource Management	Water Supply
	Community Service	Solid Waste Management	Roads and Footpaths
	Community Development	Stormwater	
	Compliance	Sewerage and the Treatment and Disposal of Sewage	

2.2 Performance Framework

Purpose

In order to manage and monitor the performance of its activities and the work programmes undertaken by Council and to ensure that its efforts contribute to Council's purpose and Community Outcomes we have developed a Performance Framework. The two key functions of this framework are:

1. To guide Council's efforts and work streams such that the focus is on achievement Council's Purpose and Community Outcomes.
2. To demonstrate to the community what we are trying to achieve, and how our performance will be measured.

PURPOSE OF LOCAL GOVERNMENT
<i>'To meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses'</i>
Waitomo District Community Outcomes
Council's Vision: 'Creating a better future with vibrant communities and thriving business'
Council's Focus Areas: Facilitate economic development, encourage community connectivity and development, good stewardship of assets, and financial prudence and sustainability
Council's Business – Groups of Activities
Council's Policy and Planning Framework Council Policies, Bylaws, Activity Management Plans, Financial Strategy, Long Term Plan and Annual Plan.
Levels of Service and Work Programmes Monitoring and Reporting of achievement against Performance Targets

2.3 Elements of the Framework

As shown in the table above, at the highest level of the Performance Framework is Council's Purpose, followed by Community Outcomes.

The Vision and resulting Focus Areas describe Council's direction and priorities and aim to provide a framework under which planning will be carried out.

Council's Groups of Activities is the grouping of the various functions and activities that are carried out by Council. All activities need to demonstrate their contribution to the Community Outcomes.

The 'coal-face' of the Performance Framework are the –

Levels of Service: what can the community expect Council to provide

Performance Measures: how will success or progress be measured

Performance Targets: what level of performance is Council aiming for

2.4 Monitoring and Reporting

2.5 Progress against agreed performance targets is monitored monthly at a management level and reported quarterly at governance level. The annual achievement against performance targets is audited and communicated to the community and stakeholders in Council's Annual Report.

2.6 For the period ending 31 March 2018, the performance results for all ten activities in summary, are as follows:

Activity	Total number of targets	Achieved or On Track	Not Achieved	No data available
Governance: Leadership and Investments	4	3	0	1
Community Service	11	7	0	4
Community Development	7	5	0	2
Compliance	9	5	0	4
Solid Waste Management	8	2	2	4
Resource Management	3	3	0	0
Storm water Drainage	8	8	0	0
Sewerage and Treatment	8	8	0	0
Disposal of Sewerage				
Water Supply	17	14	3	0
Roads and Footpaths	6	5	0	1

Performance Measures Key

	Achieved or on Track
	Not Achieved
	No Data Available

Community and Cultural Sustainability Group

Governance: Leadership and Investments

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
Decision making in compliance with provisions of the Local Government Act 2002.	Number of successful challenges to the decision making process.		0 On track for achievement	
Consultation is in accordance with the procedures outlined in LGA 2002. Depending on the nature of the consultation, the procedure will either be the Special Consultative Procedure or a process that gives effect to the requirements of section 82 of the LGA 2002.	Number of successful challenges to the decision making process.		0 On track for achievement	LTP and SWAMMP consultation scheduled for April/ May 2018

	Achieved or On Track		Not Achieved		No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 60%		<p>Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018.</p> <p>95% in June 2017 RSS</p>
Investments				
Investments are managed prudently and in a manner that promotes the current and future interests of the community.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.		Achieved	Financial reports and Draft Statement of Intent have been received on time.

Achieved or On Track	Not Achieved	No data available
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Community Service

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 84% in June 2017 RSS
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing in the User Survey.	> 65%		Will be reported once survey is completed by June 2018.
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 82%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 88% in June 2017 RSS
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 75%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 88% in June 2017 RSS

Achieved or On Track	Not Achieved	No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 79%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 92% in June 2017 RSS
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	Achieved	All Council public facilities requiring BWOFF are current
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	Achieved	Pool Accreditation is in place to 1 April 2019.
	Number of pool non complying water quality readings per year.	< 5	Achieved	There were no non complying water quality readings for the period ending 31 March 2018
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event, as measured by the Resident Satisfaction Survey.	≥ 45%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 92% in June 2017 RSS
WDC is resourced and staff trained to a level sufficient to efficiently operate the Civil Defence Headquarters during an emergency	One major training exercise involving Civil Defence HQ staff will be held per year	One exercise per year		Will be reported when completed within the year.

	Achieved or On Track		Not Achieved		No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018		Commentary
Playground equipment is safe to use for parks and reserves playground users.	Number of accidents directly attributable to playground equipment failure.	Nil accidents	0 Achieved		No accidents have been reported for the period ending 31 March 2018.

Achieved or On Track	Not Achieved	No data available
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Community Development

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018		Commentary
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100% Compliance	100% Achieved		The following funding rounds have been completed: <ul style="list-style-type: none"> • September Discretionary Grant • December Discretionary Grant • March Discretionary Grant • Community Partnership Fund
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum			Will be reported when completed within the year.

	Achieved or On Track		Not Achieved		No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018		Commentary
	Youth Council undertakes two youth related projects per year.	2 per annum	4 Achieved		<p>The Youth Council hosted a Movie Evening held at the Piopio Memorial Hall on 25 August 2017.</p> <p>The Youth Council participated in the Keep NZ Beautiful Clean Up Week 2017 on 15 September 2017.</p> <p>The Youth Council arranged entertainment at the Annual Brook Park Fireworks Extravaganza held 11 November 2017.</p> <p>Support was provided by the Youth Council with the WDC Float at the Christmas Parade held 8 December 2017</p>
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	1+1 Achieved		<p>The Waitomo District Christmas Parade was held on 8 December 2017.</p> <p>The Great NZ Muster was held on 7 April 2018.</p>
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%			<p>Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018.</p> <p>94% in June 2017 RSS</p>

Achieved or On Track	Not Achieved	No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018		Commentary
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken in key publications and industry events.	> 4	4 Achieved		HWT presented their Six Monthly Report to Council in March 2018. The report identified significant promotional opportunities undertaken which included; Explore Central North Island, 2 nd Annual Tour the North Island Campaign, Short Escapes, Explore your Own Backyard and ongoing campaigning through a number of social media channels
Council will encourage and support business expansion and sustainable economic development opportunities within the District.	Economic Development Action Plan developed and implemented.	Actions implemented as per Economic Development Action Plan.	On track		Implementation of the action plan initiatives are underway

Achieved or On Track	Not Achieved	No data available
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Compliance

