

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Committee will be held on:

Date: Wednesday 31 August 2022
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	P Jones	
Deputy Chairperson	Cr C B Mitchell	
Members	Cr D A Allan	Cr W E R Bishop
	Cr R J Brannigan	Cr T N Isaacs
	Mr B J Jackson	Cr S J R Jennings
	Cr V M Kaye-Simmons	Cr R R Ketu
	Deputy Mayor J F G Mason	Cr P Tukapua
	Mayor B P Wanden	

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Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

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Karakia

1 Apologies

2 Public Participation

Notification of a request to speak is required by 12 noon on the day of the meeting by phoning 06 366 0999 or emailing public.participation@horowhenua.govt.nz.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declarations of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Confirmation of Minutes

5.1 Meeting minutes Finance, Audit & Risk Committee, 29 June 2022

5.2 Meeting minutes In Committee Meeting of the Finance, Audit & Risk Committee, 29 June 2022

Recommendation

That the minutes of the meeting of the Finance, Audit & Risk Committee held on 29 June 2022, be confirmed as a true and correct record.

Recommendation

That the minutes of the In Committee meeting of the Finance, Audit & Risk Committee held on 29 June 2022, be confirmed as a true and correct record.

6 Announcements

7.1 Twelve Month Report to 30 June 2022

File No.: 22/455

1. Purpose

To present to the Finance, Audit & Risk Committee the financial report for the twelve months to 30 June 2022.

2. Recommendation

- 2.1 That Report Twelve Month Report to 30 June 2022 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As included in the **attached** report.

Attachments

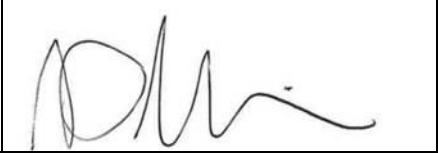
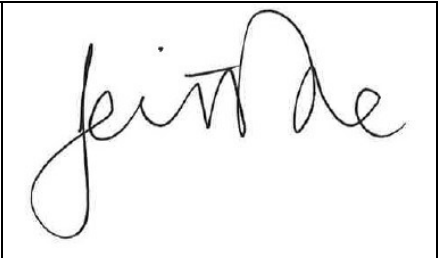
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Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Abraham Chamberlain Manager Financial Planning and Reporting	
Approved by	Jacinta Straker Group Manager - Organisation Performance	



Twelve Month Report

1 July 2021 - 30 June 2022



Executive Summary

<p>Total Capital Spending</p> <p>\$30.6m is \$27.1m less than the YTD budget of \$57.7m</p>	<p>Grants and Subsidies (Capital & Operating)</p> <p>\$9.8m is \$7.4m less than the YTD budget of \$17.2m</p>	<p>Total Net Borrowings</p> <p>\$115.3m is 164% of budgeted operating income (financial strategy limit is 225%)</p>
<p>Total Operating Revenue</p> <p>\$55.3m is .2% more than the YTD budget of \$55.2m</p>	<p>Total Operating Expenditure</p> <p>\$69.5m is 11% more than the YTD budget of \$62.7m</p>	<p>Total Surplus/(Deficit)</p> <p>(\$14.2m) is \$6.7m more than the YTD budget of (\$7.5)m</p>

Council has completed \$30.6m towards the budgeted capital programme of \$57.7m for 2021/22. The budget included the \$55.5m approved in the Long Term Plan (LTP) together with \$2.2m in additional approved carry forwards.

The level of capital grants is also lower than budgeted due to the timing of the capital programme changing from what was originally planned. This is largely due to the Tara-ika programme moving out to future years.

The level of operating income is \$0.1m higher due to higher levels of income in Planning & Regulatory, as a result of increased consenting and building activity. There has also been higher levels of operational grants, including funding for the Mayor's Task for Jobs (\$538k) and Three Waters Stimulus Funding (\$158k) but offset with reduced Fees & Charges revenue from Aquatics (\$183k) and Libraries and Community Centres (\$127k) as a result of COVID restrictions and lower income in the Solid Waste activity due to waste going to Bonny Glen. Finance Income was also down (\$119k) due to lower interest rates on term deposits.

Overall, the level of operational expenditure is \$6.8m higher than the level set in the Long Term Plan (LTP) which is primarily due to increases in depreciation expense (\$1,369k) and other expenses (\$6,029k).

The increase in depreciation expense is due to the earlier than planned capitalisation of Foxton Beach Surf Lifesaving Club Room and Foxton Futures projects. There was also higher depreciation in roading.

The additional spending in other expenses can be broken down to three categories, Professional Services (\$2,093k), Maintenance (\$1,973k) and lower staff time spent on Capital Projects (\$1,134k). The additional maintenance spending included \$1.6m for weather events including the flooding in June and the May tornado event. These were offset partially by additional income from Waka Kotahi for emergency works of \$539k.

These are outlined further in Note 6A.

On the following page is a summary by activity of the operating results.

	LTP 2022 Budget (\$000)	Actuals 30 June 2022 (\$000)	Variance 30 June 2022 (\$000)	Commentary
Community Support	7	(421)	(428)	This additional spending relates to storm damage costs under the Emergency Management activity.
Planning & Regulatory Services	68	71	3	
Community Infrastructure	1,624	766	(858)	External funding of \$800k for the Waitarere beach surf club that was budgeted but was not required this year. This affects borrowings rather than rates.
Community Facilities	963	477	(486)	This is due to lower revenue due to COVID and timing of the Mahi Space funding.
Property	(38)	(51)	(13)	
Solid Waste	53	(774)	(827)	\$527k less landfill fees due to closure of the landfill and \$479k more on professional services in the landfill activity as a result of advice on the future of the landfill.
Wastewater Management	2,465	2,112	(353)	Higher costs relate to increased sludge disposal costs with waste going to Bonny Glen and increased reactive maintenance. This was partially offset with unbudgeted revenue (\$119k) from leasing of farming land related to Shannon Wastewater Irrigation.
Representation & Community Leadership	(1,554)	(2,759)	(1,205)	The main increases relate to spend in District Planning due to District Plan being advanced earlier planned in the LTP \$188k. There was also extra spending in Sustainable Growth Planning as a result of O2NL consultancy \$319K. These are budgeted to be loan funded. The Governance activity is over budget by 326k which relates to additional costs in professional fees (interim CE fees) and iwi resourcing payments which were not capitalised.
Land Transport	1,022	786	(236)	Less budgeted surplus is the result of emergency works for Gladstone Road partly offset by NZTA subsidy.
Stormwater	554	499	(55)	
Water Supply	2,225	1,625	(600)	Unbudgeted Three Waters Reform Stimulus projects \$450k but grant revenue currently sitting in Wastewater which will be moved for final annual report. \$135k less metered water than budgeted.
Treasury & Support	(137)	(420)	(283)	This is due to higher interest costs due to increasing interest rates, less interest income than expected due to lower term deposit rates and an increase in the doubtful debts provision.
Overall Activity results	7,252	1,911	(5,341)	
Subsidies and grants for capital expenditure	15,135	7,203	(7,932)	
Development and financial contributions	2,744	122	(2,622)	
Gain on derivative financial instruments	-	2,916	2,916	
Other gains	17	680	663	
Add Vested Assets	-	5,318	5,318	
Other losses	-	(270)	(270)	
Add Depreciation and Amortisation Expense	(14,722)	(16,091)	(1,369)	
Operating surplus / (deficit) after tax	10,426	1,789	(8,637)	

Abraham Chamberlain – Manager Financial Planning and Reporting

Operational Summary

Total Capital Spending \$30.6m is \$27.1m less than the YTD budget of \$57.7m	Grants and Subsidies (Capital & Operating) \$9.8m is \$7.4m less than the YTD budget of \$17.2m	Total Net Borrowings \$115.3m is 164% of budgeted operating income (financial strategy limit is 225%)
Total Operating Revenue \$55.3m is .2% more than the YTD budget of \$55.2m	Total Operating Expenditure \$69.5m is 11% more than the YTD budget of \$62.7m	Total Surplus/(Deficit) (\$14.2m) is \$6.7m more than the YTD budget of (\$7.5m)

SUSTAINABILITY

Rates to operating revenue	67%
Rates revenue	\$41.89m
Operating revenue	\$62.51m

67% of operating revenue is derived from rates revenue. Rates revenue excludes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives.

Balance budget ratio - Actual	90%
Balance budget ratio - Target	100%
Operating revenue	\$62.51m
Operating expenditure	\$69.49m

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 90% of operating expenditure.

Net Debt to total projected revenue - Actual	164%
Net Debt to total projected revenue (Borrowings Limit)	225%
Total net borrowing	\$115.26m
Total budgeted operating revenue	\$70.35m

With net borrowing of \$115.26m we are still under the set limit of 225% of operating revenue. Total net borrowing is external borrowings less cash at bank.

Interest to rates revenue - Actual	8%
Interest to rates revenue - Limit	25%
Net Interest	\$3.17m
Rates revenue	\$41.89m

8% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue excludes penalties, water supply by meter and gross of remissions (LGFA Cov.)

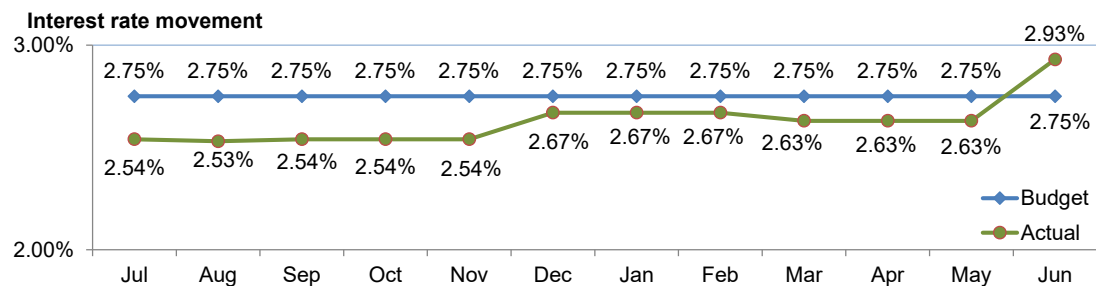
Interest to operating revenue - Actual	5%
Interest to operating revenue - Limit	20%
Net Interest	\$3.17m
Operating revenue	\$62.51m

5% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received (LGFA Cov.)

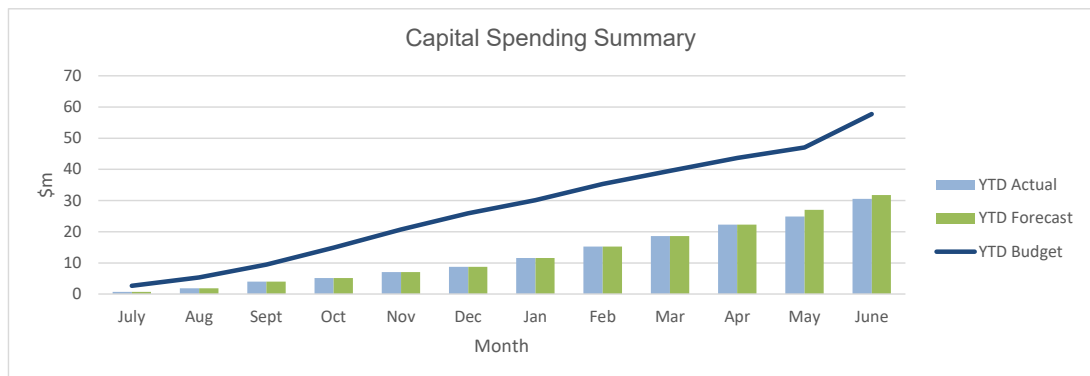
Available financial accommodation to external indebtedness - Actual	126%
Available financial accommodation to external indebtedness - Minimum required	110%
Net debt	\$115.3m
Undrawn committed facilities	\$30.00m

The committed bank facility enables us to borrow up to 126% of our current external debt immediately. The LGFA covenant minimum is 110%.

Weighted Average Interest Rate



Capital Spending Summary



Council has completed \$30.6m towards the budgeted capital programme of \$57.7m for 2021/22 which includes the \$55.5m approved in the LTP together with \$2.2m in additional approved carry forwards.

Council's 95% percentile growth assumptions dictate an annual budget of \$56.2m for 2022/23. This provides for all of the lead infrastructure required to keep pace with housing and economic growth. The reality of capital project delivery suggests an annual delivery of up to \$35m is more reasonable and so has been budgeted this way for 2022/23.

Under our LTP capital projects delivery strategy, the intention is to regularly review and reprioritise spending across the next five years. It is worth noting that a significant portion of lower spending relates to a handful of large, committed capital projects such as Tara-Ika, roading projects due to O2NL, water supply and the Levin Wastewater Treatment Plant upgrade.

On the following pages is a summary by Activity and Programme.

Summary of capital programme by activity and programme	Original LTP Budget 2021-22	Revised Budget 2021-22 (Including Carry Forwards)	Actual June 2022 YTD	Variance
Wastewater				
Tara-Ika - Wastewater	3,900	3,900	1,049	2,851
WW Marae Improvements	259	259	-	259
WW Property renewals	4	4	1	3
WW Pump stations	100	100	92	8
WW Reticulation	5,247	5,285	1,457	3,828
WW Treatment	5,752	6,093	4,794	1,299
	15,261	15,640	7,393	8,248

Water Supply				
Growth	869	855	347	508
Tara-Ika - Water Supply	-	-	42	(42)
Water Reticulation network	3,782	3,795	1,293	2,502
Water Treatment	1,186	1,205	326	878
	5,837	5,855	2,009	3,846

Stormwater				
Major Project - Lake Horowhenua	800	500	-	500
Major Project - Levin East	2,804	2,804	629	2,175
Stormwater Reticulation	150	150	62	88
Stormwater Pumps Stations	49	49	15	35
Stormwater improvements	1,474	2,553	1,399	1,154
Taraika	-	-	164	(164)
	5,277	6,057	2,269	3,788

Summary of capital programme by activity and programme	Original LTP Budget 2021-22	Revised Budget 2021-22 (Including Carry Forwards)	Actual June 2022 YTD	Variance
Solid Waste				
Buildings and equipment	87	122	272	(150)
Pre-closure capping and development.	517	1,112	1,574	(463)
	604	1,233	1,846	(613)

Roading				
Bridges	-	-	-	-
Cycle facilities	850	850	72	778
Drainage	275	275	195	80
Footpaths	750	750	557	193
Major Project - O2NL	-	-	-	-
Major Project - Gladstone Road Realignment	5,000	5,000	3,570	1,430
Roads	4,445	4,445	4,334	111
Taraika - Roothing	4,000	4,000	72	3,928
	15,320	15,320	8,800	6,520

Properties				
Animal Control	21	21	12	9
Community buildings	1,899	662	702	(40)
Waitarere Beach Surf life club saving design and build	-	1,504	302	1,202
Depot	79	62	29	33
New water source	500	500	422	78
Strategic land and Development	2,700	2,700	972	1,728
Civic Building	-	-	-	-
	5,199	5,449	2,441	3,008

Summary of capital programme by activity and programme	Original LTP Budget 2021-22	Revised Budget 2021-22 (Including Carry Forwards)	Actual June 2022 YTD	Variance
Community Facilities				
Aquatic Facilities	2,037	2,042	440	1,601
Community Centres	191	-	-	-
Libraries - incl books	475	661	598	63
	2,703	2,703	1,038	1,664

Community Infrastructure				
Cemeteries	-	-	-	-
Foxton Futures	-	-	635	(635)
Halls and Pavillions	27	27	24	3
Levin Domain Grandstand	-	-	-	-
Parks and reserves	3,193	3,193	2,761	432
Streams and Lakes	16	16	29	(13)
Taraika - Community Infra	-	-	0	(0)
Toilets	506	506	442	64
Tracks and Beach access	50	50	62	(12)
	3,792	3,792	3,954	(162)

Planning & Regulatory Services				
Animal Equipment and Facilities	84	84	77	7
	84	84	77	7

Governance & Community Leadership				
Levin Town Centre programme	500	500	1	499
	500	500	1	499

Summary of capital programme by activity and programme	Original LTP Budget 2021-22	Revised Budget 2021-22 (Including Carry Forwards)	Actual June 2022 YTD	Variance
Community Support				
Minor assets	75	75	24	51
	75	75	24	51
Treasury and Support				
Data and Digital	172	172	125	47
Fleet	436	490	276	214
IT - Software and Hardware	280	335	315	20
Other	-	-	4	(4)
	888	997	720	278
	42,299	44,105	22,316	21,789
TOTAL	55,539	57,705	30,570	27,135

Statement of Comprehensive Revenue and Expense

	LTP Budget	Actual	Variance		Notes
	YTD	YTD	YTD		
	Jun-22	Jun-22	Jun-22		
	\$000	\$000	\$000		
Revenue					
Rates Revenue	43,447	43,408	(39)	☹️	
Operational Grants & Subsidies	2,101	2,645	544	😊	1
Finance Income	200	81	(119)	☹️	
Fees & Charges	4,748	4,241	(507)	☹️	2
Other Revenue	4,722	4,935	213	😊	3
Total Revenue	55,218	55,310	92	😊	
Expenditure					
Employee Benefit Expenses	18,169	17,451	718	😊	4
Finance Costs	2,964	3,088	(124)	☹️	5
Depreciation and Amortisation	14,722	16,091	(1,369)	☹️	
Other Expenses	26,832	32,861	(6,029)	☹️	6
Total Expenses	62,687	69,491	(6,804)	☹️	
Operating surplus/(deficit) before capital revenue and taxation	(7,469)	(14,181)	(6,712)		
Capital Grants and Subsidies	15,134	7,203	(7,931)	☹️	7
Development Contributions	2,744	122	(2,622)	☹️	8
Vested Assets	-	5,318	5,318	😊	9
Investment (Gains)/Losses	17	434	417	😊	
(Gain)/Loss on sale of assets	-	(23)	(23)	☹️	
Gain on Derivatives	-	2,916	2,916	😊	10
Loss on Derivatives	-	-	-	😊	
Total Surplus/(deficit)	10,426	1,789	(8,637)	☹️	

Note 1 Operational Grants and Subsidies **favourable** variance of \$544k.