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
All food and alcohol retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and alcohol retail premises inspected annually.	100%	36% (food) 33% (alcohol)	<p>33% of alcohol licensed premises have been inspected. Inspections usually take place when the premises licence is due for renewal. There are currently 37 premises holding either an On-licence, Off-licence or Club-licence. There are a total of 44 premises licences (some premises hold both an Off and an On licence or Club licence).</p> <p>There is a total of 75 registered food premises. 36% of all food premises to date have been inspected.</p> <p>In terms of food inspections, it is noted that the transition from the Food Hygiene Regulations 1974 to the Food Act 2014 (FA). The consequence of this transition is that the inspection regime has changed.</p>

Achieved or On Track	Not Achieved	No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
Provision of an effective environmental health service for the community.	Customer Satisfaction Survey Rating on Environmental Health Service.	> 50%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 91% in June 2017 RSS
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	94.4% Achieved	The statutory requirement is 20 working days for building consents.
Council will process, inspect and certify buildings work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.	BCA Accreditation achieved every 2 years.	Achieved	Accreditation has been maintained – next IANZ audit is due by July 2018
Provision of an effective building control service to the community.	Customer Satisfaction Survey rating on Building Control.	> 50%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 88% in June 2017 RSS
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100%		*Property inspections are required only for SOP owners or if breaches of the Dog Control Act are identified. SOP inspections are underway.

Achieved or On Track	Not Achieved	No data available
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What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 March 2018	Commentary
		Rural (*inspections are only required for breaches of the Dog Control Act)		Rural properties not inspected as there are no SOP rural owners.
High level of customer satisfaction with animal control service.	Customer Satisfaction survey rating on Animal Control.	≥ 50%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 78% in June 2017 RSS
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/Owner Education initiatives.	≥ 2	>7 Achieved	Council provides educational information monthly on Facebook, and also provides regular information in Waitomo Way and the Waitomo News.

*Target changed by Council resolution document number #A345198 Council Minutes #A345407

Achieved or On Track	Not Achieved	No data available
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Environmental Sustainability Group

Solid Waste Management

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2018	Commentary
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 95% in June 2017 RSS
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 88% in June 2017 RSS.
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 91% in June 2017 RSS
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%		Will be reported annually once the Resident Satisfaction Survey (RSS) is completed by June 2018. 96% in June 2017 RSS
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	≤1	0 Achieved	No complaints were received for facilities not being open at advertised times for the quarter ended 31 March 2018.

Achieved or On Track	Not Achieved	No data available
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What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2018		Commentary
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2025 achieved through continual education (both measured against the 2014 Biennial Waste Audit).	2.0%	1.57% Not achieved		The results from the 2016 waste Audit identified a 1.57% reduction in recyclables against the 2014 Waste Audit. A 2% reduction was required to meet the performance target. This is however tracking in a downwards trend.
Reduce the quantity of organic waste like food scraps etc. in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2025 (measured against the 2014 Biennial Waste Audit).	1.5%	3% Not achieved		The results from the 2016 Waste Audit identified an almost 3% increase in putrescible (organic/food waste) against the 2014 Waste Audit. A 1.5% reduction was required to meet this performance target. Reducing food waste is a key strategy for meeting the goals of the Waste Minimisation Act. WDC are involved in a collective of Councils throughout the country to implement a national "Love Food, Hate Waste" campaign in an effort to reduce food waste sent to landfills.

Achieved or On Track	Not Achieved	No data available
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What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 March 2018	Commentary
Provision of an effective solid waste service for the community.	Average number of complaints received per month regarding solid waste activities.	≤ 10	7 Achieved	<p>A total of 7 complaints were received for the quarter ending 31 March 2018. Complaints ranged from:</p> <p>Non collection of refuse and recycling bins Broken glass left on road Recycling being dropped by contractor and left on side of rural road. Bin broken by contractor.</p>




Achieved or On Track	Not Achieved	No data available
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Resource Management

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress at 31 March 2018		Commentary
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate district wide development.	Percentage of notified consents processed within 80 working days of receipt.	90%	Achieved		There were no notified resource consents processed in this period.
	Percentage of non-notified consents processed within 20 working days.	90%	100% Achieved		All non-notified consents processed during this period were processed within 20 working days (this quarter and year to date).
All premises where resource consents have been issued will be monitored at least biennially to ensure compliance.	Percentage of consented premises visited each year.	50%	100% Achieved		All resource consents requiring monitoring have been monitored.

 Achieved or On Track	 Not Achieved	 No data available
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Storm water Drainage

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress as at 31 March 2018		Commentary
Storm water drainage system is adequate and is sufficiently maintained.	The number of flooding events that occur in the district in a financial year.	Nil (for less than 1 in 2 year event)	0 Achieved		No flooding events of less than 1 in 2 year occurred in the district for this quarter.
	For each flooding event the number of habitable floors affected in a financial year.	≤ 1 per 1000 properties	0 Achieved		There were no flooding events of less than 1 in 2 year, therefore no habitable floors were affected by a flooding event, for this quarter.
Compliance with resource consent conditions for discharge from the Council's urban storm water system that relate to environmental effects	Compliance with resource consents for discharge from its Storm water system, measured by the number of the following (<i>received by Council with a financial year</i>):				
	• abatement notices	0	0 Achieved		No abatement notices
	• infringement notices	≤ 2	0 Achieved		No infringement notices
	• enforcement orders	Nil	0 Achieved		No enforcement orders
• successful prosecutions	Nil	0 Achieved		No prosecutions	
The Council responds to failures and request for service in a prompt and efficient way	The median response time to attend a flooding event (measured from the time that the notification is received to the time that service personnel reach the site)	≤ 180 minutes (3hrs)	0 hrs Achieved		No requests
The Council provides a reliable storm water collection service	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	≤ 4 complaints per 1000 properties	0 Achieved		No complaints

	Achieved or On Track		Not Achieved		No data available
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Sewerage and Treatment and Disposal of Sewage

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress at 31 March 2018	Commentary
Sewerage System is adequate and is sufficiently maintained.	Number of complaints received in a financial year about ; <ul style="list-style-type: none"> sewage odour; sewage system faults; sewage system blockages, and Council's response to issues with the sewage system. 		36 Achieved	A total of 15 complaints were received for quarter ending 31 March 2017. Total Year to Date complaints = 36 Total allowable complaints per annum = 39
	Total complaints per 1,000 connections ≤20 (Total number of connections 1,945)			
Environmental impacts of Sewerage systems will be managed effectively.	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (<i>received by Council in a financial year</i>)			
	<ul style="list-style-type: none"> abatement notices 	Nil	0 Achieved	No abatement notices
	<ul style="list-style-type: none"> infringement notices 	Nil	0 Achieved	No infringement notices
	<ul style="list-style-type: none"> enforcement orders 	Nil	0 Achieved	No enforcement notices

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress at 31 March 2018	Commentary
	<ul style="list-style-type: none"> convictions received 	Nil	0 Achieved	No convictions for quarter ending 31 March 2018
Timely response and resolution for sewage overflows.	The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site	≤180 minutes (3hrs)	45 minutes Achieved	
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 540 minutes (9hrs)	2.5 hours Achieved	
Provision of effective and reliable sewerage systems and service to the community.	Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Total complaints per 1,000 connections ≤ 5 (Total number of connections 1,779)	3 Achieved	Year to date complaints = 3. Total number of allowable complaints = 9 per annum.

	Achieved or On Track		Not Achieved		No data available
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Economic Sustainability Group

Water Supply

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress at 31 March 2018		Commentary
Water supply system is adequate and sufficiently maintained for public health purposes.	The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria)	100%	75% Not achieved		Technically non-compliant Te Kuiti's upgrade is yet to be completed, however this plant is providing an improved treatment process that meets the DW standards.
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2007 (revised 2008) (protozoal compliance criteria)	100%*	Not achieved		Technically non-compliant. Te Kuiti's upgrade is yet to be completed, however this plant is providing an improved treatment process that meets the DW standards.
Water Supply networks are being maintained adequately.	Percentage of real water loss from the Council's networked reticulation system in a financial year in: (<i>'Water Losses' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption</i>)				
	Te Kuiti	≤ 25%	11.45%		

	Achieved or On Track		Not Achieved		No data available
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What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress at 31 March 2018		Commentary
	Mokau	≤ 25%	4.8% Achieved		
	Piopio	≤ 25%	6.4% Achieved		
	Benneydale	≤ 15%	7.8% Achieved		
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year*	≤ 180 minutes (3 hrs)	1 hour Achieved		
	The median resolution time of urgent call-outs in a financial year**	≤ 540 minutes (9hrs)	5 hours Achieved		
	The median response times for attendance for non-urgent call outs in a financial year*	≤ 660 Minutes (11hrs)	4.5 hours Achieved		
	The median resolution time of non-urgent call-outs in a financial year**	≤ 850 minutes (14.1hrs)	4.5 hours Achieved		

	Achieved or On Track		Not Achieved		No data available
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What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress at 31 March 2018	Commentary
	<p>* from the time that the Council receives notification to the time that the service personnel reach the site. ** from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.</p>			
Provision of effective and reliable water supply system to the community.	The total number of complaints received by Council in a year for (2580 connections):			
	drinking water clarity	≤ 5 per 1000 connections	2 Not achieved	Total of 2 complaints were received for the quarter ending 31 March 2018. Total year to date = 18 Total allowed for the financial year is 13 or less
	drinking water taste	≤ 5 per 1000 connections	0 Achieved	Nil complaints were received for this quarter ending 31 March 2018. Total year to date = 4
	drinking water odour	≤ 5 per 1000 connections	0 Achieved	Nil complaints received for this quarter ending 31 March 2018. Total year to date = 2
	drinking water pressure flow	≤ 5 per 1000 connections	0 Achieved	Nil complaints received for this quarter ending 31 March 2018. Total year to date = 1

	Achieved or On Track		Not Achieved		No data available
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What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress at 31 March 2018		Commentary
	continuity of supply	≤ 5 per 1000 connections	0 Achieved		Nil complaints for this quarter ending 31 March 2018. Total year to date = 9
	Median response time to any of these issues within a year.	≤ 180 minutes	.15 hour Achieved		
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.	≤ 400 litres per person per day	276 Achieved		This quarter ending 31 March 2018 indicated the average consumption being 276 litres per person per day.

	Achieved or On Track		Not Achieved		No data available
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Roads and Footpaths

Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

Statement of Service Performance What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Our Progress 31 March 2018	Commentary
Monitor safety of local roads to assist in planning and prioritising works required to upgrade, maintain or change the condition of the roading environment in order to reach and maintain a specified level of safety.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	1 (or maintain at 0)	1 Achieved	1 fatality on Oparure Road on 04/02/18
Maintain the overall condition of local roads to a specified adequate standard *NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort	The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year. (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.)	90%	95.4 Achieved	This is measured every two years. The latest NAASRA roughness count from 2016 was 95.4% The next NAASRA is schedule for last quarter 2018 calendar year.
Maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metalled each year.	15% (of total)		This activity is a seasonal component of the maintenance conducted and is traditionally carried out over the summer period.

	Achieved or On Track		Not Achieved		No data available
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Statement of Service Performance What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Our Progress 31 December 2018		Commentary
Maintain the overall condition of sealed roads to a specified adequate standard	Percentage of sealed local road network that is resurfaced each year.	7% of total	6% On track		Currently 25.5km of sealed local road has been completed.
Maintain the overall condition of footpaths to a specified adequate standard.	The percentage of footpath network that falls within a condition rating of 3.	90%	91% Achieved		91% of footpaths in the Waitomo District network had a condition rating of 3 in the 2016/2017 year. The next assessment is due in the last quarter of 2018 calendar year.
Manage the timeliness and appropriateness of responses to problems and service requests.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	95%	100% Achieved		All requests were responded to within the required timeframe.

	Achieved or On Track		Not Achieved		No data available
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TREASURY REPORT

FOR



FOR THE QUARTER ENDED 31 MARCH 2018



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE MARCH 2018 QUARTER)

Volatility in financial markets returned with a vengeance in the March 2018 quarter after a long absence. The return was sparked by central banks' actions and words, and US trade sanctions and other countries' retaliations that threatened to develop into a full scale global trade war. Fears of the effects of a trade war on global growth and central banks' policy unwinding actions caused investors' risk aversion to intensify and generated a marked increase in markets' volatility, with significant drops in global equity markets, industrialised commodity prices and bond yields, and rises in the gold price and usual safe haven currencies (yen and Swiss franc).

After much talking, the Federal Reserve ("Fed"), under new Chair, Jerome Powell, raised its target range for the Fed Funds rate by 25 basis points to 1.50%-1.75% in March. Of even greater interest to markets were the Fed's consensus forecasts for the Fed Funds rate. The Fed stuck to its previous consensus for a total of three interest rate rises in 2018 but raised its forecasts beyond that to three interest rate rises in 2019 (from two or three in December) and two in 2020 (from one or two in December).

At the end of March, President Donald Trump formalised his threatened tariffs on imported steel (25%) and aluminium (15%) but exempted six nations. These tariffs signalled the US' intention to negotiate bilateral trade deals (or lose the tariff exemption) with those nations and specifically targets China and Japan. China's initial reaction was one of restraint, while Japan, on the other hand, has been silent but must be fretting over the strengthening of the yen.