Unbudgeted funding for the Mayors' Taskforce for Jobs (MTFJ) \$395k and an additional \$190k in Roading for NZTA's share of emergency works.

Note 2 Fees & Charges **unfavourable** variance of \$507k year to date is mainly due to less income in the solid waste activity due to reduced waste going to the landfill of \$343k and lower revenue from pools, libraries and community centres due to COVID19 of \$310k.

Note 3 Other Revenue **favourable** variance of \$213k. This primarily relates to additional revenue received for building consents of \$284k, resource consents of approximately \$81k as a result of increased building development activity in the district but offset with Parking revenue down \$110k due to COVID19 affecting the number of vehicles parking and the Government's decision as a result of COVID19 to extend the timeframes for renewing Warrants of Fitness and vehicle registrations.

Note 4 Employee Benefit Expenses **favourable** variance of \$718k relates to vacancies across Council operations.

Note 5 Finance Costs **unfavourable** variance of \$124k relates to increased interest rates, The Council is carefully monitoring the interest rates changes and ensuring we have an appropriate level of fixed interest rates cover.

Note 6 Other Expenses **unfavourable** variance \$6.03m as detailed below:

Note 6 Other Expenses	LTP	Actual	Variance	Notes
	YTD	YTD	YTD	
	Jun-22	Jun-22	Jun-22	
	\$000	\$000	\$000	
Professional Services	5,751	7,844	(2,093)	⊗ 6A
Materials	119	105	14	☺
Maintenance	16,296	18,269	(1,973)	⊗ 6B
Grants Paid	603	905	(302)	⊗ 6C
Utilities	1,239	1,243	(4)	⊗
Communications	215	278	(63)	⊗
Other Expenses	5,473	5,877	(404)	⊗ 6D
Vehicle Expenses	114	147	(33)	⊗
Other Treasury Expenses	180	217	(37)	⊗
Labour Recoveries for Capex projects	(3,158)	(2,024)	(1,134)	⊗ 6E
Total Other Expenses	26,832	32,861	(6,029)	⊗

Note 6A Professional Services **unfavourable** variance \$2,093k. The higher spending relates to additional resourcing in Planning & Regulatory to support the increased volume of work of \$498k and additional costs in the Solid Waste activity to support the current Statement of Proposal on the Future of the Levin Landfill of \$478k. Under the CEO overhead cost centre costs for interim CE fees and final iwi resources payments for the year resulted in additional spending of \$665k. The District Plan and Sustainable Growth Planning also spent an additional \$539k due to work being advanced earlier than planned in the LTP and consultancy work for O2NL. This work is budgeted to be loan funded.

Note 6B Maintenance Costs **unfavourable** variance of \$1,973k. The primary driver for the increased maintenance costs relate to the Roothing activity and emergency works of Gladstone Road \$282k. The Wastewater overspend of \$418k was mostly under the Alliance contract and was due to increased sludge disposal costs and more reactive maintenance across the district. The Water Supply overspend of \$331k was mainly due to Three Waters Stimulus Funding projects which was funded externally. The additional \$408k in Community Support was a result of storm damage costs.

The additional water costs are recommended to be funded through borrowings.

Note 6C Grants Paid **unfavourable** variance \$302k. This relates to the \$322k grant to the Hockey Turf which will be funded by releasing the special fund that holds the yearly allocation Council makes for the turf replacement.

- Note 6D Labour Recoveries for CAPEX Projects **unfavourable** variance \$1,134k reflecting the lower capital project expenditure and lower staff time allocation than budgeted.
- Note 7** Capital Grants and Subsidies **unfavourable** variance \$7.9m relates to the timing of the capital programme. Revenue for Tara-Ika will likely occur next financial year due to the revised timing of the programme.
- Note 8** While the Council has assessed new developments for development contributions since 1 July 2021, the invoicing will not occur until separate titles (224C) are applied for meaning less revenue has been realised.
- Note 9** Vested assets revenue isn't budgeted but related to assets provided to Council and they generally relate to requirements as part of the resource consent process.
- Note 10** This is a non-cash gain which reflects the increase in interest rates.

Statement of Cashflow as at 30 June 2022

	Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Cashflow from operating activities			
Cash was provided from:			
Revenue from rates	45,934	43,447	38,644
Other revenue	18,100	29,450	29,285
Interest received	140	200	89
Net GST movement	526	–	–
Total cash provided	64,700	73,097	68,018
Cash was disbursed to:			
Suppliers, services and employees	53,028	45,003	44,426
Interest paid	3,505	2,964	2,745
Net GST movement	–	–	215
Total cash disbursed	56,533	47,967	47,386
Net cashflow from operating activity	8,167	25,130	20,632
Cashflows from investing activities			
Cash was provided from:			
Proceeds from asset sales	339	2,056	2,038
Proceeds from investments	–	–	–
Total cash provided	339	2,056	2,038
Cash was disbursed to:			
Purchases of investments	635	–	102
Purchase of assets	27,275	47,208	31,058
Total cash disbursed	27,910	47,208	31,160
Net cashflow from investing activity	(27,571)	(45,152)	(29,122)
Cashflows from financing activities			
Cash was provided from:			
Loans raised	78,000	65,022	53,000
Total cash provided	78,000	65,022	53,000
Cash was disbursed to:			
Repayment of public debt	62,000	45,000	51,000
Total cash disbursed	62,000	45,000	51,000
Net cashflow from financing activity	16,000	20,022	2,000
Net increase (decrease) in cash held	(3,404)	–	(6,490)
Add opening cash bought forward	9,402	11,519	15,892
Closing cash balance	5,998	11,519	9,402
Closing balance made up of cash and cash equivalents	5,998	11,519	9,402

Statement of Financial Position as at 30 June 2022

	Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Assets			
Current assets			
Cash and cash equivalents	5,998	11,519	9,402
Debtors and other receivables	5,652	6,340	7,587
Other financial assets	386	4,360	371
Non-current assets held for sale	–	4,293	1,090
Total current assets	12,036	26,512	18,450
Non-current assets			
Plant, property and equipment			
– Operational assets	59,650	44,414	57,170
– Infrastructural assets	620,546	601,858	605,275
– Restricted assets	65,254	71,132	63,835
Intangible assets	1,687	970	1,463
Forestry assets	1,248	1,107	1,248
Investment property	1,090	–	–
Derivative financial instruments	1,093	–	–
Other financial assets:			
– Investments CCO's & similar entities	204	220	204
– Investments in associates	52	–	37
– Other	2,392	1,706	1,772
Total non-current assets	753,216	721,407	731,004
Total assets	765,252	747,919	749,454
Liabilities			
Current liabilities			
Payables and deferred revenue	15,565	13,721	15,948
Provisions	30	30	30
Employee benefit liabilities	1,546	1,060	1,422
Derivative financial instruments	269	–	702
Borrowings and other financial liabilities	25,000	10,000	28,000
Total current liabilities	42,410	24,811	46,102
Non-current liabilities			
Provisions	5,381	6,425	5,381
Employee benefit liabilities	330	207	256
Borrowings and other financial liabilities	99,000	117,821	80,000
Derivative financial instruments	(94)	–	1,296
Other	–	3,615	(17)
Total non-current liabilities	104,617	128,068	86,916
Total liabilities	147,027	152,879	133,018
Net assets	618,225	595,040	616,436
Equity			
Retained earnings	257,820	261,402	254,154
Revaluation reserves	352,517	324,660	352,517
Other reserves	7,888	9,978	9,765
Total equity	618,225	596,040	616,436

Funding Impact Statement for Whole of Council

	Annual Plan Budget 2021 \$000	Annual Report Actual 2021 \$000	LTP Budget 2022 \$000	Actual YTD Jun 2022 \$000	Variance YTD Jun 2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	10,379	10,305	11,657	11,732	75
Targeted rates	29,305	28,964	31,790	31,675	(115)
Subsidies and grants for operating purposes	2,104	6,778	2,101	2,645	544
Fees and charges	4,551	4,341	4,721	4,241	(480)
Interest and dividends from investments	206	111	200	84	(116)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,191	4,240	4,748	4,933	185
Total operating funding (A)	49,736	54,739	55,217	55,310	93
Applications of operating funding					
Payments to staff and suppliers	39,663	45,305	45,003	50,311	(5,308)
Finance costs	3,202	2,565	2,964	3,088	(124)
Other operating funding applications	–	–	–	–	–
Total applications of operating funding (B)	42,865	47,870	47,967	53,399	(5,432)
Surplus (deficit) of operating funding (A–B)	6,871	6,869	7,250	1,911	(5,339)
Sources of capital funding					
Subsidies and grants for capital expenditure	10,676	12,873	15,135	7,203	(7,932)
Development and financial contributions	–	–	2,744	122	(2,622)
Increase (decrease) in debt	9,325	2,000	20,022	16,000	(4,022)
Gross proceeds from sale of assets	5,000	2,040	2,056	339	(1,717)
Lump sum contributions	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–
Total sources of capital funding (C)	25,001	16,913	39,957	23,664	(16,293)
Applications of capital funding					
Capital expenditure					
– to meet additional demand	2,000	2,616	18,042	8,595	9,447
– to improve the level of service	16,182	18,211	18,659	10,251	8,408
– to replace existing assets	12,425	10,872	18,838	12,078	6,760
Increase (decrease) in reserves	1,265	(7,994)	(8,332)	(5,984)	(2,348)
Increase (decrease) of investments	–	77	–	635	(635)
Total applications of capital funding (D)	31,872	23,782	47,207	25,575	21,632
Surplus (deficit) of capital funding (C–D)	(6,871)	(6,869)	(7,250)	(1,911)	5,339
Funding balance ((A–B)+(C–D))	–	–	–	–	–
Depreciation	14,848	15,399	14,722	16,091	(1,369)

Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments Matching Criteria	% Matching Criteria	Total Rates Due
Cancelled Assessment	554	2	0%	\$3,772
Foxton	1,286	104	8%	\$174,731
Foxton Beach	1,624	87	5%	\$222,826
Hokio Beach	178	24	13%	\$82,660
Levin	7,757	490	6%	\$655,462
Manakau	86	5	6%	\$4,323
No Charges	501		0%	
Non Rateable	190	3	2%	\$5,581
Ohau	154	4	3%	\$6,401
Rural Farming	1,946	104	5%	\$183,354
Rural Other	3,043	189	6%	\$270,679
Shannon	690	71	10%	\$198,309
Tokomaru	164	15	9%	\$16,388
Utilities	17	2	12%	\$4,773
Waikawa Beach	231	6	3%	\$5,094
Waitarere Beach	1,044	42	4%	\$44,076
Total at 30 June 2022	19,465	1,148	6%	\$1,878,430
Total at 30 June 2021	19,163	1,287	7%	\$2,167,596

- This report excludes assessments with total rates due under \$99 and assessments with credit balances.
- The total arrears of \$1,878,430 are for total arrears over \$99 as at 30 June 2022. This is a 13% reduction from the prior year.
- Included in the overdue balance is \$366.06 owing in rates as a result of 6 properties not paying a portion of the Community Facilities rates due to the Council requiring vaccine passes for a period of time.

Statement of Sundry Debtors

Category	Total Outstanding (\$)	Current Outstanding (\$)	31 - 60 days Outstanding (\$)	61 - 90 days Outstanding (\$)	Over 90 days Outstanding (\$)
Current debtors					
Aquatic Centre	288	0	0	0	288
Building - Exempt Work	743	330	0	0	413
Building Consents	240,007	89,486	29,329	10,263	110,929
Building Fee - BWOFF	5,035	3,280	480	0	1,275
Cemeteries	36,005	30,350	3,155	0	2,500
Dogs - Debt Collection	323	32	0	44	247
Dogs Arrange to pay	21	0	0	0	21
Dogs Pre Payments	20	0	0	0	20
General	215,661	160,412	53,604	0	1,645
Health Accreditation Renewals	7,033	2,340	2,470	229	1,994
Hire	12,315	7,486	103	0	4,726
On Charges	47,902	32,138	792	0	14,971
Resource Consent Fees	69,732	16,338	19,776	0	33,617
Rubbish Bags	24,700	15,200	7,600	0	1,900
Staff Account	4,560	2,645	745	108	1,061
Swimming Pools	465	0	0	0	465
Te Awahou	3,286	1,733	138	122	1,294
Te Takere	9,608	5,787	358	286	3,177
Trade Waste	440,804	307,163	253	133,387	0
Water Septage - Septic Tank Disposal	7,960	7,925	12	23	0
Total current debtors	1,126,464	682,645	118,815	144,463	180,541
Non current debtors					
Dev Cont New Policy	109,305	27,200	46,309	0	35,796
Develop Cont Old Policy	6,055	0	0	0	6,055
Rental Income Monthly	42,915	23,692	1,235	92	17,896
Total non-current debtors	158,276	50,892	47,544	92	59,748
Total at 30 June 2022	1,284,740	733,537	166,360	144,555	240,289
Total at 30 June 2021	1,544,440	1,055,789	99,521	26,901	362,229

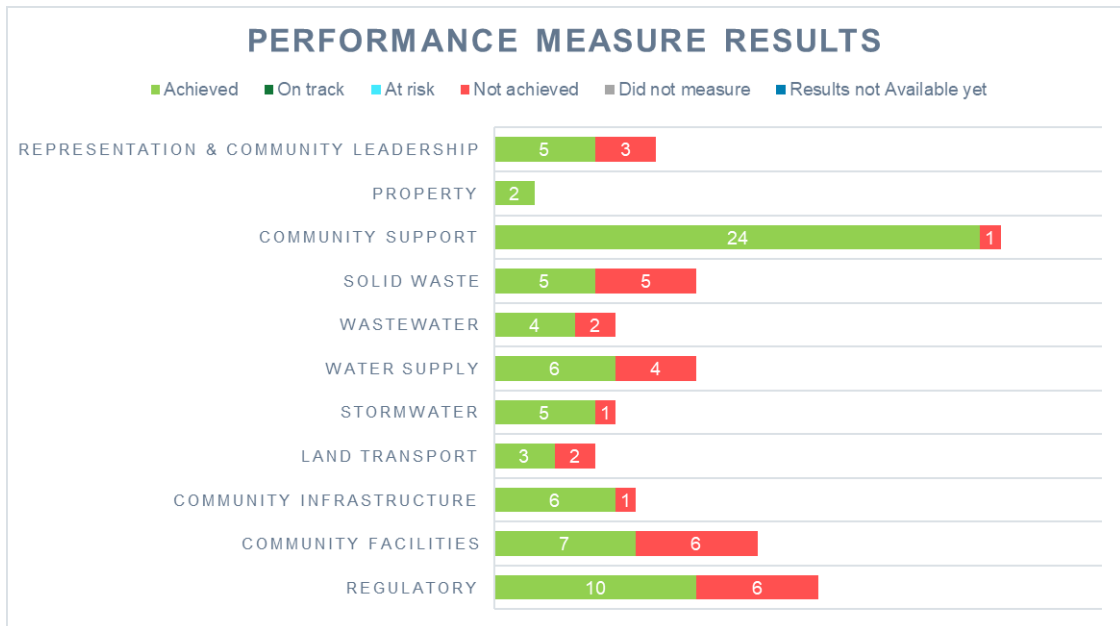
- The total outstanding debtors' balance of \$1,284,740 as at 30 June 2022 is a 16.8% reduction from the prior year.