Other leading industrialised central banks have started preparing financial markets for higher official interest rates and an unwinding of Quantitative Easing ("QE") programmes in 2018 and 2019, specifically the European Central Bank, Bank of England and Bank of Canada, while the Bank of Japan and Reserve Bank of Australia remain steadfastly neutral.

Higher borrowing costs for US corporates and households (and a number of emerging market countries) and the threat of a trade war could reduce global growth. These fears have limited rises by long term yields globally. The US 10 year Treasury yield has been reluctant to push above 3.00% despite the Fed's higher forecasts for the Fed Funds rate. It traded in a 2.42% to 2.95% range in the March quarter, finishing at 2.74%, up from 2.41% at the end of the December 2017. The 2 year Treasury yield, which is closely aligned to the current and forecasted Fed Funds rate, traded in a 1.89% to 2.38% range in the March quarter, finishing at 2.27%, up from 1.88% at the end of the December 2017. The different

moves resulted in a slight flattening of the US yield curve – the spread between the yield on 2 year and 10 year Treasuries ended the March quarter at 0.47%, down from 0.53% at the end of December.

1.2 NEW ZEALAND MARKET OVERVIEW FOR THE MARCH 2018 QUARTER

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
31-Dec-17	1.75%	1.88%	2.21%	2.39%	2.68%	2.92%	3.14%
31-Mar-18	1.75%	1.96%	2.22%	2.36%	2.62%	2.83%	3.06%
Change	Nil	+0.08%	+0.01%	-0.03%	-0.06%	-0.09%	-0.08%

New Zealand economic data over the March quarter reinforced the outlook for an economy coming off the boil but still performing well.

GDP rose 0.6% over the December quarter and 2.9% over the year, from 0.6% and 2.74% respectively. Growth was driven largely by increases in the services industries but offset by falls in the primary sector. The weather took its toll on agriculture production that was down 2.7% in the December quarter. The services sector was more weather resilient, with growth led by wholesale trade, retail trade, business services and housing market activity. New Zealand inflation in the December 2017 quarter was just 0.1%, well down on the 0.5% recorded in the September quarter and short of market expectations. Annual inflation was 1.6% in December, down from 1.9% in September.

The Reserve Bank of New Zealand's ("RBNZ") February *Monetary Policy Statement* ("MPS") was in line with expectations for an upbeat growth outlook, a tempered inflation outlook and no change to the forecast path for the Official Cash Rate ("OCR"). The RBNZ highlighted the low current and projected inflation, and seemed to downplay wage inflation threats despite recent strong GDP growth and jobs growth. It went from describing underlying inflation as "*subdued*" in November to "*low*" in February outlining specific risks to its projections that would justify an even lower OCR. The March *OCR Review* merely reaffirmed the RBNZ's position stated in the February MPS.

The new Policy Targets Agreement ("PTA") between the Finance Minister and the incoming RBNZ Governor, Adrian Orr, was signed late in March. The PTA "*continues the requirement for the Reserve Bank to keep future annual CPI inflation between 1 and 3 percent over the medium-term, with a focus on keeping future inflation near the 2 percent mid-point.*" It adds a new requirement for the RBNZ to conduct monetary policy "*so that it contributes to supporting maximum levels of sustainable employment within the economy.*"

In a change from the past and moving into line with the rest of the world, RBNZ monetary policy decisions will be made by a Monetary Policy Committee (“MPC”), rather than solely by the Governor, and the RBNZ will need to explain “*when inflation outcomes, and/or expected inflation outcomes, are outside of the target range.*” The MPC’s first meeting is expected to be early in 2019, once the necessary amendments to the Reserve Bank Act have been passed.

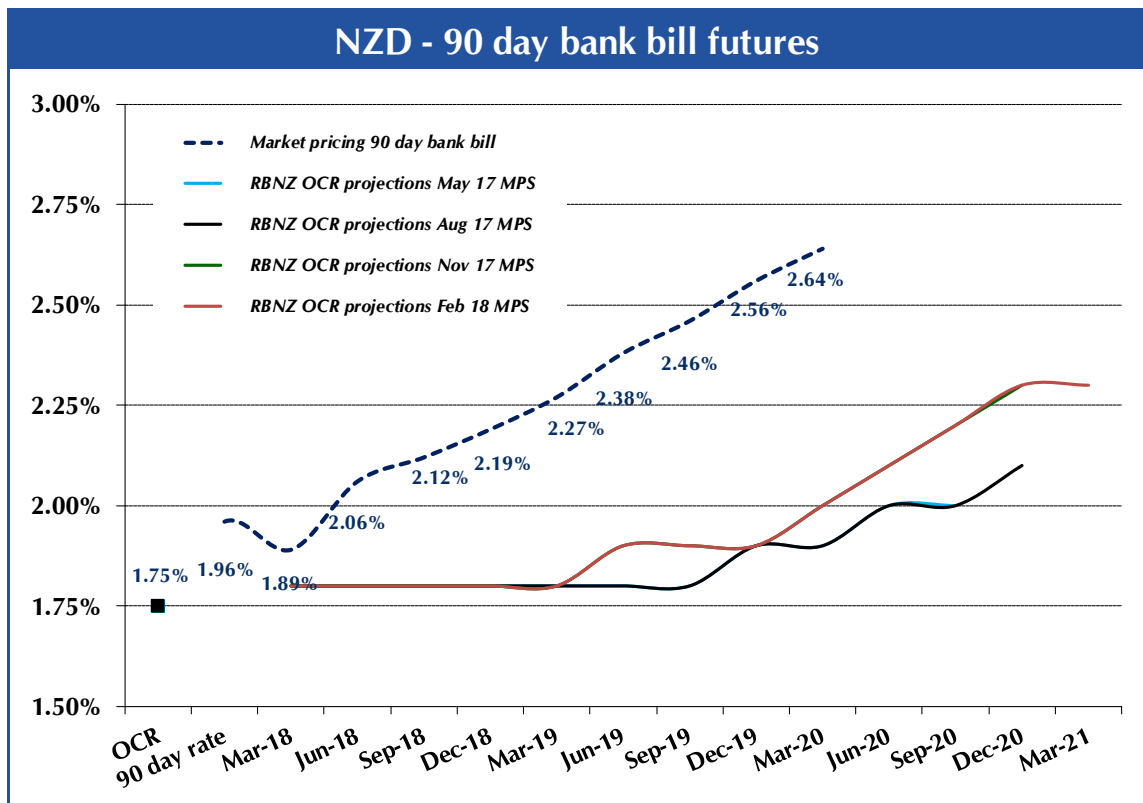
Moves up by New Zealand swap rates have not been as significant as moves in corresponding US swap rates, as shown in the table below that compares the respective swap rates over the March 2018 quarter.

	US 2 year swap	NZ 2 year swap	US 5 year swap	NZ 5 year swap	US 10 year swap	NZ 10 year swap
31 Dec 2017	2.08%	2.21%	2.24%	2.68%	2.40%	3.14%
31 Mar 2018	2.58%	2.22%	2.71%	2.62%	2.79%	3.06%
Change	+0.50%	+0.01%	+0.47%	-0.06%	+0.39%	-0.08%

The disparity between US and New Zealand swap rates can be attributed to New Zealand’s lower inflation outlook and the expectation from the market that the first OCR rise will not occur until early to mid 2019 (even with the markets’ more hawkish outlook compared to the RBNZ), unlike the market pricing for the US Fed funds rate, which is for three rate hikes in 2018 and at least two more in 2019. Adding to the disparity is the fact that the US is presently unwinding its QE programme whereas New Zealand does not have such a programme to unwind. Also the tax cuts in the US will sharply increase the US budget deficit which will need to be funded by sovereign debt issuance, thus pushing up yields.

The disparity between the RBNZ and market expectations for short term rates remains, but the extent of gap between the two has narrowed as the markets have once more pushed out both the timing of expected hikes and have lowered the rate which it expects the 90 day bank bill to attain. Markets expect a hike in early 2019 while the RBNZ has been consistent in its forecast for a late 2019/early 2020 increase.

The chart on the following page shows the market pricing for the 90 day bank bill rate and the RBNZ’s pricing for the OCR from the last four MPSs (the RBNZ does not forecast the 90 day bank bill track in the MPSs).



The New Zealand swap curve fell again over the March 2018 quarter as fears of a global trade war and its effects on global growth and central banks outweighed concerns about wage and price inflation. The 10 year swap rate rose to a quarterly high of 3.32% before falling to 3.06% by the end of March. The 2 year swap reached a high of 2.28% during the quarter but finished at 2.22%, a mere 0.01% above December quarter close. The resulting flattening of the yield curve pushed forward start swap rates lower.

1.3 LOCAL AUTHORITY SECTOR

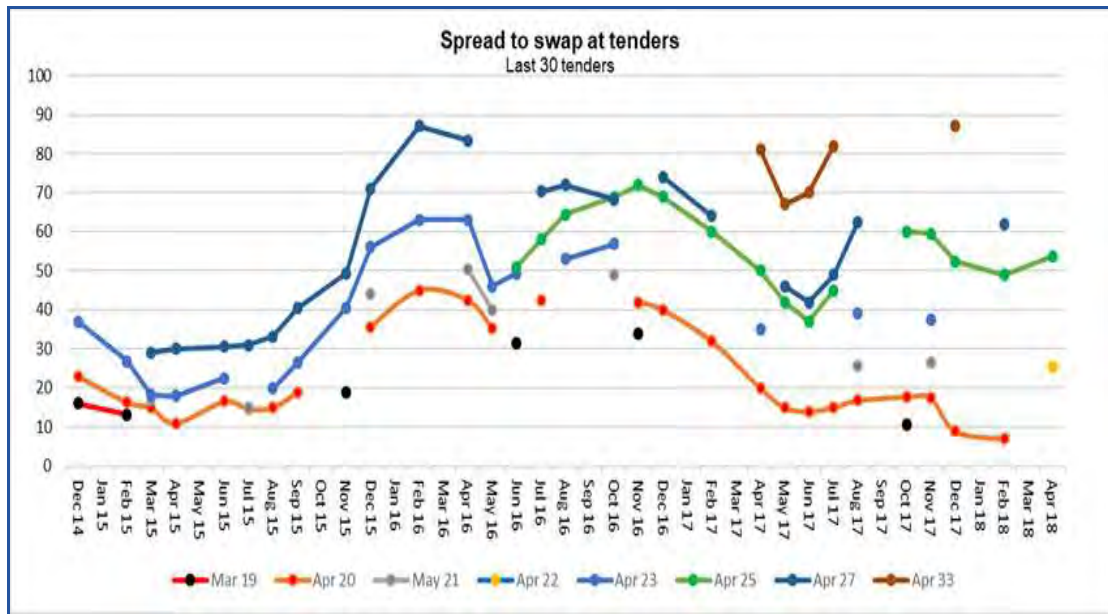
There was only one Local Government Funding Agency ("LGFA") tender for the quarter, held on 14 February. As this was largely historical by the end of March, for the purpose of having the most up to date information, below are details of the tender held just after the end of the March quarter, on 4 April. In this tender \$190 million of bonds were issued, while \$518.8 million of bids were received, equating to a bid to issuance ratio of 2.73x. Details of the tender were as follows:

- 14 April 2022 maturity - \$150 million issued at a margin of 46 basis points over swap for an 'A+' rated borrower.
- 15 April 2025 maturity - \$40 million issued at a margin of 75 basis points over swap for an 'A+' rated borrower.

For the 2025 maturity the spread to swap compared to the February 2018 tender was 1.5 basis points wider, highlighting the slight softening in credit markets in line with the recent equity market weakness. While the credit spread was higher the outright interest

rate was lower, with the average of 3.41% on the 2025 maturity representing a 10 basis point decline from the yield in the February tender.

The chart below shows the LGFA issuance margins (to the underlying swap rate) dating back to December 2014 for a 'AA' rated borrower and illustrates the decline in shorter dated margins and the increase in longer dated margins that has occurred over recent months.



Pricing for bank sourced local authority bank debt seems to vary quite widely at present, both between banks and even sometimes within one bank on a regional basis. The logic behind an individual bank providing disparate pricing for local government entities with very similar credit ratings is hard to rationalise. But given the disparity both between the banks and within individual banks, it shows the need, when seeking new bank funding or rolling over existing funding, to put the process out to competitive tender.

2. DEBT AND HEDGING

2.1 DEBT

As at 31 March 2018, WDC had \$40.75 million of external debt, down from \$42.25 million at the end of December 2017. \$35.0 million was sourced from the LGFA, utilising a combination of Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"). In addition, WDC had the following other debt:

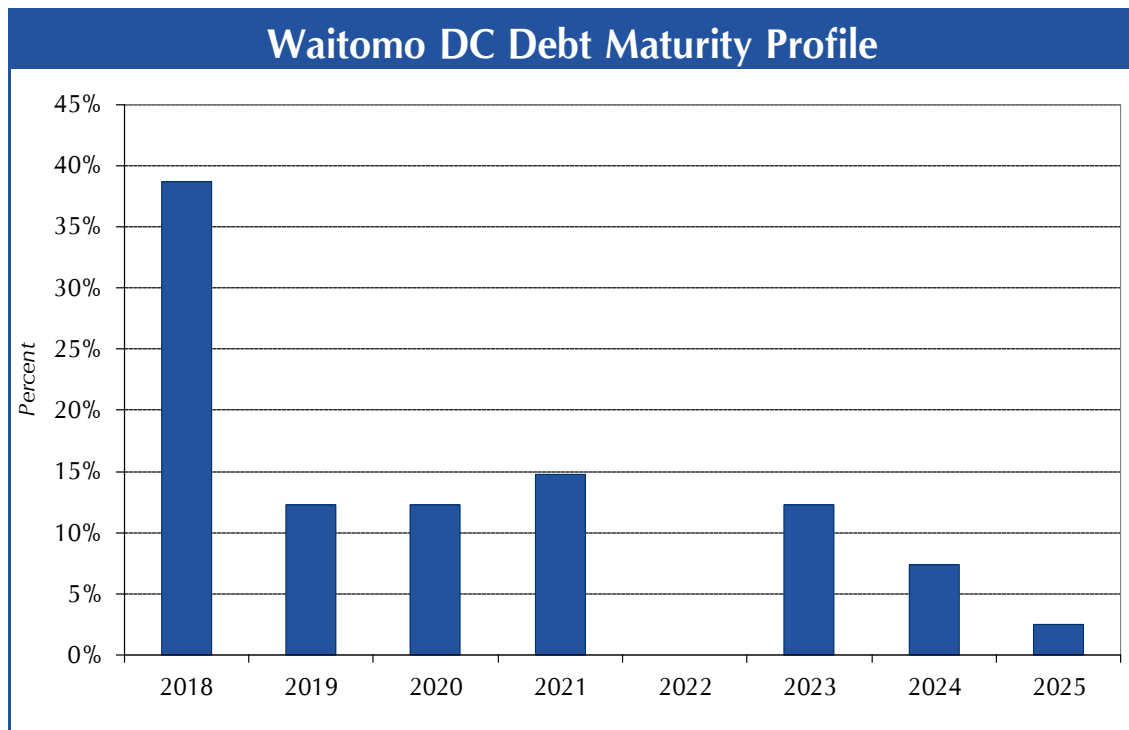
- \$5.0 million of FRNs issued by WDC.
- A Term Loan of \$0.75 million from Westpac that was on-lent to Inframax.

A breakdown of the funding profile is contained in the table below:

Loans			
Value Date	Reprice/Maturity	Base Rate	Amount
LGFA FRNs			
19-Jun-2017	18-Apr-2024	1.880%	\$3,000,000
19-Jun-2017	15-Nov-2021	1.900%	\$6,000,000
19-Jun-2017	10-Sep-2020	1.895%	\$5,000,000
19-Jun-2017	24-Apr-2023	1.880%	\$5,000,000
19-Jun-2017	28-Jun-2019	1.915%	\$5,000,000
LGFA Fixed Rate Bond			
19-Jun-2017	19-Apr-2025	3.680%	\$1,000,000
Inframax Loan			
13-Nov-2017	24-Nov-2018	5.000%	\$750,000
LGFA CP			
18-Jul-2017	18-Apr-2018	1.880%	\$5,000,000
07-Aug-2017	02-Aug-2018	1.905%	\$5,000,000
WDC FRNs			
28-Aug-2015	24-Aug-2018	1.910%	\$5,000,000
TOTAL			\$40,750,000

The Term Loan of \$0.75 million has been on-lent to Inframax at a rate of 5.00%, with the next reprice on 24 November 2018.

The maturity profile of WDC's debt is depicted in the graph on the following page. The Term Loan on-lent to Inframax is included as a 2018 maturity.



Section 7.2 of WDC's Liability Management Policy ("LMP") states that "To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any 12 month period." While this is an objective, not an actual requirement, it is nonetheless being complied with.

2.2 HEDGING

As at 31 March 2018, WDC had eight interest rate swaps to convert a portion of the floating rate exposures associated with the FRNs and bank debt into fixed rate. Seven of the interest rate swaps are current and one is forward starting. Details of the interest rate swaps are contained in the table below:

		Swaps		
Start Date	Maturity Date	Rate	Amount	Market Value
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	(\$325,963)
30-Aug-2013	30-Aug-2019	3.900%	3,500,000	(\$92,755)
30-Aug-2013	30-Aug-2019	3.900%	1,500,000	(\$39,752)
18-Oct-2013	20-Apr-2020	4.315%	5,000,000	(\$235,154)
11-Sep-2017	11-Sep-2020	3.780%	5,000,000	(\$183,761)
31-Mar-2014	17-May-2021	4.900%	6,000,000	(\$479,853)
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	(\$202,669)
Total current hedging			29,000,000	
Forward starting swaps				
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	(\$183,299)
				(\$1,743,205)

There were no new interest rate swaps entered into during the March 2018 quarter, as WDC is currently sitting comfortably within its hedging bands.

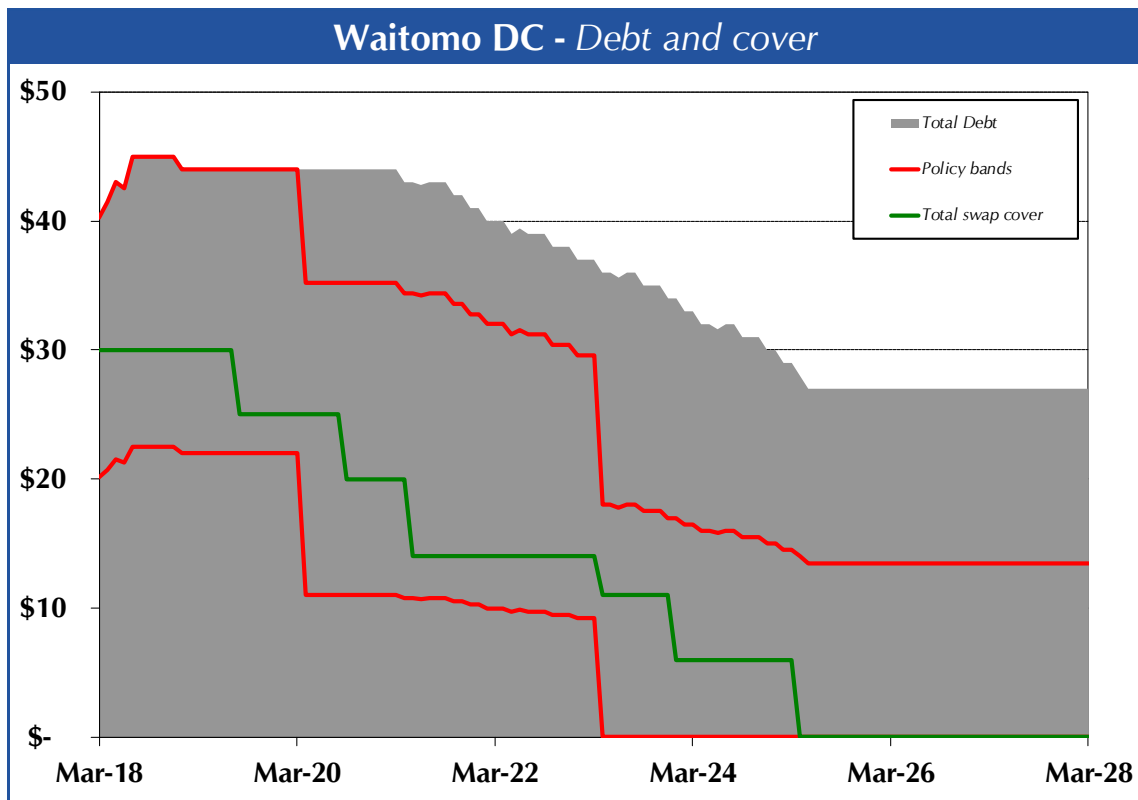
The 'marked to market' revaluation on the swap portfolio improved slightly, from a loss of \$1,749,229 at the end of December 2017, to a loss of \$1,743,205 at the end of March 2018.