Statement of Loans by Parcel

LOAN PARCELS	Maturity	Interest rate	Balance (\$)
NZD LGFA Commercial Paper	30/09/2022	3.0100%	11,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2023	1.4800%	4,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2023	5.1336%	4,000,000
NZD LGFA Loan (Floating Rate)	15/04/2023	1.4802%	6,000,000
NZD LGFA Loan (Fixed Rate)	15/03/2024	3.7197%	4,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2024	2.5202%	3,000,000
NZD LGFA Loan (Fixed Rate)	15/05/2024	3.7600%	4,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2025	4.2046%	3,000,000
NZD LGFA Loan (Floating Rate)	15/04/2025	2.7200%	5,000,000
NZD LGFA Loan (Floating Rate)	15/04/2025	2.3416%	3,000,000
NZD LGFA Loan (Floating Rate)	18/05/2025	2.7000%	7,000,000
NZD LGFA Loan (Fixed Rate)	20/03/2026	3.3800%	9,000,000
NZD LGFA Loan (Floating Rate)	15/04/2026	2.4616%	4,000,000
NZD LGFA Loan (Fixed Rate)	15/07/2026	3.3699%	5,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2027	1.6550%	5,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2027	2.1201%	6,000,000
NZD LGFA Loan (Floating Rate)	15/04/2027	2.6700%	5,000,000
NZD LGFA Loan (Floating Rate)	15/04/2027	2.6084%	8,000,000
NZD LGFA Loan (Fixed Rate)	15/04/2028	1.6750%	5,000,000
NZD LGFA Loan (Fixed Rate)	15/05/2028	2.1100%	6,000,000
NZD LGFA Loan (Fixed Rate)	15/05/2028	2.5802%	12,000,000
NZD LGFA Loan (Floating Rate)	20/04/2029	2.5300%	5,000,000
Total Borrowing at 30 June 2022			124,000,000
Total Borrowing at 30 June 2021			108,000,000

- The weighted average interest rate is 2.93% at 30 June 2022, compared to a weighted average interest rate of 2.54% at 30 June 2021.

Performance Measure Results



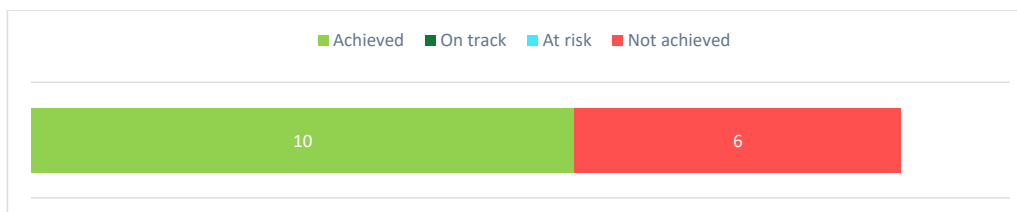
PLANNING AND REGULATORY Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,213	2,453	2,452	(1)
Targeted rates	–	–	–	–
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	9	204	256	52
Local authorities fuel tax, fines, infringement fees, and other receipts	2,860	3,490	3,741	251
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	5,082	6,147	6,449	302
Applications of operating funding				
Payments to staff and suppliers	475	617	845	(228)
Finance costs	5	1	1	–
Internal charges and overheads applied	4,521	5,461	5,532	(71)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	5,001	6,079	6,378	(299)
Surplus (deficit) of operating funding (A-B)	81	68	71	3
Sources of capital funding				
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	(23)	14	–	(14)
Gross proceeds from sale of assets	–	–	29	29
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	(23)	14	29	15
Applications of capital funding				
Capital expenditure				
- to meet additional demand	–	–	–	–
- to improve the level of service	–	80	14	66
- to replace existing assets	58	4	63	(59)
Increase (decrease) in reserves	–	(2)	23	(25)
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	58	82	100	(18)
Surplus (deficit) of capital funding (C-D)	(81)	(68)	(71)	(3)
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	79	70	110	(40)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Animal Control	274	284	244	40
Building Consents	1,190	1,487	1,549	(62)
Building Policy	306	449	500	(51)
Dog Control	651	714	597	117
Environmental Health	292	545	461	84
Environmental Health Policy	96	144	140	4
Liquor Licensing	240	267	228	39
Liquor Policy	64	74	77	(3)
Parking	601	439	388	51
Planning Policy	345	448	448	-
Resource Management	745	1,123	1,690	(567)
Safety Licensing	276	174	163	11
Total Expenditure	5,080	6,148	6,485	(337)

Performance Measures – LTP/Annual Plan Summary



REGULATORY SERVICES - Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Resource Consenting					
RS1	Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	95%	Not Achieved As at 30 June 2022, 326 consents have been approved for Land Use, Subdivision, Boundary Activities and "other", approximately 54% of consents were approved within statutory timeframes. This has been due to high volume of applications received compared to the number of staff & contractors available to process applications.	D22/90463
Building Consenting					
RS2	Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Building consent applications are processed with in statutory timeframes.	98%	Not Achieved As at 30 June 2022, 755 building consents were granted YTD, 88% within statutory timeframes. Ninety-four (94) consents have been processed outside the statutory timeframe YTD. This was due to the large numbers of applications received between May-June 2021, delays in replacing staff members who have left and the sudden illness and subsequent departure of a key staff member in October/November.	D22/90463
Environmental Health					
RS4	Food safety – Food businesses are monitored to ensure compliance with legislation.	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	Achieve	Not Achieved As at 30 June 2022, 86 Food businesses operating a MPI template food control plan were verified; however, 36 verifications were processed at extended timeframes from that determined by the Food Regulations.	D22/94406
Building Compliance					
RS8	Carry out territorial authority functions including enforcement of legislation.	Percentage of private swimming pools on register inspected annually for compliance.	> 33%	Not achieved As at 30 June 2022, 295 pools are on the register. Zero inspections occurred during the year. This role is sole-charge. There was a 9 month delay to recruit replacement staff member.	D22/94449

REGULATORY SERVICES - Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref														
Resource Management Compliance																			
RS10	Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	<p>Not achieved</p> <p>As at 30 June 2022, The compliance team continues to respond to reports of non-compliance however the timeframe of 5 working days has not always been achieved.</p> <p>The RMA Monitoring & Compliance Officer role had been vacant for 9 months. This role was finally filled in May 2022 when service levels improved.</p>															
RS16	Public safety bylaws and other legislation will be enforced.	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	<p>Not achieved</p> <p>As at 30 June 2022, 165 complaints received have been responded to. Recruitment into vacant roles continues to be a challenge.</p> <p>The 146 complaints responded to comprise of:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Smoke</td> <td>5</td> </tr> <tr> <td>Health Act</td> <td>67</td> </tr> <tr> <td>Local Government Act</td> <td>58</td> </tr> <tr> <td>Council Bylaws</td> <td>34</td> </tr> <tr> <td>Drainage Act</td> <td>1</td> </tr> <tr> <td>Total</td> <td>165</td> </tr> </tbody> </table>		Year to Date	Smoke	5	Health Act	67	Local Government Act	58	Council Bylaws	34	Drainage Act	1	Total	165	
	Year to Date																		
Smoke	5																		
Health Act	67																		
Local Government Act	58																		
Council Bylaws	34																		
Drainage Act	1																		
Total	165																		

COMMUNITY INFRASTRUCTURE Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,439	5,325	5,322	(3)
Targeted rates	7,306	–	–	–
Subsidies and grants for operating purposes	14	–	4	4
Fees and charges	1,734	285	324	39
Local authorities fuel tax, fines, infringement fees, and other receipts	211	876	315	(561)
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	14,704	6,486	5,965	(521)
Applications of operating funding				
Payments to staff and suppliers	9,615	3,687	4,088	(401)
Finance costs	1,192	147	117	30
Internal charges and overheads applied	2,422	1,028	994	34
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	13,229	4,862	5,199	(337)
Surplus (deficit) of operating funding (A-B)	1,475	1,624	766	(858)
Sources of capital funding				
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	632	–	(632)
Increase (decrease) in debt	345	1,481	–	(1,481)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	345	2,113	–	(2,113)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	37	607	1,163	(556)
- to improve the level of service	463	1,303	1,071	232
- to replace existing assets	1,259	1,882	1,754	128
Increase (decrease) in reserves	61	(55)	(3,222)	3,167
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	1,820	3,737	766	2,971
Surplus (deficit) of capital funding (C-D)	(1,475)	(1,624)	(766)	858
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	1,249	726	1,084	(358)

Activity Expenditure

Activity Expenditure	LTP	LTP	Actual	Variance
	Forecast	Forecast	Jun YTD	Jun YTD
	2021	Jun 2022	2022	2022
	\$000	\$000	\$000	\$000
Cemeteries	451	600	570	30
Public Toilets	367	328	335	(7)
Beautification	722	642	557	85
Reserves	2,271	2,020	2,287	(267)
Sportsgrounds	1,252	1,227	1,717	(490)
Halls	273	284	346	(62)
Urban Cleaning	401	480	471	9
Total Expenditure	5,737	5,581	6,283	(702)

Performance Measures – LTP/Annual Plan Summary



COMMUNITY INFRASTRUCTURE - Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Halls					
CF7	Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	<p>Not Achieved</p> <p>As at 30 June 2022 (YTD), Levin Memorial Hall was used 213 times. Shannon Memorial Hall was used 12 times. Foxton Memorial Hall was used 31 times. Total = 256 times (an average of 9.85 times per fortnight).</p> <p>Covid-19 has impacted these figures.</p>	D22/84987

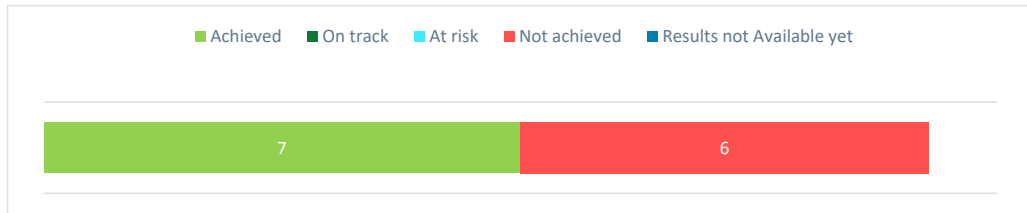
COMMUNITY FACILITIES Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	7,306	6,840	6,838	(2)
Subsidies and grants for operating purposes	11	316	197	(119)
Fees and charges	1,410	1,041	731	(310)
Local authorities fuel tax, fines, infringement fees, and other receipts	64	-	9	9
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	8,791	8,197	7,775	(422)
Applications of operating funding				
Payments to staff and suppliers	5,949	5,463	5,348	115
Finance costs	781	455	351	104
Internal charges and overheads applied	1,430	1,316	1,599	(283)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	8,160	7,234	7,298	(64)
Surplus (deficit) of operating funding (A-B)	631	963	477	(486)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(223)	1,741	-	(1,741)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(223)	1,741	-	(1,741)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	37	-	-	-
- to improve the level of service	74	1,706	225	1,481
- to replace existing assets	297	997	815	182
Increase (decrease) in reserves	-	1	(563)	564
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	408	2,704	477	2,227
Surplus (deficit) of capital funding (C-D)	(631)	(963)	(477)	486
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	581	962	1,019	(57)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Libraries and Community Centres	5,642	5,384	5,193	191
Aquatic Centres	3,099	2,814	3,122	(308)
Total Expenditure	8,741	8,198	8,315	(117)

Performance Measures – LTP/Annual Plan Summary



COMMUNITY FACILITIES – Performance Measures																	
Not Achieved Measures Only																	
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref												
Community Centres and Libraries																	
CF14	Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Number of visitors to our Community Hubs and Libraries.	≥ 550,000	Not Achieved As at 30 June 2022 <table border="1"> <thead> <tr> <th></th> <th>June 2022</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Te Takeretanga o Kura-hau-pō</td> <td>20,627</td> <td>218,670</td> </tr> <tr> <td>Te Awahou Nieuwe Stroom</td> <td>9,186</td> <td>87,039</td> </tr> <tr> <td>Shannon Library</td> <td>992</td> <td>15,330</td> </tr> </tbody> </table>		June 2022	Year to Date	Te Takeretanga o Kura-hau-pō	20,627	218,670	Te Awahou Nieuwe Stroom	9,186	87,039	Shannon Library	992	15,330	D19/98604
	June 2022	Year to Date															
Te Takeretanga o Kura-hau-pō	20,627	218,670															
Te Awahou Nieuwe Stroom	9,186	87,039															
Shannon Library	992	15,330															
	Te Takeretanga o Kura-hau-pō	≥ 375,000															
	Te Awahou Nieuwe Stroom	≥ 150,000															
	Shannon Library	≥ 25,000															
CF15	Libraries and community facilities meet the public's needs.	Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.	> 90%	Not Achieved This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 85.2%.													
CF16	Community facilities are available for public use.	Number of booking counts for community facilities.	≥ 1,400	Not achieved As at 30 June 2022 <table border="1"> <thead> <tr> <th></th> <th>June 2022</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Booking Counts</td> <td>159</td> <td>1248</td> </tr> <tr> <td>Te Takeretanga o Kura-hau-pō</td> <td>81%</td> <td>75%</td> </tr> <tr> <td>Te Awahou Nieuwe Stroom</td> <td>19%</td> <td>30%</td> </tr> </tbody> </table>		June 2022	Year to Date	Booking Counts	159	1248	Te Takeretanga o Kura-hau-pō	81%	75%	Te Awahou Nieuwe Stroom	19%	30%	
	June 2022	Year to Date															
Booking Counts	159	1248															
Te Takeretanga o Kura-hau-pō	81%	75%															
Te Awahou Nieuwe Stroom	19%	30%															
	Te Takeretanga o Kura-hau-pō	70%															
	Te Awahou Nieuwe Stroom	30%															

CF17	Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 270,000	<p>Not Achieved As at 30 June 2022, broken down as follows:</p> <table border="1" data-bbox="1227 357 1520 568"> <thead> <tr> <th>Library</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>123,751</td> </tr> <tr> <td>Foxtton</td> <td>14,576</td> </tr> <tr> <td>Shannon</td> <td>4,504</td> </tr> <tr> <td>Digital</td> <td>10,165</td> </tr> <tr> <td>Total</td> <td>153,176</td> </tr> </tbody> </table>	Library	Issues	Levin	123,751	Foxtton	14,576	Shannon	4,504	Digital	10,165	Total	153,176	D22/12552								
Library	Issues																								
Levin	123,751																								
Foxtton	14,576																								
Shannon	4,504																								
Digital	10,165																								
Total	153,176																								
CF19	Customers have access to a range of current information in both print and digital format.	<p>Percent of increase in use of websites and online engagement.</p> <p>Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.</p>	+> 1%	<p>Not achieved As at 30 June 2022</p> <table border="1" data-bbox="1227 655 1756 788"> <thead> <tr> <th></th> <th>2021/22 YTD</th> <th>2020/21 YTD</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>Unique users</td> <td>80,824</td> <td>92,698</td> <td>-13%</td> </tr> <tr> <td>Sessions</td> <td>117,405</td> <td>125,241</td> <td>-6%</td> </tr> </tbody> </table>		2021/22 YTD	2020/21 YTD	% change	Unique users	80,824	92,698	-13%	Sessions	117,405	125,241	-6%	D19/98604								
	2021/22 YTD	2020/21 YTD	% change																						
Unique users	80,824	92,698	-13%																						
Sessions	117,405	125,241	-6%																						
CF20	Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered:	<p>500</p> <p>Levin ≥ 50%</p> <p>Foxtton ≥ 30%</p> <p>Shannon ≥ 20%</p>	<p>Not achieved As at 30 June 2022</p> <p>The programmes that have been delivered are broken down as follows:</p> <table border="1" data-bbox="1227 935 1756 1043"> <thead> <tr> <th></th> <th>Number June 2022</th> <th>% June 2022</th> <th>Number YTD</th> <th>% YTD</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>39</td> <td>76%</td> <td>340</td> <td>76%</td> </tr> <tr> <td>Foxtton</td> <td>9</td> <td>18%</td> <td>71</td> <td>16%</td> </tr> <tr> <td>Shannon</td> <td>3</td> <td>6%</td> <td>34</td> <td>8%</td> </tr> </tbody> </table>		Number June 2022	% June 2022	Number YTD	% YTD	Levin	39	76%	340	76%	Foxtton	9	18%	71	16%	Shannon	3	6%	34	8%	D22/79511, D19/98604
	Number June 2022	% June 2022	Number YTD	% YTD																					
Levin	39	76%	340	76%																					
Foxtton	9	18%	71	16%																					
Shannon	3	6%	34	8%																					

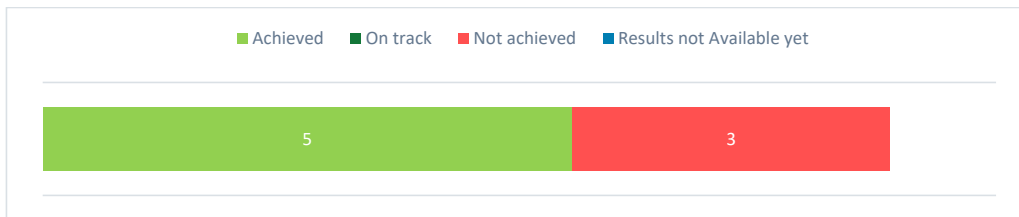
REPRESENTATION AND COMMUNITY LEADERSHIP Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	575	267	267	–
Targeted rates	3,898	4,051	4,050	(1)
Subsidies and grants for operating purposes	–	–	63	63
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	2	1	1	–
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	4,475	4,319	4,381	62
Applications of operating funding				
Payments to staff and suppliers	1,295	2,057	2,511	(454)
Finance costs	134	107	86	21
Internal charges and overheads applied	3,224	3,709	4,543	(834)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	4,653	5,873	7,140	(1,267)
Surplus (deficit) of operating funding (A-B)	(178)	(1,554)	(2,759)	(1,205)
Sources of capital funding				
Subsidies and grants for capital expenditure	–	–	670	670
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	203	2,055	–	(2,055)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	203	2,055	670	(1,385)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	–	–	–	–
- to improve the level of service	–	500	–	500
- to replace existing assets	–	–	1	(1)
Increase (decrease) in reserves	25	1	(2,090)	2,091
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	25	501	(2,089)	2,590
Surplus (deficit) of capital funding (C-D)	178	1,554	2,759	1,205
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	14	–	–	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Community Board	224	182	188	(6)
Elections	3	11	37	(26)
Governance	2,032	2,174	2,493	(319)
External Reporting	1,616	1,649	1,845	(196)
District Planning	792	1,546	2,347	(801)
Growth Response	–	312	227	85
Total Expenditure	4,667	5,874	7,137	(1,263)

Performance Measures – LTP/Annual Plan Summary



REPRESENTATION AND COMMUNITY LEADERSHIP – Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Representation and Community Leadership					
RCL2	Council provides open, accessible information and processes to local government and the Community	Official Information requests are processed in accordance with the LGOIMA.	100% compliance rate	Not Achieved As at 30 June 2022: 138 LGOIMA requests had been received 120 were processed on time 1 was sent late 9 remain open on time 0 remains open with an extension 3 were withdrawn 5 extensions were applied for, accepted and sent within time. <i>*Late response was provided at EOD completion day, was delivered to the customer the next morning.</i>	
RCL3	Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way Council involves the public in its decision making, based on the Annual Customer Satisfaction Survey	> 50%	Not Achieved This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 21.6%.	
RCL7	Council's planning documents meet statutory requirements and have unqualified audit opinions.	The Annual Report will include an unqualified audit opinion.	Achieve	Not achieved The Annual Report was adopted 16 December. However the report was qualified due to audit unable to verify the completeness of SSP data which was collected by PNCC.	D22/19649

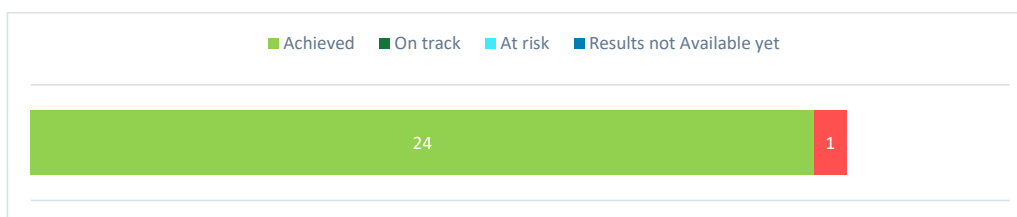
COMMUNITY SUPPORT Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,540	2,759	2,757	(2)
Targeted rates	–	–	–	–
Subsidies and grants for operating purposes	28	33	428	395
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	137	51	175	124
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	2,705	2,843	3,360	517
Applications of operating funding				
Payments to staff and suppliers	1,276	1,810	2,589	(779)
Finance costs	1	–	–	–
Internal charges and overheads applied	1,414	1,026	1,192	(166)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	2,691	2,836	3,781	(945)
Surplus (deficit) of operating funding (A-B)	14	7	(421)	(428)
Sources of capital funding				
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	(1)	75	–	(75)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding ©	(1)	75	–	(75)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	–	–	–	–
- to improve the level of service	–	47	9	38
- to replace existing assets	–	28	14	14
Increase (decrease) in reserves	13	7	(444)	451
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	13	82	(421)	503
Surplus (deficit) of capital funding (C-D)	(14)	(7)	421	428
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	12	9	9	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Community Development	275	684	685	(1)
Economic Development	1,006	914	1,386	(472)
Visitor Information	164	86	93	(7)
Community Grants and Funding	414	465	440	25
District Communication	339	431	399	32
Emergency Management	505	262	787	(525)
Total Expenditure	2,703	2,842	3,790	(948)

Performance Measures – LTP/Annual Plan Summary



COMMUNITY SUPPORT – Performance Measure Not Achieved Measures Only					
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Visitor Information					
CS23	Council supports the promotion of Horowhenua as a tourism destination.	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	Not achieved As at 30 June 2022, manually collated statistics on Visitor Information enquiries are: 6,349	D19/98604

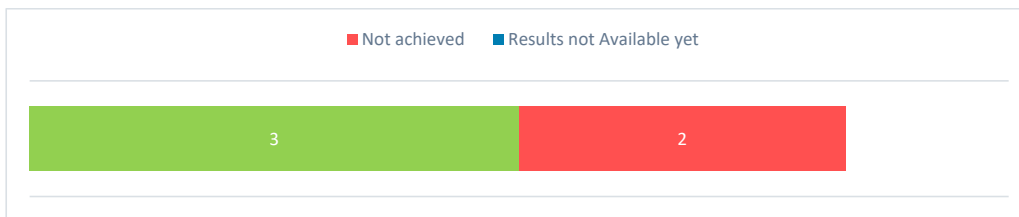
LAND TRANSPORT Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	3,681	3,011	3,022	11
Subsidies and grants for operating purposes	1,468	1,752	1,942	190
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	365	376	313	(63)
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	5,514	5,139	5,277	138
Applications of operating funding				
Payments to staff and suppliers	2,653	2,944	3,389	(445)
Finance costs	277	153	77	76
Internal charges and overheads applied	988	1,020	1,025	(5)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,918	4,117	4,491	(374)
Surplus (deficit) of operating funding (A-B)	1,596	1,022	786	(236)
Sources of capital funding				
Subsidies and grants for capital expenditure	4,634	9,685	5,302	(4,383)
Development and financial contributions	-	276	8	(268)
Increase (decrease) in debt	1,970	4,490	-	(4,490)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	6,604	14,451	5,310	(9,141)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	4,960	612	4,348
- to improve the level of service	4,693	6,820	5,203	1,617
- to replace existing assets	3,535	3,540	3,297	243
Increase (decrease) in reserves	(28)	153	(3,016)	3,169
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	8,200	15,473	6,096	9,377
Surplus (deficit) of capital funding (C-D)	(1,596)	(1,022)	(786)	236
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	5,305	3,932	4,360	(428)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Subsidised Roothing	7,756	7,278	7,442	(164)
Footpaths	1,102	376	715	(339)
Shared Pathways	71	161	147	14
Unsubsidised Roothing	294	236	332	(96)
Emergency Works	–	–	212	(212)
Total Expenditure	9,223	8,051	8,848	(797)

Performance Measures – LTP/Annual Plan Summary



LAND TRANSPORT – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
LT1	A safe road network*.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0 change or less from previous year.	Not Achieved 2020/21 0 fatal, 11 crashes 2021/22 2 fatal, 12 crashes The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database.	Nil/CAS Data
LT4	Footpaths are in an acceptable condition*.	Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	Minimum 30% in excellent condition.	Not Achieved As at 30 June 2022, 11.5% of footpath is in excellent condition and less than 5% is in poor condition.	RAMM

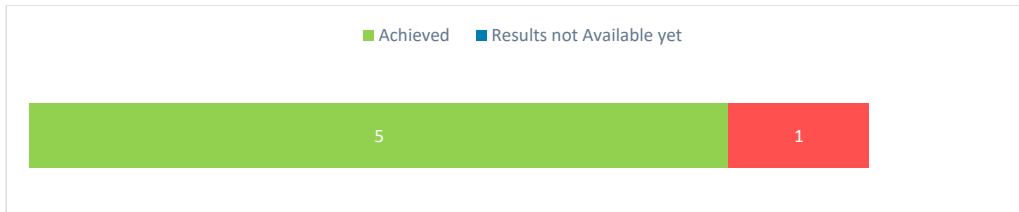
STORMWATER Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,417	1,656	1,663	7
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	95	93	-	(93)
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	1,512	1,749	1,663	(86)
Applications of operating funding				
Payments to staff and suppliers	432	565	484	81
Finance costs	462	254	189	65
Internal charges and overheads applied	102	376	491	(115)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	996	1,195	1,164	31
Surplus (deficit) of operating funding (A-B)	516	554	499	(55)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	1,300	-	(1,300)
Development and financial contributions	-	94	5	(89)
Increase (decrease) in debt	780	3,389	-	(3,389)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	780	4,783	5	(4,778)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	245	2,006	990	1,016
- to improve the level of service	905	3,115	1,230	1,885
- to replace existing assets	98	156	49	107
Increase (decrease) in reserves	48	60	(1,765)	1,825
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,296	5,337	504	4,833
Surplus (deficit) of capital funding (C-D)	(516)	(554)	(499)	55
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	690	716	757	(41)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Stormwater Drainage	1,686	1,911	1,919	(8)
Total Expenditure	1,686	1,911	1,919	(8)

Performance Measures – LTP/Annual Plan Summary



STORMWATER – Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
ST5	Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	≥ 80%	Not Achieved This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 35.3%.	

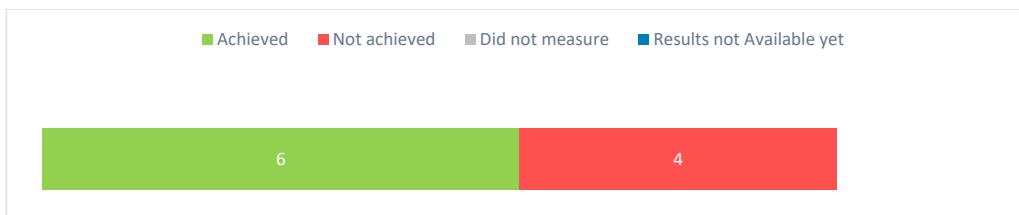
WATER SUPPLY Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	7,165	5,165	5,098	(67)
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	62	47	34	(13)
Local authorities fuel tax, fines, infringement fees, and other receipts	128	77	4	(73)
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	7,355	5,289	5,136	(153)
Applications of operating funding				
Payments to staff and suppliers	3,805	2,844	3,005	(161)
Finance costs	471	353	250	103
Internal charges and overheads applied	852	639	701	(62)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	5,128	3,836	3,956	(120)
Surplus (deficit) of operating funding (A-B)	2,227	1,453	1,180	(273)
Sources of capital funding				
Subsidies and grants for capital expenditure	1,254	941	–	(941)
Development and financial contributions	220	165	–	(165)
Increase (decrease) in debt	1,912	1,434	–	(1,434)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	3,386	2,540	–	(2,540)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,420	1,065	294	771
- to improve the level of service	517	388	108	280
- to replace existing assets	3,899	2,924	616	2,308
Increase (decrease) in reserves	(223)	(384)	162	(546)
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	5,613	3,993	1,180	2,813
Surplus (deficit) of capital funding (C-D)	(2,227)	(1,453)	(1,180)	273
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	3,338	2,503	2,503	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Foxton Water	1,099	1,222	1,070	152
Foxton Beach Water	862	959	853	106
Levin Water	3,832	4,693	5,332	(639)
Shannon Water	768	975	1,011	(36)
Tokomaru Water	454	529	579	(50)
Ohau Water	3	67	12	55
Waitarere Beach Water	3	20	14	6
Total Expenditure	7,021	8,465	8,871	(406)

Performance Measures – LTP/Annual Plan Summary



WATER SUPPLY – Performance Measures – LTP/Annual Plan					
Not Achieved Measures Only					
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
WS3	Customer Satisfaction*	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	Not Achieved This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 73.3%.	
WS5	Firefighting needs are met.	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	≥ 80%	Not Achieved As at 30 June 2022 Total number of hydrants tested up to December 2018 is 567 and 558 hydrants recorded flows of 12.5L/s or higher giving a percentage of 98%. Frequent weather events have prevented this work resuming this year. Plan to resume the flow testing in the 2022/23 financial year and will change methodology to comply with SZ4509:2008	
WS7	Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 300 lpcd	Not Achieved As at 30 June 2022, YTD average consumption across the district is 362L/person/day. This is calculated based on total water produced, minus commercial consumption, then divided by the connected population. Please note that the figure above includes residential consumption, water taken from hydrants for fire fighting/training and system leaks. Therefore the actual residential consumption should be much less than the amount noted above.	D21/111614

WS9	Minimal water losses*.	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	Band "B"	<p>Not achieved</p> <p>A system for the monitoring of night flow trends, which form the basis of this performance assessment, has been implemented for all the supplies. The assessment which determines achievement/non-achievement has been updated with the values for June 2022 as shown in the table below.</p> <table border="1" data-bbox="1279 416 1733 683"> <thead> <tr> <th data-bbox="1279 416 1518 496">Supply</th> <th data-bbox="1518 416 1733 496">"Snapshot" Infrastructure Leakage Index</th> </tr> </thead> <tbody> <tr> <td data-bbox="1279 496 1518 533">Levin</td> <td data-bbox="1518 496 1733 533">C</td> </tr> <tr> <td data-bbox="1279 533 1518 569">Shannon & Mangaore</td> <td data-bbox="1518 533 1733 569">C</td> </tr> <tr> <td data-bbox="1279 569 1518 606">Foxton</td> <td data-bbox="1518 569 1733 606">C</td> </tr> <tr> <td data-bbox="1279 606 1518 643">Foxton Beach</td> <td data-bbox="1518 606 1733 643">A</td> </tr> <tr> <td data-bbox="1279 643 1518 683">Tokomaru</td> <td data-bbox="1518 643 1733 683">B</td> </tr> </tbody> </table> <p>Only Foxton Beach and Tokomaru achieved the target WBI band for Leakage in June.</p>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxton	C	Foxton Beach	A	Tokomaru	B	D22/90853
Supply	"Snapshot" Infrastructure Leakage Index																
Levin	C																
Shannon & Mangaore	C																
Foxton	C																
Foxton Beach	A																
Tokomaru	B																

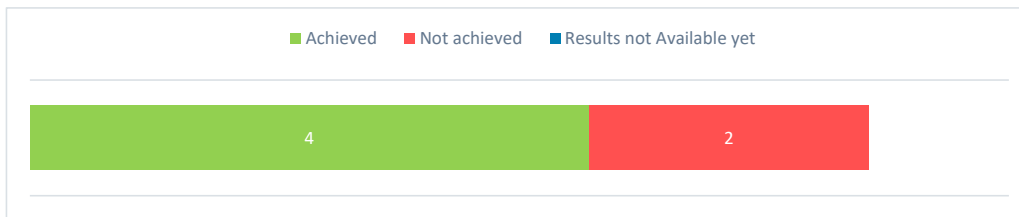
WASTEWATER MANAGEMENT Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	8,364	6,854	6,858	4
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,110	1,191	1,294	103
Local authorities fuel tax, fines, infringement fees, and other receipts	196	112	119	7
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	9,670	8,157	8,271	114
Applications of operating funding				
Payments to staff and suppliers	2,600	3,902	4,618	(716)
Finance costs	1,662	921	644	277
Internal charges and overheads applied	467	869	897	(28)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	4,729	5,692	6,159	(467)
Surplus (deficit) of operating funding (A-B)	4,941	2,465	2,112	(353)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	2,693	1,165	(1,528)
Development and financial contributions	-	1,523	65	(1,458)
Increase (decrease) in debt	3,978	8,682	-	(8,682)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	3,978	12,898	1,230	(11,668)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,199	7,306	4,834	2,472
- to improve the level of service	3,422	2,465	508	1,957
- to replace existing assets	2,738	5,491	2,060	3,431
Increase (decrease) in reserves	560	101	(4,060)	4,161
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	8,919	15,363	3,342	12,021
Surplus (deficit) of capital funding (C-D)	(4,941)	(2,465)	(2,112)	353
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	3,518	3,797	3,770	27

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Foxton Wastewater	1,071	1,139	966	(173)
Foxton Beach Wastewater	688	819	862	43
Levin Wastewater	4,460	5,412	5,759	347
Shannon Wastewater	1,193	1,183	1,237	54
Tokomaru Wastewater	298	336	255	(81)
Waitarere Beach Wastewater	534	565	840	275
Ōhau Wastewater	3	37	12	(25)
Total Expenditure	8,247	9,491	9,931	440

Performance Measures – LTP/Annual Plan Summary



**WASTEWATER MANAGEMENT – Performance Measures – LTP/Annual Plan
Not Achieved Measures Only**

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref																							
WW5	The service is satisfactory*	<p>The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding:</p> <p>Wastewater odour;</p> <p>Wastewater systems faults;</p> <p>Wastewater system blockages; and</p> <p>Council's response to issues with its wastewater system.</p> <p>Total number of complaints received about any of the above.</p>	<p>< 4</p> <p>< 6</p> <p>< 8</p> <p>< 4</p> <p>< 22</p>	<p>Not Achieved</p> <p>As at 30 June 2022:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Year to Date</th> </tr> <tr> <th>Per 1000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>Odour</td> <td>1.00</td> <td>13</td> </tr> <tr> <td>Faults</td> <td>2.22</td> <td>29</td> </tr> <tr> <td>Blockages</td> <td>11.42</td> <td>149</td> </tr> <tr> <td>Council's Response</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>14.64</td> <td>191</td> </tr> <tr> <td colspan="3">Number of connections as at 1 July 2021 = 13,048</td> </tr> </tbody> </table>		Year to Date		Per 1000 Connections	No. of Complaints	Odour	1.00	13	Faults	2.22	29	Blockages	11.42	149	Council's Response	0	0	Total	14.64	191	Number of connections as at 1 July 2021 = 13,048			D21/144917
	Year to Date																											
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Faults	2.22	29																										
Blockages	11.42	149																										
Council's Response	0	0																										
Total	14.64	191																										
Number of connections as at 1 July 2021 = 13,048																												
WW6		Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≤ 84%	<p>Not Achieved</p> <p>This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 57.7%.</p>																								