2.3 DEBT AND HEDGING PROFILE

WDC manages its debt under the fixed rate hedging parameters detailed in the table below.

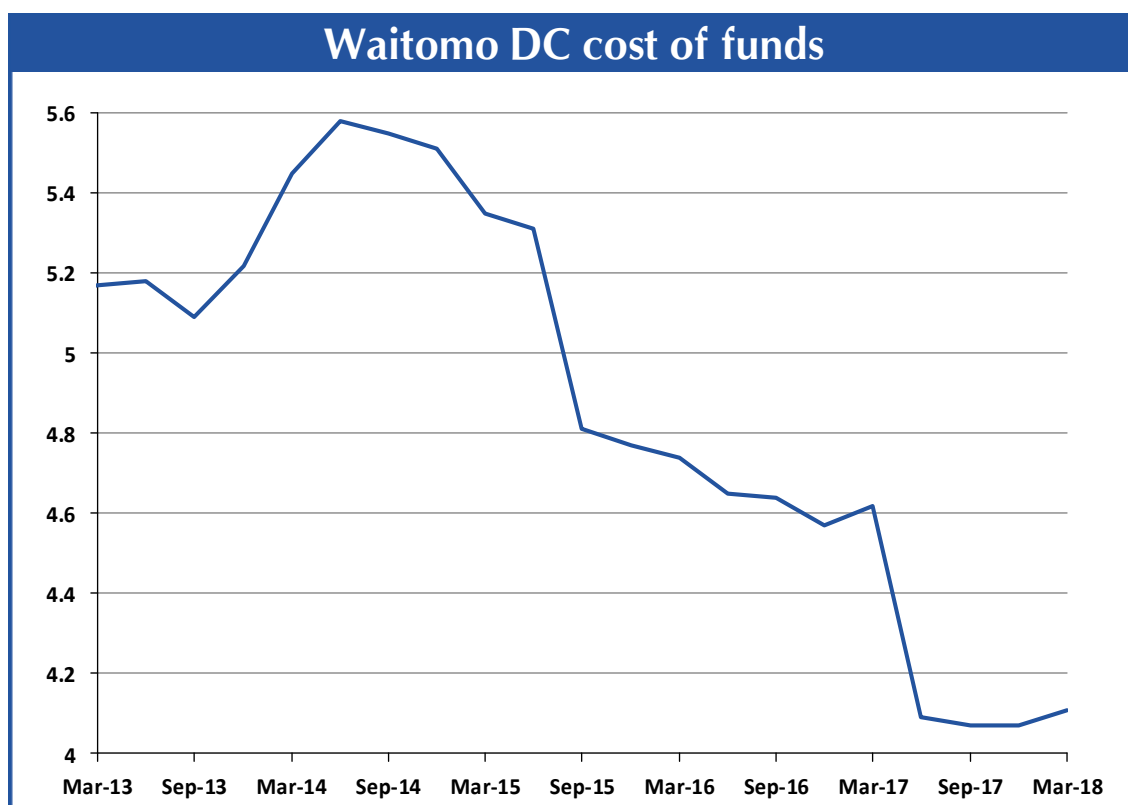
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0–2 years	50%	100%
2–5 years	30%	80%
5–10 years	0%	50%

The debt profile incorporating these parameters, interest rate swaps and projected debt figures, as supplied by WDC, are depicted in the graph below. This indicates that, as at 31 March 2018, WDC was policy compliant.



WDC's weighted average cost of funds as at 31 March 2018, including the bank line fee and margin, was 4.11%, an increase of 0.04% since the end of December 2017. The slight increase in the cost of funds was result of the decline in debt from \$42.25 million to \$40.75 million at the end of March, with less debt at low floating rates.

WDC's cost of funds is still well below many other local authorities, a number of which have a credit rating and therefore all other things being equal they should have a lower cost of funds than WDC. WDC's cost of funds since March 2013 is depicted in the graph below.



2.4 POLICY COMPLIANCE AS AT 31 MARCH 2018

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	√
<i>Are the fixed rate hedging percentages within policy control limits?</i>	√
<i>Is WDC maintaining liquidity within policy control limits?</i>	√
<i>Are all counterparty exposures within policy control limits?</i>	√
<i>Is WDC compliant with the financial covenants contained in the LMP</i>	√

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Document No: A393647

Report To: Audit and Risk Committee



Meeting Date: 29 May 2018

Subject: Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2017/18

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Audit Engagement Letter (AEL) for the audit of the Annual Report and Summary Annual Report 2017/18 and to obtain the Committee's approval for the signing of the AEL.

Background

- 2.1 Section 99 of the Local Government Act 2002 (LGA) requires the Annual Report to contain a report from the Auditor-General on the Annual Report and Summary Annual Report. The report gives the auditor's opinion as to the following:
- whether the financial statements and performance information present fairly the position and performance of the Waitomo District Council for the year ended 30 June 2018,
 - compliance with generally accepted accounting practice in accordance with Public Benefit Entity Reporting Standards,
 - compliance with Schedule 10 of the Local Government Act 2002 (which outlines the contents of an Annual Report).

Commentary

- 3.1 The AEL is included as an attachment to this paper.
- 3.2 The AEL advises that Deloitte, on behalf of the Auditor-General, will be completing the audit of the Annual Report and Summary Annual Report. Bruno Dente is the appointed auditor for this audit.
- 3.3 The AEL sets out the terms of the audit engagement and includes the specific responsibilities of both the auditor and Council, audit scope and objectives, the approach taken to complete the audit and the areas of audit emphasis.