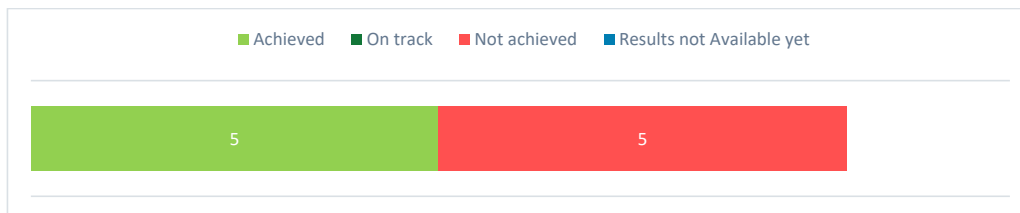
SOLID WASTE MANAGEMENT Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	350	2,214	2,213	(1)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	2,233	1,767	1,321	(446)
Local authorities fuel tax, fines, infringement fees, and other receipts	34	21	48	27
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	2,617	4,002	3,582	(420)
Applications of operating funding				
Payments to staff and suppliers	1,581	3,159	3,702	(543)
Finance costs	295	223	152	71
Internal charges and overheads applied	89	567	502	65
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,965	3,949	4,356	(407)
Surplus (deficit) of operating funding (A-B)	652	53	(774)	(827)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	3	-	(3)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(218)	183	-	(183)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(218)	186	-	(186)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	42	31	11
- to improve the level of service	23	335	166	169
- to replace existing assets	-	227	1,650	(1,423)
Increase (decrease) in reserves	411	(365)	(2,621)	2,256
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	434	239	(774)	1,013
Surplus (deficit) of capital funding (C-D)	(652)	(53)	774	827
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	340	388	459	(71)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Roadside Collection Bags	200	478	489	11
Landfill	1,109	1,537	1,908	371
Recycling Centres	670	1,884	1,927	43
Waste Transfer Stations	326	438	491	53
Total Expenditure	2,305	4,337	4,815	478

Performance Measures – LTP/Annual Plan Summary



SOLID WASTE – Performance Measures – LTP/Annual Plan														
Not Achieved Measures Only														
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref									
SW1	Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	≤ 400 kg per person per year	<p>Not Achieved</p> <p>It is estimated that 18,000 tonnes of general waste has been produced and disposed of in the Horowhenua District this year. With an estimated population of 36,000, a waste disposal quantity of 500 kg per person per year has been estimated. The amount of general waste produced and disposed of in Horowhenua is estimated using the waste disposed at the 3 local transfer stations as well as special waste and waste water treatment sludge taken to Levin Landfill. This is only an estimate and may not account for:</p> <ul style="list-style-type: none"> - Waste produced in the Horowhenua, but disposed of at a transfer station/landfill outside the district - Waste produced outside the district bought to a transfer station in the Horowhenua for disposal. <p>The estimate above also includes both household and commercial waste disposed in the district. 'Waste per person per year' does not necessarily the waste produced per household.</p> <p>Please note: Due to a change of contract, from May 2022 only HDC controlled tonnage data is readily available. Total district tonnes for May 2022 and June 2022 have been estimated based on previous months.</p>	D21/103441									
SW2	Recycling is encouraged	Level of recycling at: Kerbside Transfer stations	<p>≥ 40% of total waste</p> <p>≥ 50% of total waste</p>	<p>Not achieved</p> <table border="1"> <thead> <tr> <th></th> <th>June 2022</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Total Recycling</td> <td>134 tonnes</td> <td>2,032 tonnes</td> </tr> <tr> <td>Percentage of Waste Production</td> <td>Unable to Calculate</td> <td>10.2%</td> </tr> </tbody> </table> <p>* For June 2022 we only hold data for the HDC controlled waste to Landfill, rather than total waste to landfill for the district. Annual figures have been estimated based on data from July 21 – April 20.</p>		June 2022	Year to Date	Total Recycling	134 tonnes	2,032 tonnes	Percentage of Waste Production	Unable to Calculate	10.2%	D21/103441
	June 2022	Year to Date												
Total Recycling	134 tonnes	2,032 tonnes												
Percentage of Waste Production	Unable to Calculate	10.2%												

SOLID WASTE – Performance Measures – LTP/Annual Plan Not Achieved Measures Only														
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref									
SW4	Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p>Not achieved CRMs closed at 30 June 2022:</p> <table border="1"> <thead> <tr> <th>June 2022</th> <th>2021/2022</th> </tr> </thead> <tbody> <tr> <td>85/102</td> <td>1054/1073</td> </tr> </tbody> </table> <p>Responded within 3 working days:</p> <table border="1"> <thead> <tr> <th>June 2022</th> <th>2021/2022</th> </tr> </thead> <tbody> <tr> <td>48/85</td> <td>694/1054</td> </tr> </tbody> </table>	June 2022	2021/2022	85/102	1054/1073	June 2022	2021/2022	48/85	694/1054	D22/95516	
June 2022	2021/2022													
85/102	1054/1073													
June 2022	2021/2022													
48/85	694/1054													
SW5	Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<p>Not achieved</p> <table border="1"> <thead> <tr> <th></th> <th>June 2022</th> <th>2021/2022</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>13 total complaints</td> <td>188 total complaints</td> </tr> <tr> <td>Kerbside refuse</td> <td>3 total complaints</td> <td>61 total complaints</td> </tr> </tbody> </table> <p>Please note: These numbers include all complaints of non-collection, including those where the bin was not collected for a legitimate reason. These reasons could include:</p> <ul style="list-style-type: none"> - Bin was put out on the wrong week - Bin was not out at time of collection - Bin was not collected due to contamination <p>Missed collection CRMs are actioned by Low Cost Bins.</p>		June 2022	2021/2022	Kerbside recycling	13 total complaints	188 total complaints	Kerbside refuse	3 total complaints	61 total complaints	D22/95516
	June 2022	2021/2022												
Kerbside recycling	13 total complaints	188 total complaints												
Kerbside refuse	3 total complaints	61 total complaints												

SOLID WASTE – Performance Measures – LTP/Annual Plan					
Not Achieved Measures Only					
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
SW7	Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Percentage of customers satisfied with their solid waste services: Kerbside recycling Kerbside refuse	≥ 80% ≥ 80%	Not Achieved This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey for Kerbside Recycling was 73.5% and Kerbside Refuse was 74.3%.	

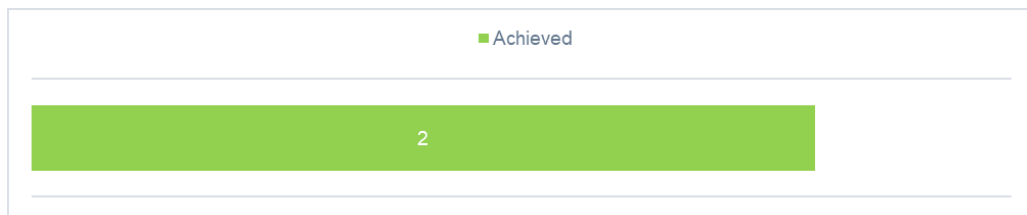
PROPERTY Funding Impact Statement

	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,107	852	851	(1)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	170	171	278	107
Local authorities fuel tax, fines, infringement fees, and other receipts	129	194	37	(157)
Internal charges and overheads recovered	484	405	378	(27)
Total operating funding (A)	1,890	1,622	1,544	(78)
Applications of operating funding				
Payments to staff and suppliers	1,173	1,088	1,004	84
Finance costs	327	195	203	(8)
Internal charges and overheads applied	312	377	388	(11)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,812	1,660	1,595	65
Surplus (deficit) of operating funding (A-B)	78	(38)	(51)	(13)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	200	67	(133)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	587	4,511	-	(4,511)
Gross proceeds from sale of assets	-	650	196	(454)
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding ©	587	5,361	263	(5,098)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1	1,700	423	1,277
- to improve the level of service	2,377	1,500	1,277	223
- to replace existing assets	589	1,999	739	1,260
Increase (decrease) in reserves	(2,302)	124	(2,227)	2,351
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	665	5,323	212	5,111
Surplus (deficit) of capital funding (C-D)	(78)	38	51	13
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	251	266	511	(245)

Activity Expenditure

Activity Expenditure	LTP Forecast 2021 \$000	LTP Forecast Jun 2022 \$000	Actual Jun YTD 2022 \$000	Variance Jun YTD 2022 \$000
Council Building	324	266	265	1
Camping Grounds	6	20	16	4
Commercial Properties	122	-	51	(51)
Endowment Property	397	363	347	16
General Property	730	876	1,050	(174)
Total Expenditure	1,579	1,525	1,729	(204)

Performance Measures – LTP/Annual Plan Summary



APPENDIX

Asset maintenance contract	General contract works, repairs, planned and unplanned maintenance, materials and consumables, cleaning and hygiene, inspections and reporting.
Finance cost	Interest on borrowings and interest on swaps.
Gains	Fair value revaluation gain and gain on sale.
General grants	Grants given to various organisations and individuals like Creative NZ, neighbourhood support, beach wardens, community development and youth scholarships.
Grants and subsidies	Grants and subsidies received from government and other organisations for roading, library, community hubs, cemeteries and aquatic centres.
Infringements and fines	Parking tickets, Prosecutions on WOFs and unregistered vehicles.
Employee benefits	Salaries and wages, training costs, FBT and ACC levies, superannuation, and staff recognition.
Other expenses	Printing, publication, postage, stationery, advertising, food and catering, photocopying, internet and communication and any other office expenses.
Professional services	Consultants, contractors, membership fees, legal fees, lab services, audit fees or any other professional services charges.
Regulatory revenue	Planning fees, building fees, animal fees, liquor fees and health fees.
Rendering of services	Commissions, car income, and any other income received for rendering services.
Rental income	Rent from Halls, residential and commercial properties, grazing land, reserves and other lease income.
Targeted rates	Rates for roading, waste management, representation and governance, stormwater, wastewater, water by meter and water supply.
User charges	Revenue received from admission, shop sale, Cemetery fees, trade waste, utility connection, events and exhibitions.
Utilities	Water use, electricity and gas charges

7.2 Risk Management Status Report

File No.: 22/433

1. Purpose

The purpose of this paper is to report to the Finance, Audit and Risk Committee on Council's risk landscape, risk management work in progress and to continue a discussion with the Committee about risk.

This report is provided for information purposes only and has been assessed as not significant.

2. Recommendation

- 2.1 That Report Risk Management Status Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Finance, Audit and Risk Committee endorse the direction of the work underway to better understand risk, and Council's role in managing that.
- 2.4 That the Finance, Audit and Risk Committee endorse the Delegations Register, Procurement Strategy and Procurement Policy.

3. Background/Previous Council Decisions

The Risk Status Report now forms part of regular and routine designed to provide governance with oversight and input into the way that identified risks are being managed with Council.

Further to the obvious benefits of 'reporting up' risk, Officers consider that these reports should be the basis of discussion that covers and adds value to all elements of the risk management spectrum (Identify, Analyse, Evaluate, Treat, Monitor/Report). That is, Officers intend that these reports facilitate discussion that identifies new risk, as well as focusing on existing listed and managed risks.

Overview

The key elements of the Enterprise Risk Management Framework include; risk management, procurement improvement programme; corporate business continuity management and business risk and assurance, which include both internal and external audit work.

The main work streams are:

- regular risk discussions with staff and managers and embed the day-to-day management of risks in work streams such as: projects, activity delivery, and asset management.
- communicate and report risk up to Council/Committees.
- provide fraud awareness training.
- provide business assurance oversight and complete business assurance work; and
- improve the understanding and tools to support good procurement practices.
- have a Business Continuity Management System for effective response to a range of potential business disruptions.
- Ensure the Council has a robust internal audit programme.

4. Discussion

Procurement Improvement Programme

The 29 June 2022 FAR Committee meeting provided a background of the Procurement Improvement Programme including an audit completed by CKS Audit Ltd dated February 2020 and the GAP Analysis completed Aurecon dated May 2022.

The Audit by CKS Audit Ltd and GAP Analysis by Aurecon have influenced the introduction of the Procurement Framework which includes:

- The introduction of a Procurement Strategy
- An update and refresh of the Procurement Policy
- The replacement of the Procurement Manual for the introduction of the Procurement Guidelines
- An update of existing and the introduction of new Procurement Templates
- The refresh and re-introduction of Staff Induction and Continuation Training in Procurement

Other items to be addressed are:

- Refresh and formal re-introduction of a Procurement Review Group/Panel
- Updates to the HDC Websites to reflect the changes

Alongside this programme, the Delegations Register has been identified as a critical document to have adopted by Elected Members as a part of this sets out the financial delegations for the Chief Executive. The delegation of the Chief Executive sets a base figure at when procurement activity is presented to Elected Members. This delegations register work has also been included within the briefings above.

Since the 29 June 2022 FAR Committee meeting, three briefings have occurred Elected Members to discuss the Procurement Strategy and Policy. Out of these briefings, members discussed a number of key areas including, but not limited to:

- the introduction of Broader Outcomes;
- wanting to see greater transparency between officers and Elected Members;
- better reporting to, and a greater inclusion with Elected Members;
- a requirement for business cases and post-project reviews;
- having our processes based on the 5 Principles of Procurement (as set by Government).

All of these areas have been or are currently being worked through into our Framework.

The improvements in our procurement are already starting to take shape with a number of process changes, while not yet policy, starting to take effect. This includes the presenting of a Procurement Plan and Tender Outcome report for procurements above \$1,000,000 to Elected Members at an in-committee Council meeting on 10 August 2022. This process shows the intention to show transparency and inclusion with Elected Members.

A final version of the Delegations Register, the Procurement Strategy and Policy is in the agenda for the FAR Committee meeting 31 August 2022 for endorsement and are intended to be presented to the 14 September 2022 Council Meeting for adoption.

Risk Management Improvement Programme

The Council is in the earlier stages of the journey aimed at increasing overall risk maturity.

Officers will provide regular updates on the work streams within this programme of work, including regular risk register reporting through this paper to demonstrate progress and increase awareness of risk across the council.

For this report we have attached the following:

- 1. Risk Register** – While more detailed risk reporting is being completed, it is important that there is visibility of the key risks in the interim and so the focus for this report is on identifying the very highest strategic and operational risks that the Council faces.

This list will change from report to report as risks become live, escalate in terms of priority or are mitigated and no longer require reporting at this level. The maturity of the way in which these risks are reported, will progress as the maturity of our risk management also evolves.

Risk	Risk Linkage	Description of Risk and Update
<p>Ability to secure and retain resources to complete work (Staff Attraction and Retention)</p>	<p>Strategic</p>	<p>A more adaptive approach to retention is being deployed in order to retain critical staff. Focus on on-boarding and off-boarding to improve overall employee experience.</p> <p>Highly competitive recruitment market and shortage of skilled workers are leaving some areas understaffed. Timelines set by government has increased worker demand in some areas with consultants also working at capacity.</p> <p>Ongoing pandemic impacts on workforce and contractor availability. Use of critical role premiums for critical roles are being reintroduced in some key areas.</p> <p>Council's Executive Leadership Team are actively coordinating and supporting a range of recruitments across the organisation.</p>
<p>Maintaining customer consenting services</p>	<p>Service Delivery</p>	<p>The level of development activity occurring in the current growth environment results in the resource and building consent services being unable to delivering these consenting services within the statutory timeframes. The impact of this on the customer can be a delay in receiving their consent.</p> <p>This risk has attempted to be mitigated within the Resource Consenting area with the engagement of external support, however there have been constraints (including carrying internal vacancies, covid and access to technical experts) that have continued to make it challenging to meet the timeframes. Activity levels have dropped off but remain at a high level for our current capacity and meeting statutory timeframes remains a challenge for planning consents. Ongoing mitigation continues through attempting to recruit vacant roles. Feedback has also been sought from the sector to identify potential improvements that could enhance the service provided.</p>
<p>Health and Safety - incidents and injuries resulting from poor processes and practices.</p>	<p>Compliance Operational</p>	<p>Everyone who comes to work should go home healthy and safe.</p> <p>All workers and (anyone impacted by work) should be given the highest level of protection against harm to their health, safety and wellbeing from</p>

		<p>risks.</p> <p>The PCBU (council) has a constant focus on ensuring workers are not put a risk in any activity they undertake by ensuring appropriate management and control actions of risks.</p> <p>To mitigate the risk, we identify, plan, do, check and review risks.</p> <p>HDC has health and safety risk identification documentation, continual updating of H&S risk registers, active review processes and appropriate reporting to ELT and FAR.</p>
Ability to secure resources to deliver capital work programme (External)	Financial / Reputational	<p>Delivery of work programme is delayed due to Covid-19, disruptions to supply chains and labour markets which are impacting on deliverability of the capex programme as well as the provision of services.</p> <p>Tightened supply chain is resulting in delays in material and product arriving in the country – this is affecting pipe supply and may result in delays in project(s) commencing and/ or cost increases as supply ability aims to keep up with demand.</p>
Affordability - Adequacy of revenue to support programme delivery	Financial	<p>Reduce ability to increase debt funding in the future constraining council's ability to deliver. Lack of revenue from other sources also may reduce the ability of resident's to pay rates as costs increase. This is because the Council's costs are mostly paid by rates.</p>
Responding to Three Waters Reform	Strategic / Financial / Service Delivery	<p>Recent decisions made and direction given regarding the National 3 Waters Reform Programme create risk for Council in how it responds. There is political risk as decisions made will need to be understood by a range of stakeholders and operational risk as Council must manage its networks and teams through any transition phase. Confirmation of Government funding to support the transition has enabled Council to commence for recruitment for a 3 Waters Transition Manager to help ensure Council is well prepared for the transition.</p>
Time spent to reach agreement between Council and Waka Kotahi	Strategic	<p>Council are actively working to ensure we are positively and constructively working with Waka Kotahi, with a focus on achieving agreement on some current key areas of disagreement. A meeting to develop a strategic framework is scheduled for August to see if better integration on current work streams by HDC and Waka Kotahi can be achieved.</p>
Landfill - inability to demonstrate how we meet affordability, cultural, environmental	Strategic	<p>The decision to seek a formal review of the Landfill business case, and subsequent advice to Council that will come on the future of the landfill presents significant challenges, as Council seeks to find a</p>

expectations		balance between meeting economic, social, environmental and cultural outcomes for the community.
Loss of community support and trust	Reputational	<p>The community lose trust and support in Council due to not giving equal or appropriate weight to the views and aspirations of the community in decision making.</p> <p>This diminishes the willingness of the community to participate in decision making and erodes trust that decisions made by council are in the best interest of the wider community.</p>
Growth occurs faster or slower than planned	Strategic / Financial	<p>Growth occurs at a slower rate than planned resulting in less growth across the district. The impact of this is that rates and costs of funding growth are shared across fewer ratepayers, or it takes Council longer than planned to recover the costs of funding growth infrastructure where that infrastructure has been provided in advance of the growth occurring.</p> <p>OR</p> <p>Growth occurs at a faster rate than planned. The impacts of this include the available infrastructure capacity is used up faster and infrastructure needed to support growth is not ready in time. Council is not able to deliver regulatory services that can keep up with the activity levels. Council is unable to take full advantage of the growth opportunity and the potential benefits for the district.</p> <p>Council monitors this risk by reporting key growth indicators such as consent trends. The number of consented dwelling units is used as the key measure of tracking growth rates. As at the end of June the number of new dwelling units consented (394) exceeded the projected total (352) for the full 2021/22 year indicating that the district developed at a faster rate than anticipated. Ongoing monitoring will continue to check whether this trend continues into the new financial year.</p> <p>Currently the number of new rateable units is tracking close to the forecast 2022/23.</p>
Council regulation do not meet regulatory compliance and legislative requirements	Legal	<p>Council's regulatory responsibilities are undertaken in a way that fails to comply with the legislative requirements, resulting in Council being the subject of legal challenge.</p> <p>Internal systems and processes are continually reviewed for compliance.</p>
Maintaining capacity in	Financial	Inflationary pressures may impact on the Council's

<p>borrowings</p>		<p>ability to deliver the required capital programme for the same level of funding. This causes pressure on our ability to maintain some capacity below the 225% of operating income limit.</p>
<p>Cyber Security</p>	<p>Service Delivery</p>	<p>We are living and working in an increased online, digital environment where there is a constantly changing risk of more complex and harder to detect cyber-security events such as ransomware and destructive virus attacks.</p> <p>As a Council, we continually monitor and adjust our technology and network environment to ensure that our, and our customer's information and data is kept safe and secure. It is also important that we make it as safe as possible for our customers and community to engage with us online or digitally through our websites or kiosks at our facilities. We are taking measures to ensure that the risk continues to be mitigated as much as possible – through greater awareness, communication, training and, investment in appropriate cyber-security technologies and services.</p>
<p>Emergency Management - Impact on business operations from Covid.</p>	<p>Reputational</p>	<p>Covid restrictions have impacted aspects of the business through the Orange and Red traffic light settings as some services had been delayed or hampered by changes.</p> <p>The Emergency Management lead agencies group such as Fire, St John's, Electra and Horizons meet with the Local Controller and Response Manager regularly to stay fully connected across the District. The Welfare, PIMs and Operations teams have worked seamlessly throughout the pandemic to ensure community remains informed and enabled.</p> <p>Staff are returning into the office and numbers of affected staff has reduced however we are preparing for the next wave of Covid-19.</p> <p>Council observes community fatigue and the wider impact of Covid restrictions.</p>
<p>Judicial Review of the National Land Transport Programme</p>	<p>Financial</p>	<p>A judicial review has been brought against Waka Kotahi in relation to the adoption of the 2021-24 National Land Transport Programme and this may have an impact on the funding and delivery of Council's current land transport programme. Officers will monitor the progress of the review and understand what impact this might have on Council's funding strategy for its local land transport programme</p>
<p>Increasing economic pressures</p>	<p>Financial</p>	<p>Council's is facing a number of external challenges and inflationary pressures from the external market. This includes likely increases to interest rates, continued substantial increases to carbon pricing, wage pressures, and general inflationary</p>

		costs. Officers will continue to closely monitor these pressures and make decisions based on risk.
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5. Next Steps

Officer's focus on Risk Management continues to be the establishment and embedding of a common single system for managing and reporting all risks.

Officers welcome feedback and guidance of the Committee and its members on the future of this report and other matters with respect to Risk Management in the organisation.

Attachments




No.	Title	Page
A	Procurement Strategy - Draft	75
B	Procurement Policy - Draft	88
C	Delegations Register - Draft	98

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Ashley Huria Business Performance Manager	
	Ben Blyton Procurement Advisor	
Approved by	Jacinta Straker Group Manager - Organisation Performance	



Procurement Strategy

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	August 2022	Ben Blyton Procurement Advisor

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Part A: Introduction

Executive Summary

The Horowhenua District Council ('the Council') is projected to conduct approximately \$35Million a year worth of procurement for goods, services and works over the next three years to ensure the needs in the community of the wider Horowhenua are met. In order to successfully achieve this, the Council has chosen to adopt a Procurement Framework which includes a Procurement Strategy to set the direction in how procurement is to be completed.

As well as focusing on the needs of the community, the Council has chosen to support locals with a new outlook in how procurement is completed. This includes a focus on a whole of life cost outlook, an emphasis in the procurement planning and delivering on a greater public value procurement outlook, using the correct sourcing methods, the introduction of broader outcomes to support local businesses and strengthen our relationship with local Iwi and Hapū all while acknowledging and being guided by our Procurement Principles and the Government Procurement Rules.

The Strategy will also outline a Procurement Programme which covers the projects identified in the Annual and Long Term Plans into further details. This programme will enable the Council to be open and transparent on its future projects as well as allowing the opportunity for local businesses to prepare for any anticipated proposed work.

Purpose

This document is the Procurement Strategy and applies to the procurement activities that are conducted by the Council.

The purpose of the Procurement Strategy is to outline the direction the Council will undertake procurement and makes up part of the Council's Procurement Framework.

Background

The Horowhenua District population is estimated to almost double by June 2041 and the Council is pro-actively planning for this. Key documents such as the Horowhenua 2040 Blueprint, the Horowhenua Growth Strategy 2040 and the 2021-2041 Long Term Plan have been produced to outline what is required to accommodate this successfully.

Procurement reviews completed in 2021 and 2022 have influenced the requirement for an overall procurement policy and process revival which has included the introduction of this Procurement Strategy as part of the newly established Procurement Framework.

What is Procurement?

The term 'procurement' covers all the processes associated with purchasing the goods/services/works the Council use to run the business and deliver public service objectives.

Procurement starts with identifying the needs, then planning the effective and efficient way to meet them; continuing through to sourcing the goods/services/works; then managing the contract; and ends with the expiry of either the contract or the asset's useful life. Procurement also includes the relationship management and review of suppliers involved.

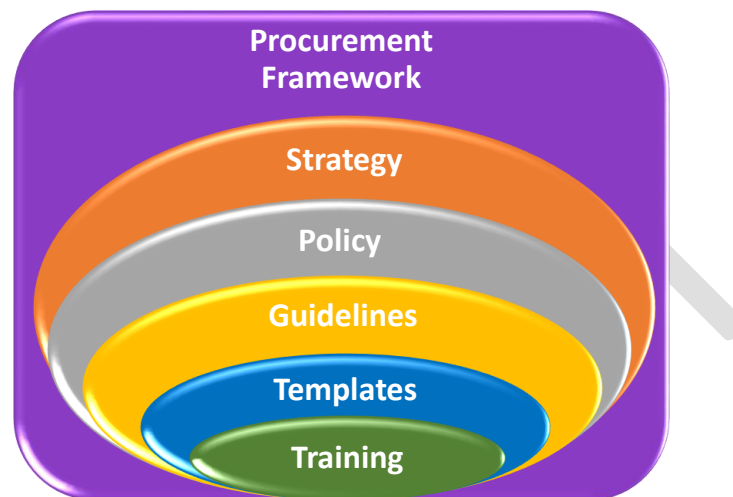
The Council's approach to procurement is outlined in this Procurement Strategy and the Procurement Policy.

Procurement Framework

The procurement framework is an essential supportive function within the Council. The procurement framework exists to ensure all procurement completed by the Council is completed in accordance with the Council's vision and is in the best interests of the Horowhenua community.

Within the procurement framework there are key documents and functions that influence the conducting of procurement within the Council.

The procurement framework is influenced by the Strategy and Policy which are adopted by Council. The rest of the framework is approved by the Executive Leadership Team.



Why do we need a Procurement Strategy?

The Procurement Strategy is the prime document that outlines how the Council will deliver procurement which:

- Provides the best possible result for the community – public value
- Aligns with the Long Term and Annual Plans
- Meets Council's community and broader outcomes
- Is conducted within a transparent, fair and effective process
- Risk is acknowledged and managed

A Procurement Programme which provides specific project details not included in the Long Term and Annual Plans will accompany the Strategy in Appendix 1.

The Procurement Strategy is the first layer of the procurement framework and sets the precedence for how Council will conduct its procurement activity.

The Council's procurement framework includes the vision and tools for the conducting of procurement within Horowhenua District Council. Council staff conducting procurement are to be conversant with the procurement framework.

Review Period

The Procurement Strategy is to have a full review every three years in line with the Long Term Plan or anytime where Council or the Chief Executive requires a review to be completed.

The Procurement Strategy may require refinement and minor amendments between reviews based on other policy/plans approved by Council such as, but not limited to, an Annual Plan. These amendments are required to be endorsed by the Executive Leadership Team and approved by the Chief Executive.

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Part B: The Strategy

The Procurement Process/Lifecycle

The procurement process or lifecycle consists of three base categories of planning, sourcing and managing over eight logical stages which all center on the needs/requirements of the procurement itself. For procurement to be successful, all eight stages are required to be followed and completed before moving onto the next.

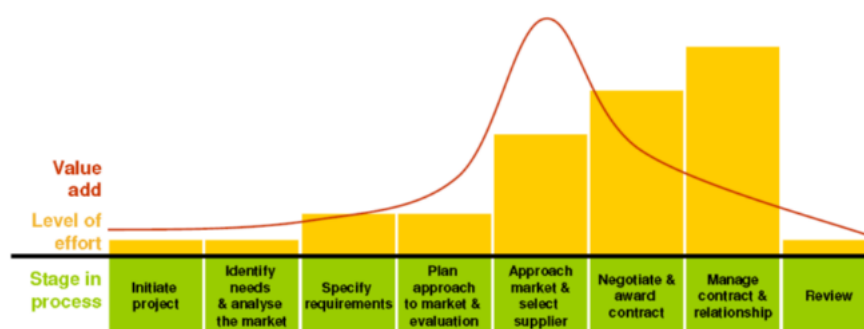


Further details in how this is conducted is covered within the Procurement Policy and Guidelines.

Traditional vs Strategic Procurement

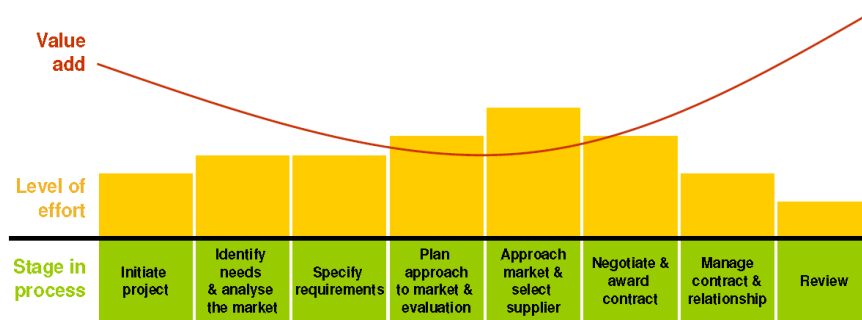
Local Government has previously followed a traditional approach to procurement. This approach has meant little to no emphasis was given to the early phases of projects, and resources were allocated accordingly. As such, most of the added-value was realised during the approach to market phase in order to drive the price of services down.

As a result, high levels of effort are necessitated during the delivery phases of projects to mitigate less than optimal procurement decisions and poor supplier selection.



Council want to change this by taking a more strategic and holistic approach to procurement in order to deliver an overall better outcome for our community.

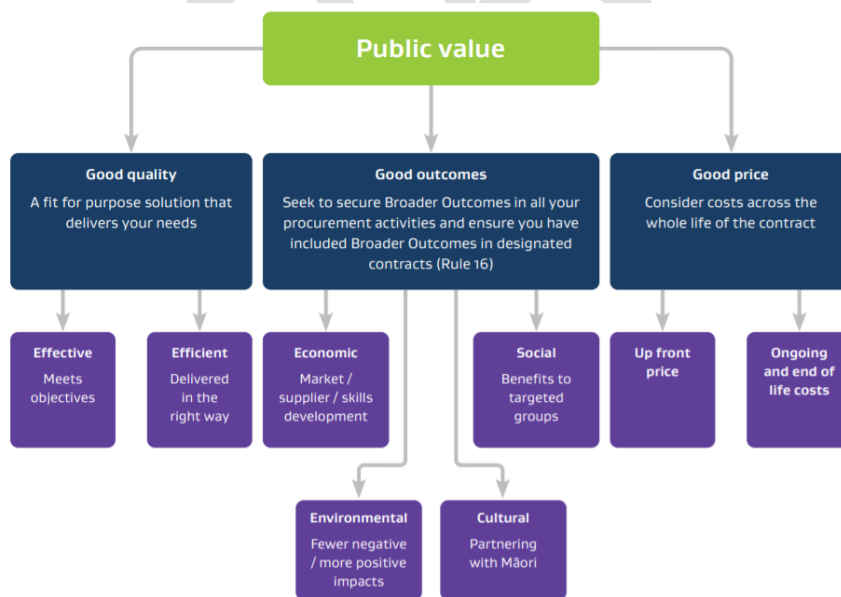
In order to achieve this, the Council will develop a better understanding of the whole of life cost versus a unit cost. Focusing on this and applying the right resources will enhance the whole of life value for money through effective planning, appropriate sourcing strategies, effective contract management and supplier relationship management.



Public Value

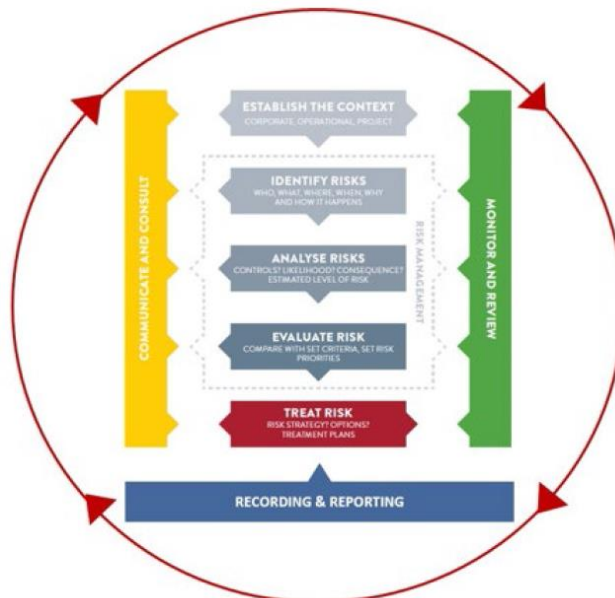
For the Council, public value means obtaining the best possible result from the procurement process while using resources effectively and economically with minimal waste.