Analysis of Options

- 4.1 The Committee needs to consider the audit engagement letter and has the option of agreeing to it as presented.

- 4.2 The Committee also has the option of proposing further amendments to the audit engagement letter for Deloitte to consider.

Considerations

5.1 **Risk**

- 5.2 If the Committee does not consider and decide either to agree to the audit engagement letter at this meeting or propose changes to the audit engagement letter, then it runs the risk of non-compliance with legislative requirements around preparation and adoption of the Annual Report.

5.3 **Consistency with Existing Plans and Policies**

- 5.4 The decision to agree on the audit engagement letter as presented will be consistent with Council's LTP, Exceptions Annual Plan and roadmap document.

5.5 **Significance and Community Views**

- 5.6 Section 78 of the LGA requires the Council to, in the course of its decision making, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- 5.7 The Annual Report is the key accountability document for our community and it explains how we have performed for that year. It is an important way of informing our community about how we are progressing in achieving our goals. It also highlights areas we are performing well in and areas that we need to improve on and how we plan to do this.

Recommendation

- 6.1 The business paper on Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2017/18 be accepted as presented and the Committee approves the signing of the letter in line with delegation contained in the Terms of Reference of the Audit and Risk Committee.

Suggested Resolutions

- 1 The business paper on Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2017/18 be received.
- 2 The Committee approves the signing of the Audit Engagement Letter.

VIBHUTI CHOPRA
GROUP MANAGER CORPORATE SERVICES

15 May 2018

Attachment: 1 Deloitte – Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2017/18 [A393663]

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15 February 2018

The Councillors
Waitomo District Council
PO BOX 404
TE KUITI

Dear Councillors

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Waitomo District Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audits of the Waitomo District Council's financial statements and performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the year ending 30 June 2018.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Mayor and Councillors ("Council") and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the Waitomo District Council's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - additional information that we may request from the Waitomo District Council for the purpose of the audit;
 - unrestricted access to Council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:

- for the preparation of the summary financial statements and summary performance information;
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Waitomo District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. Annex 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of Waitomo District Council:

- present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan;

We are also responsible for forming an independent opinion on whether the performance information of Waitomo District Council:

- presents fairly, in all material respects, the performance for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Annual Plan; and
- the funding impact statement for each group of activities, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council and the District Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the District Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council and the District Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Waitomo District Council (the District Council); including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report. In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the Waitomo District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.


Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Bruno Dente
Appointed Auditor
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signature:

Name:

Title: Date:

Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities for the financial statements and performance information	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> - presents fairly, in all material respects, <ul style="list-style-type: none"> - the financial position as at 30 June 2018; and - the financial performance and cash flows for the year then ended; - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards. - the funding impact statement, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan; <p>We are also responsible for forming an independent opinion on whether the performance information of Waitomo District Council:</p> <ul style="list-style-type: none"> - presents fairly, in all material respects, the performance for the year ended 30 June 2018, including: <ul style="list-style-type: none"> - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and - complies with generally accepted accounting practice in New Zealand; and - the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Annual Plan; and - the funding impact statement for each group of activities, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan. <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are</p>

Responsibilities for the financial statements and performance information	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
	<p>likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> - the appropriateness of accounting policies used and whether they have been consistently applied; - the reasonableness of the significant accounting estimates and judgements made by those charged with governance; - the appropriateness of the content and measures in any performance information; - the adequacy of the disclosures in the financial statements and performance information; and - the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> - the adoption of the going concern basis of accounting is appropriate; - all material transactions have been recorded and are reflected in the financial statements and performance information; - all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and - uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>

Responsibilities for the accounting records	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> - correctly record and explain the transactions of the public entity; - enable you to monitor the resources, activities, and entities under your control; - enable the public entity's financial position to be determined with reasonable accuracy at any time; - enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and - are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities for accounting and internal control systems	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>

Responsibilities for preventing and detecting fraud and error	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the Waitomo District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> - obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and - report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities for compliance with laws and regulations	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> - the relevance of the law or regulation to the audit; - our assessment of the risk of non-compliance; - the impact of non-compliance for the addressee of the audit report <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>

Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>

Responsibilities for conflicts of interest and related parties	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>

Responsibilities for publishing the audited financial statements on a website	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Annex 2 – Health and safety of audit staff

The Auditor-General and Audit Service Providers take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Document No: A393050	
Report To: Audit and Risk Committee	
	Meeting Date: 29 May 2018
	Subject: Progress Report: WDC Resource Consent – 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 the 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	May
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) <i>Independent Peer Reviewer</i>	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 No. 103194 - Conditions 2 and 3	November (<i>within two months of sampling</i>)

RESOURCE CONSENT	REPORT DUE
No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4	November <i>(within two months of sampling)</i>
No. 103198 - Aria Closed Landfill Conditions 2 and 4	November <i>(within two months of sampling)</i>
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 113038 – Te Kuiti Water Treatment Plant Groundwater take, May 2018 to April 2018 (Doc A392059).
 - Full Compliance achieved.
2. RC 116844 – Benneydale Water Treatment Plant Surface water take, March and April 2018 (Doc A391998).
 - Full Compliance achieved.
3. RC 101753 – Te Kuiti Landfill: Quantities and type of refuse, May 2017 to April 2018 (Doc A392112).
 - Full Compliance achieved.
4. RC 101753 – Te Kuiti Landfill: Quantities and type of refuse, May 2017 to April 2018 (Doc A392112).
 - Full Compliance achieved.
5. RC 112639 – Te Kuiti Wastewater Treatment Plant (TKWWTP) Discharge, March 2018 (Doc A391257).
 - Full Compliance achieved.
6. RC 117290 – Piopio Wastewater Treatment Plant, Effluent Discharge February and March 2018 (Doc A391931).
 - Partial compliance achieved.
 - There were two exceedances to the 135.4 m³/day maximum discharge limit during the month of February probably due to the high rainfall which affect the inflow volume due to infiltration. There were no exceedances during the month of March 2018.
 - Faecal coliform concentrations exceeded the trigger limits. However WDC replaced all of the serviceable components of the UV system during the last week of April and a report with sample results after the replacement will be provided in due time.

Suggested Resolution

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



KOBUS DU TOIT
GROUP MANAGER – ASSETS

Document No: A394694

Report To: Audit and Risk Committee



Meeting Date: 29 May 2018

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: 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)(a)
2. 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)(a)

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
3. Draft Audit Planning Report and Timeline for the 2017/18 Annual Report	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)(a)
4. Limited Independent Assurance Report in respect of the Waitomo District Council's Debenture Trust Deed	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)(a)
5. Office of the Auditor General	7(2) (a) protect the privacy of natural persons, including that of deceased natural persons	48(1)(a)

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.



MICHELLE HIGGIE
EXECUTIVE ASSISTANT