It is important that public value does not always focus directly on the initial costs of the procurement. Other factors to take into account are total cost of ownership, delivery timelines, broader outcomes and the quality of service/the product. All of these factors should be applied with the end goal of delivering on the needs/requirements of our community.



Risk Management

Procurement of any goods or services brings some element of risk to the Council whether financial, reputational or health and safety. The risk management framework at Council aligns with AS/NZS ISO 31000 Risk Management Principles and Guidelines. Procurement risk is reported on through the Council's Finance Audit and Risk Committee.



Risk in procurement is manageable through early research and planning. The risks identified are categorised whether low, medium or high risk and whether they can be minimised, isolated or eliminated.

It is the responsibility of Council Officers to identify any risks that may arise prior to, during and after a procurement. Risk assessment and planning is covered within the Council's Procurement Policy and Guidelines.

Our Sourcing Methods






The Council's aim is to be fair to all of our suppliers in how our procurement are sourced. The Council aims to use a mixture of sourcing methods including direct appointments, request for quotes and open and closed tenders. Council will operate where appropriate preferred supplier registers and open supplier panels. The Council is accountable to the community and any sourcing method used will be in accordance with the Council's Procurement Policy and Guidelines.

Broader Outcomes

Broader outcomes are the secondary benefits that can be delivered from a procurement activity that go beyond the delivery of a product or service. These include the wider social, economic, cultural and environmental outcomes in our community. Procurement completed by the Council should be actively aiming to achieve these.



Broader outcomes have previously not been considered specifically within procurement, but have displayed similar principles in the Community Outcomes within the Council’s future strategic planning and form part of the 2021-2041 Long Term Plan. These are what the Council aim to achieve in meeting the current future needs of our communities for good quality infrastructure, public services and performance of regulatory functions.

 Vibrant Economy	 Outstanding Environment	 Fit for purpose Infrastructure	 Partnership with Tangata Whenua	 Strong Communities
<ul style="list-style-type: none"> • We are business friendly. • We will work with others to enable our economy to grow. • We support diversity and resilience in our local economy. • We aspire for economic security for all of our people. • We seize growth opportunities for our district. 	<ul style="list-style-type: none"> • We contribute to improving our natural environment for current and future generations to enjoy. • We protect the important natural features in our district. • We ensure our built environment supports the wellbeing of our people. • We manage competing pressures on resources sustainably. 	<ul style="list-style-type: none"> • We develop and maintain facilities and infrastructure to meet the needs of current and future generations. • We provide efficient, reliable and affordable infrastructure. • We work with partners to develop infrastructure that enables growth. • Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards 	<ul style="list-style-type: none"> • We will uphold Te Tiriti o Waitangi and its principles. • We build mutually respectful partnerships with tangata whenua. • We support Mana Whenua to maintain and enhance tikanga with their ancestral lands and waterways, wahi tapu and other taonga. • We support whanau, marae, hapu and iwi in achieving their aspirations. • We recognise the role of Mana Whenua as kaitiaki of their rohe. 	<ul style="list-style-type: none"> • We value the diversity of our people. • We recognise the value of our district's heritage and its contribution to our communities sense of identity and pride. • We take an inclusive approach and encourage our people to participate in local decision making. • We provide infrastructure and services as a foundation for resilient and connected communities. • We build collaborative relationships with service providers to help enable all of our people to live positive and health lifestyles.

Meeting our Community Outcomes is vital to the successful function of the Council. Ensuring that these are used to influence the procurement process will allow them to be followed through during the useful life of the procured product and/or service. Horowhenua District Council is committed to applying the following priority broader outcomes within its larger procurements:

- Local Business inclusion
- Cultural awareness

Other broader outcomes the Council will consider during procurements are:

- Environmental improvement
- Community engagement

Focusing on a large number of broader outcomes through procurement in a smaller district comes with its challenges with many businesses contracted being small-medium in size. An approach of education and encouragement for small-medium contracts (<\$1,000,000) and requirements for larger contracts (>\$1,000,000) will provide a balanced approach to achieving broader outcomes.

Supporting Local

Council is committed to the enhancing the local community by including local businesses better. This will be conducted by early engagement and business briefings and workshops.

Mana Whenua

Council is committed to building a better relationship with local Marae, Iwi and Hapū in the Horowhenua rohe and lifting the environmental, social, cultural and economic wellbeing of Mana Whenua through procurement. As part of the procurement framework, initiatives will be developed to ensure:

- An early engagement with Iwi and Hapū in planning
- Procurement is completed in accordance with Te Tiriti o Waitangi
- A cultural competency and awareness in Te Ao Māori is available to the Council's suppliers
- Encourage the engagement of Mana Whenua in the design and/or delivery of goods, services and works.

Government Procurement Rules

The Government Procurement Rules are the Government's standards of good practice for Government procurement. The Government Procurement Rules are in place to help support good market engagement, which leads to better outcomes for agencies, suppliers and New Zealand taxpayers.

As a Local Government Organisation, Council are not bound by these Rules but are encouraged to apply them. Council have decided to use the Government Procurement Rules as a guide¹ for the planning, sourcing and management of the procurement process.

A key focus of the Rules is the importance of open competition – giving all businesses the chance to participate, and giving them enough time to respond to opportunities properly. The Rules also help to:

- align New Zealand procurement practice with international best practice
- encourage more strategic procurement approaches
- foster competition and innovation, resulting in better solutions
- promote broader environmental, social, cultural and economic outcomes.

The Government Procurement Rules incorporate the Five Principles of Government Procurement and the Government Procurement Charter. The Five Principles of Government Procurement provide the overarching values in procurement – even when or if the Rules do not apply.

¹ All procurement funded by Waka Kotahi New Zealand Transport Agency must follow the Government Procurement Rules. Full details on this are included within the Procurement Policy and Guidelines.

- 
- The infographic consists of five numbered items, each with a circular icon to its left and a colored rectangular box to its right. The items are: 1. Plan and manage for great results (green box, icon of a building); 2. Be fair to all suppliers (blue box, icon of a head with sound waves); 3. Get the right supplier (yellow box, icon of a checkmark); 4. Get the best deal for everyone (teal box, icon of a group of people); 5. Play by the rules (orange box, icon of a football).
1. Plan and manage for great results
 2. Be fair to all suppliers
 3. Get the right supplier
 4. Get the best deal for everyone
 5. Play by the rules

Our Procurement Principles

The Council's Procurement Principles align with the Five Principles of Government Procurement. As well as these, Council will apply the following principles:



Part C: Influences

Central Government

The New Zealand Government (the Government) and other Central Government organisations have a massive influence on how Horowhenua District Council can operate.

While the Council will often be given an opportunity to respond and/or to have its say on policies and procedures the Government propose, ultimately the Government will decide if, as a Local Government Organisation, the Council has to or can choose to follow legislation and guidelines.

Examples of legislation and reforms that are currently in discussions or implementation with direct effect on Council are, but are not limited to:

- Three Waters Reform Programme
- Future of Local Government
- Resource Management Act Reforms

Central Government organisations influence how the Council should conduct its procurement.

Ministry of Business, Innovation and Employment (MBIE), via the Government Procurement Group (GPG), set the standards for procurement in Central Government with a heavy influence is local government and closely associated organisations. The Government Procurement Rules are set by the GPG and as a local government organisation, the Council does not have to adhere to Rules, but is strongly encouraged to. The GPG also facilitate the initiation and oversight of All-of-Government (AoG) Contracts of which the Council can join. The Council's Procurement Strategy and Policy details how the Council has adopted the Government Procurement Rules and AoG Contracts.

Waka Kotahi New Zealand Transport Agency have a major influence in how the roading infrastructure is managed and funded in the Horowhenua rohe. Waka Kotahi are strict users of the Government Procurement Rules set by the GPG. Procurement completed by the Council on behalf of, and/or funded by Waka Kotahi are to follow Waka Kotahi procurement policies and procedures.

WorkSafe influence how the Council is to apply the health and safety of all employees and its contractors. The Council's Health and Safety Policy outlines how this is to be implemented with particular reference to the Health and Safety at Work Act 2015. Health and safety, as per the Procurement Policy, is to be considered in all phases during the procurement process.

Ratepayers/Community

The community has the biggest influence in the direction and decisions which the Council makes. This is achieved via the electing of Council members, contributing to community engagement arranged by the Council or Central Government organisations and the general 'community voice'.

Elected Members/Council

Elected Members (Council) are elected by the community via local government election on a three yearly cycle. The Council set the direction which the Council will operate including approving all plans and strategies.

COVID-19

The COVID-19 Pandemic has overwhelmingly effected how the world operates and the Council is no different. Even after over two years of lockdowns and restrictions, COVID-19 is influencing how we operate. It has had drastic effects on the cost of materials and freight, slowed down production of vital infrastructure material and increased the lead-times for items throughout the supply chain. Overall productivity has slowed due to staff sickness and contractor/suppliers own delays. The 'COVID effect' is going to have ongoing implications for the delivery of Council's projects.



Procurement Policy

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	August 2022	Ben Blyton Procurement Advisor

DRAFT

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Part A: Introduction

Purpose

The purpose of this Policy is to provide direction to staff of the Horowhenua District Council (the Council) who participate in Procurement.

The Council procures significant goods and services that have an impact on the local community. The Council's commitment to delivering a consistent procurement service will contribute to the overall benefits with the wellbeing of its community and meeting the objectives set within the Council's annual and long term plans.

This Policy provides clear guidance in local government Procurement regulations and procedures as well as best business practice completed throughout the procurement process.

This policy is to be read in conjunction with the Council's Procurement Strategy and Guidelines as well as any other relevant Government regulations or Council policies and procedures as listed in Related Documents.

What is Procurement?

The term 'procurement' covers all the processes associated with purchasing the goods/services/works the Council use to run the business and deliver public service objectives.

Procurement starts with identifying the needs, then planning the effective and efficient way to meet them; continuing through to sourcing the goods/services/works; then managing the contract; and ends with the expiry of either the contract or the asset's useful life. Procurement also includes the relationship management and review of suppliers involved.

The Council's approach to procurement is outlined in the Procurement Strategy and this Policy.

Definitions

Term	Meaning
Council	Horowhenua District Council.
Procurement Review Group (PRG)	The Group established by the Executive Leadership Team to manage the overall governance of procurement. The PRG are required to endorse and/or approve procurements as per the procurement classifications. The Group is chaired by the Chief Executive and includes the Executive Leadership Team, the Procurement Team a representative of the Finance Team and an Elected Member.
Staff	Any employee of Horowhenua District Council whether fixed term, part-time, or permanent, or a contractor working on behalf of the Council.

Review Period

The Procurement Policy is to have a full review every three years or anytime where Council or the Chief Executive requires a review to be completed.

The Procurement Policy may require refinement and minor amendments between reviews based on other policy/plans approved by Council. These amendments are required to be endorsed by the Executive Leadership Team and approved by the Chief Executive.

Part B: The Policy

Policy Statement

The Council will be guided by the Government Procurement Rules when planning, sourcing and managing procurement.

The Council will apply the approach best suited to the individual procurement, within the framework of the Rules.

Deviations from this Policy requires Procurement Review Group, and if required, Council approval.

Compliance

Compliance with this Policy is required for all procurement activity undertaken by Council staff. The Procurement Review Group or Council must approve any departure from this approach.

Roles and Responsibilities

Role	Responsibilities
Chief Executive and the Executive Leadership Team	<ul style="list-style-type: none"> Modelling the highest standards of compliance with the Policy Ensure that they and their staff are appropriately trained in the Council's procurement processes and procedures Monitor that staff comply with the Policy
Procurement Review Group	<ul style="list-style-type: none"> Approval of requests for variations to the procurement process Reviewing potential conflicts of interest related to procurement Review, endorsement and approval of procurements in accordance with the procurement classification
Procurement Team	<ul style="list-style-type: none"> Delivery of procurement training to Council staff Reviewing and management of procurement plans and the tender process Updating of procurement policies and templates Management of supplier panels
All Staff	<ul style="list-style-type: none"> Conduct procurement in the best interests of the Council and the community Comply with the requirements of the Procurement Framework and associated processes and procedures

Conflicts of Interest

Staff are to be aware of potential conflicts of interest while conducting procurement at any level. In accordance with the Council's Conflict of Interest Prevention Policy, where a potential conflict of interest does apply, staff are to advise their manager as soon as practical from when this is identified.

All procurement source and selection processes should include the following as a minimum requirement to meet best practice in public sector sourcing: all members of an evaluation team will sign and submit a conflict of interest declaration prior to evaluation commencing.

To minimise a perceived tender bias or the potential release of information, all correspondence and interaction with suppliers will be managed through a central coordinator during a tender process.

Any supplier evaluations will be subject to rules and policy applicable to member's interests where staff or Councillors may have an interest in the supplier.

Reporting

Procurement reports are to be presented the Council and are to include, at a minimum, the following:

- Procurements completed over \$200,000 - including details of the procurement and who awarded to
- A summary of expenditure for the top 20 vendors

This reporting ensures transparency between staff and Council and is the responsibility of the Procurement Team.

Emergency Procurement

An 'emergency' is a sudden unforeseen event that can result in injury, loss of life or critical damage to property or infrastructure.

In the event of a genuine emergency the Council will need to be flexible in how it procures goods and services that are required to support their response. In these situations rapid procurement may mean it is not possible or prudent to satisfy all requirements of this Policy.

When making emergency procurement decisions the Council will act lawfully and with integrity. Once the situation is stabilised and there is no risk to human life, the environment or critical infrastructure, a recovery plan will be established to authorise necessary procurement activity.

It is important to note that urgent procurements due to poor planning do not fall under emergency procurement and are still required to follow the correct procurement process.

Health and Safety

The Council is to ensure Health and Safety is applied within the procurement process and through the term of any contract.

Staff conducting procurements are to be conversant with the Council's Health and Safety Contractor Management Policy. As a minimum, procurements which involve the supply of a physical service are to ensure that the contracted vendor (as well as any sub-contractors) have completed the required Health and Safety prequalification criteria to be an approved Council contractor.

Further information is available via 'The Hub' (internal HDC intranet) and from the Council's Health and Safety Lead.

Procurement Classification

Procurement is classified into four categories. These categories are based on value and risk of the procurement and require different levels of final approval authorities.

Category	Criteria	Endorsement	Approval
A	<ul style="list-style-type: none"> • Low-medium risk and less than \$50,000 		Manager (based on financial delegation)
B	<ul style="list-style-type: none"> • Low-medium risk and between \$50,000 and \$200,000 	Manager	Group Manager
C	<ul style="list-style-type: none"> • Low-medium risk and between \$200,000 and \$1,000,000; or • High risk and less than \$200,000 	Group Manager	Procurement Review Group and/or Chief Executive

D	<ul style="list-style-type: none"> High risk and above \$200,000; or Above \$1,000,000 	Procurement Review Group and Chief Executive	Council
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Risk Management

Procurement brings risk to the Council. Ensuring that risk is properly identified and managed is the responsibility of the staff member coordinating the procurement. Staff are to ensure that risk is identified as early as possible as well as being monitored and managed throughout the procurement activity.

Staff are expected to use the Risk Assessment Tool prior to determining the procurements classification. It is also expected that staff conducting procurements monitor risks using a risk register as per the procurement guidelines. The requirement to do this at each procurement category is as per the table below.

Category	Risk Register
A	Encouraged
B	Encouraged
C	Required
D	Required

Procurement Plans

Procurement Plans are used to set out the 'why' and 'how' Council want to complete its procurement activity. The procurement plan annotates that a correct process has been completed and gives a tool to ensure the correct authority has been sought.

The Procurement Plan is to cover the entirety of a project – a project shall not to be split into separate procurement activities to purposely avoid any delegation, approval or other requirement levels.

Procurement Plans are required to be submitted and approved in accordance with the following table:

Category	Procurement Plan Type	Description
A	Not Required	
B	Lite	Provides a basic checklist to ensure correct processes have been followed.
C	Standard	Provides a basic background to why the procurement is required and includes basic planning information including budgeting and risk.
D	Detailed	Provides a detailed analysis for the procurement activity essentially incorporating a business case and standard procurement plan together.

A full process of the procurement plan approval process is in the procurement guidelines.

Implementation of Broader Outcomes

Staff conducting procurement should be aware of the secondary benefits available with the implementation of broader outcomes. Broader outcomes should be realistic based on the type of service being provided and also on a contractual value.

Staff should incorporate broader outcomes as education and encouragement for small - medium contracts (<\$1,000,000) and as requirements for larger contracts (>\$1,000,000). The broader outcomes Council is committed to are:

- Local businesses inclusion e.g. by making it a priority that they are included as sub-contractors and/or suppliers
- Cultural awareness e.g. that our suppliers understand their obligations to Te Tiriti o Waitangi and knowledge of the correct Māori protocols relating to the procurement

Other broader outcomes to be considered are:

- Environmental improvement e.g. a suppliers approach to the environment relating the procurement including steps/initiatives to improve or sustain a clean environment
- Community engagement e.g. how the supplier plans to engage with Iwi, Hapū and the community for the duration of the procurement (if applicable)

Supplier Selection Process

Selection Methods

There is an expectation that staff conducting procurement are to use the most suitable selection method applicable to the individual procurement being conducted.

Staff should be conversant with the following supplier selection methods:

Category	Default Selection Method	Alternative Selection Method
A	Direct Award or Three Quotes	
B	Three Quotes or Tender	Direct Award
C	Tender	Direct Award, Three Quotes
D	Tender	Direct Award

Other alternatives to these methods may be applied if a procurement falls under an existing preferred supplier or supplier panel arrangement or an All-of-Government (AoG) Contract. A description of each sourcing method is available in the Procurement Guidelines.

Preferred Suppliers and Panels

The Council may establish direct relationships with suppliers to procure goods and services at a lower than market rate, or at an agreed level of service. This is intended to achieve value for money by consolidating spend and reducing the cost of business through reduced transactions and a reduced number of suppliers.

The Council may establish supplier panels in order to make the procurement process more efficient in cases where similar services/goods are consistently being tendered and the same pool of service providers are bidding.

Supplier panels set up by Council are to be kept open to new suppliers. The Council has the ability to conduct a procurement within the panel in a closed capacity and without going to the open market. All procurements completed from a supplier panel must still follow the processes set out in the Procurement Framework.

The use of either a preferred supplier or supplier panel is as per the below:

Category	Preferred Supplier	Supplier Panel
A	✓	✓
B	✓	✓
C		✓
D		✓

All-of-Government (AoG) Contracts

An All-of-Government Contract (AoG) is a type of approved collaborative contract. AoG establish supply agreements with approved suppliers for selected common goods or services purchased across government. Council is not bound to the use of these contracts but has the ability to use them where they will provide best value.

Tenders and Evaluations

The Council will advertise all Tenders on the Government Electronic Tender System (GETS) and provide sufficient time for respondents in accordance with the Government Procurement Rules.

Tenders for procurements above \$200,000 which are funded by Waka Kotahi New Zealand Transport Agency (NZTA) will require at least one qualified tender evaluator on the evaluation panel in accordance with the Waka Kotahi NZTA Procurement Manual.

As a minimum, Council will require at least one qualified tender evaluator for tenders over \$1,000,000 and additionally an external (and independent) evaluator for tenders over \$4,000,000 on the evaluation panel.

Financial Delegations

Financial Delegations are given to selected roles within the Council. Procurement within the Council can only occur with the authorisation from a manager with a, and within their, Financial Authority. The Council Delegations Register dictates delegations given to the Mayor, Deputy Mayor and Chief Executive and is authorised by Council. The Chief Executive holds the responsibility and authority for the Internal Delegations Register which lists Officer roles and their respective financial authority.

Contractual Considerations

The Council must comply with all relevant law on the formation and performance of contracts. Failure to do this puts the Council at risk or litigation.

Staff should be aware when conducting tenders that legal risks do exist and ensure that complete process is followed correctly.

Council has multiple contracts available to use in the Procurement Guidelines, however a supplier's written contract may also be accepted in some instances.

All contracts signed on behalf of the Council are to be peer reviewed by the Procurement Team.

Templates and Tools

Templates have been developed to make the procurement process easier for staff to understand and follow. These templates are to be used and staff are to make themselves conversant with these. These are located in the templates section of the Procurement Guidelines.

Related Documents

Various guidelines, tools and templates have been developed to support this policy. It is acknowledged that additional material may be developed to support those already available to staff. All information will be made available to staff via 'The Hub'.

Various policies and frameworks exist which support this policy including:

Government Legislation and Standards	Council Policy and Key Documents
Commerce Act 1986	Horowhenua 2040 Blueprint
Contract and Commercial Law Act 2017	Horowhenua Growth Strategy 2040
Fair Trading Act 1986	2021-2041 Long Term Plan
Health and Safety at Work Act 2015	Project Management Policy
Local Authorities (Membership Interests) Act 1968	Conflict of Interest Prevention Policy
Local Government Official Information and Meetings Act 1987	Legal Compliance Policy
Local Government Act 2002	Sensitive Expenditure Policy
Official Information Act 1982	Risk Management Framework
Public Records Act 2005	Information Management Policy
Civil Defence Emergency Management Act 2002	Fraud Policy
Goods and Services Tax Act 1985	Staff Private Purchasing Policy
Land Transport Management Act 2003	Delegations Register
Resource Management Act 1991	Internal Delegations Register
Construction Contracts Act 2002	Procurement Strategy
Public Works Act 1981	Procurement Guidelines
Government Procurement Rules	
Supplier Code of Conduct	
WKNZTA Procurement Manual	



Delegations Register

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	August 2022	Ben Blyton Procurement Advisor

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Introduction

1 Purpose

This document is the Delegations Register for the Horowhenua District Council ('the Delegations Register').

The purpose of the Delegations Register is to set out the Horowhenua District Council's ('the Council') policies, procedures and delegations relating to decision making when giving effect to its statutory duties, responsibilities and powers.

This Delegations Register records all delegations from the Horowhenua District Council to Standing Committees, Subcommittees, Members and Staff. The delegations have been approved by Council resolution/s. Delegations, unless otherwise stated, are deemed to have been made under Clause 32, Schedule 7 of the Local Government Act 2002 (LGA).

2 Background

2.1. Definition of Delegation

Delegation is the conveying of a duty or power to act to another person, including the authority that the person making the decision would themselves have had in carrying out that duty or exercising that power.

For the purposes of administrative efficiency and expediency in the conducting of its day-to-day business, the Council delegates certain statutory duties, responsibilities and powers to its standing committees, subcommittees, members or staff. Likewise, the Chief Executive delegates certain duties and responsibilities to a subordinate level. These delegations are a necessary operational requirement to achieve best use of the abilities of elected representatives and officers and to promote effective and expeditious decision-making. Delegations seek to avoid administrative delays and inefficiencies.

2.2. The Legal Basis

Council's authority to delegate to its standing committees, subcommittees, members or staff is principally derived from Schedule 7, Clause 32 of the Local Government Act 2002 (LGA).

Schedule 7 Clause 32 of the LGA states that:

"Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of the local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except:

- *The power to make a rate; or*
- *The power to make a bylaw; or*
- *The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan; or*
- *The power to adopt a long-term plan, annual plan, or annual report; or*
- *The power to appoint a chief executive; or*
- *The power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
- *The power to adopt a remuneration and employment policy."*

Other statutes¹ also confer or limit the ability for the Council to delegate decision-making powers and duties. For instance, Section 34 of the Resource Management Act 1991 restricts the delegation of certain plan approval functions to other than the Council. While the Local Government Official Information and Meetings Act 1987 provides for delegations under section 42 and 43 of that Act, a response to recommendations made to the Council by the Ombudsman (section 32) may not be delegated.

Authority and responsibility are inseparable. Those with responsibility for a task or function should always have the authority to carry it out effectively. It should be noted that no delegation relieves the local authority, member, or officer of the liability or legal responsibility to perform or ensure performance of any function or duty.

Delegates should willingly accept authority and responsibility for decision-making in the certain knowledge that their decisions, if made in a full, fair, and objective manner, will not be interfered with. The act of delegating involves mutual trust and respect without which the efficiency and effectiveness of the Council would be at risk.

2.3. Principles, Terms and Conditions

Unless a delegation in this Register states otherwise, the delegation is derived from the Council. The Council or Chief Executive in their determination as to duties, responsibilities and powers to be delegated will have regard to the principles outlined in Tables 1.

In the exercise of any delegation, the delegate (i.e. the person given the delegation) must comply with the general terms and conditions, which are also identified in Table 1. In addition to the general terms and conditions, the delegate must also comply with any additional terms and conditions that might apply to specific delegations.

The laws relating to local government generally recognise that the decisions of a delegate may be reviewed or appealed to the delegator who may confirm, vary, overrule, or substitute any decision although there are exceptions such as where a decision is made and other review remedies are available (e.g. appeal to a court or tribunal).

Table 1

Principles

Because the business to be transacted by the Council is diverse and wide-ranging, delegations are necessary to ensure the efficient, effective, and timely delivery of services to the communities it represents.

Delegations made to Council Officers have generally been made to the lowest level of competence commensurate with the degree of responsibility and difficulty involved in the undertaking of the delegation.

Where delegations have been made to the Chief Executive and it is noted that the Chief Executive can further delegate, the Chief Executive will delegate those responsibilities, duties and powers having regard to the degree of responsibility and difficulty involved in the undertaking of the delegation.

Wherever possible, delegations to officers and employees will and have been made on a wide basis to promote the most effective and efficient implementation and delivery of Council's policies and objectives.

¹ See Building Act 2004 - Section 232; Civil Defence Emergency Management Act 2002 - Section 12; Impounding Act 1955 - Section 63; Local Government Official Information and Meetings Act 1987 - Sections 42, 43; Privacy Act 1993 - Sections 124, 125; Public Bodies Contracts Act 1959 - Section 4; Resource Management Act 1991 - Section 34A(3); Sale and Supply of Alcohol Act 2012 - Section 198; Fencing of Swimming Pools Act 1987, Section 12 repealed 1 January 2017 by section 19 of the Building (Pools) Amendment Act 2016.

No delegations shall limit the power of Council or other delegator to exercise a function, duty or power in substitution for a delegate.

Delegations must be precise and in writing in order to protect both the Council and the delegate. In the exercise of any delegation, the delegate will ensure they act in accordance with:

- *Any binding statutory authority (in relation to each delegation, relevant sections of the Act will be identified); and*
- *Any relevant Council policy or procedural documents (including reporting and recording requirements).*

In relation to delegations to officer level, every delegation will be to a stated officer and will be exercised in relation to the duties of their position as identified in their Position Description or when an officer has been appointed in an acting capacity.

Decisions, other than on minor or routine matters, made under delegated authority will be reported to the Council or a relevant Committee.

For the avoidance of doubt, supervisors shall have the same powers of delegation as subordinate staff, unless the exercise of such delegation requires, by law, a particular qualification or registration.

Except as otherwise provided in this Delegations Register, the Local Government Act 2002, Local Government Official Information and Meetings Act 1987 or any other enactment, a delegation once made cannot be further sub-delegated.

The Council may, at any time, revoke, suspend for a period, or amend the terms of conditions in relation to any delegation it has made. Where this occurs, it will be recorded by resolution of Council.

The Chief Executive may revoke or suspend for a period, or amend the terms and conditions in relation to:

- *Any delegation to subordinates that they have made; and*
- *Any delegation to the Chief Executive that Council has revoked or suspended*

Staff will not exercise delegated authority in cases of uncertainty or where it would be desirable that policy direction be given. There are also circumstances where staff will be required to seek peer review prior to exercising delegated authority, in which case supervisors will make this known.

All staff decisions made under delegated authority should clearly contain an appropriate endorsement e.g. 'made under delegated authority'. Where a delegation exists to make a decision on behalf of Council, the delegate has all the necessary powers of Council to effect that decision, including any related transitional powers prescribed by statute.

The delegations to staff, if required by any enactment, are also made through the Chief Executive Officer by virtue of inclusion in this Register.

2.4. Term of Delegation

The Delegations Register will be reviewed annually and unless any delegation is expressed to be for a definable period it will continue until revoked by the delegator or the Council, or withdrawn by operation of law.

2.5. Delegation to Office

Unless a contrary intention is indicated every delegation will be to a stated office or position and not to an individual or the membership of a group in their personal capacities. In every case of this type the delegation will survive any change in the occupier of any such office.

Delegations, Authorisations and Appointments

3 Vote on Behalf of Council

The authority to vote on behalf of Council, where a resolution of Council is not a prerequisite, is delegated to:

- 1) the Chief Executive,

and is delegated to:

- 1) the Mayor; and in their absence
- 2) the Deputy Mayor; or
- 3) the Chair of the Hearings Committee.

The proxy is instructed to vote in the best interests of Council but to take direction from Council on sensitive or controversial matters before committing Council's shareholder votes.

4 Authorisation to Execute Deeds and use the Common Seal

The authority to sign any deed is delegated to any two elected members (being the Mayor, Deputy Mayor and Councillors).

The process for selection of elected members to execute each deed will be dictated by timeframes and the availability of elected members.

The Common Seal of the Council shall be held by the Chief Executive who shall be responsible for its use.

A Council resolution is required for the Seal to be affixed to a document; however in the case of a document of a routine nature, and/or a document which is urgent, the Seal may be affixed to such documents and such action reported to the next Council meeting for a confirmation resolution.

Where the Common Seal of the Council is affixed to any document it shall be attested by:

- 1) the Mayor, or in their absence, the Deputy Mayor; and
- 2) the Chief Executive, or in their absence, the appointed Acting Chief Executive.

The Common Seal will be affixed to any document that is required to be executed under the Seal, including:

- Warrants to enter private land on behalf of the Council made under the Resource Management Act, the Biosecurity Act, the Building Act, Local Government Act 1974 or the Local Government Act 2002;
- When executing any Memorandum of Transfer pursuant to section 80 of the Local Government (Rating) Act 2002;
- Regional policy statements and regional and district plans prepared under the Resource Management Act;
- Bylaws prepared under the Local Government Act 2002 or other relevant statutes;
- Any documents which otherwise require the use of the Council's Common Seal.

All Common Seal transactions will be recorded on the Common Seal Register, which is maintained by the Executive Assistant to the Chief Executive, and reported to a subsequent Council meeting when not already authorised by Council resolution.

5 Credit Cards

Delegated authority to approve credit card expenditure is assigned to:

- 1) The Mayor and the Chair of Finance, Audit and Risk Committee for the Chief Executive's card;
- 2) The Chief Executive and the Deputy Mayor for the Mayor's card;
- 3) The Chief Executive for any credit card held by any other staff member.

6 The Chief Executive

6.1. Administration

Pursuant to section 42(2) of the Local Government Act 2002, the Chief Executive is responsible, on behalf of the Council, for ensuring the effective and efficient management of the Council, employing staff and negotiating the terms of employment of staff.

It is the role of the Chief Executive to lead and oversee staff in implementing the decisions of the Council and ensuring that all statutory responsibilities of the Council are met. The Chief Executive is also responsible for ensuring that all responsibilities, duties and powers delegated to him or her, or to any person employed by the Council, are properly performed or exercised. The Chief Executive may delegate to any other officer of the Council any of their powers under the Act, or any other statute, except the power to delegate or any power that is subject to a prohibition on delegation.

The Chief Executive has absolute control over all employment-related matters concerning staff, and has authority to:

- Approve the employment of all staff.
- Approve staff members taking up or engaging in other employment, in addition to their Council employment, subject to the following provisos:
 - Council duties having priority;
 - The other employment is not to interfere with or impair the due and proper discharge of their normal duties;
 - The other employment will not be carried out during the staff member's Council working hours; and
 - There being no conflict of interest arising from the other employment.

The Chief Executive may nominate another staff member to act as Chief Executive during temporary periods of absence from duties together with such of the Chief Executive's powers as they consider appropriate.

6.2. Finance

The authority to commit expenditure of up to \$1,000,000 excl GST, whether operational or capital expenditure and where budgets have been established by an adopted Long Term Plan or Annual Plan, is delegated to the Chief Executive, who may further delegate to any other officer of Council as required. Any expenditure outside of this requires approval from Council or an appropriate Council Committee Subcommittee on an as required basis.

The Chief Executive is authorised to re-allocate operating expenditure between budgets with the same rating mechanism (funding sources) provided it is necessary to achieve committed outputs decided on during the Long Term Plan (LTP) or alterations to the LTP, and provided the end-of-year budgeted surplus or deficit will be achieved, with any likely exceedance to be reported to Council or the relevant Committee.

The Chief Executive has the authority to establish financial delegations to other officers (in writing) as they consider appropriate.

The authority to:

- Release or alter loans, mortgages and statutory land charges
- Take appropriate action within Council policy to recover debts
- Write off bad debts of up to \$30,000
- To approve credit notes up to \$30,000
- Consider and approve elected members' remuneration and expense claims
- Approve banking, investment, payroll and tax payments in accordance with councils policy
- Approve the opening and closing of Council bank accounts
- Provide for and manage Council's borrowing facilities, debt, and risk hedging in accordance with council policy
- Receive and/or administer external grants or funding

is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.3. Release of Information, Media and Public Notices

All requests for official information from the Council will be referred to the LGOIMA Officer on behalf of the Chief Executive for their information.

The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to the Chief Executive, who can further delegate to any other officer or employee of Council as required.

The ability to refuse to release information under Sections 13 and 17 of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to determine in respect of any request for personal information under Part V of the Privacy Act 1993 and Part IV of the Privacy Act 2020 is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to make statements to the news media relating to Council's business is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to place public notices and advertisements in relevant newspapers, on social media or other publications or channels is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.4. Legal

The authority to:

- Obtain legal advice on Council's behalf
- Sign on Council's behalf any routine legal administrative document
- File in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal
- Initiate to have Court costs awarded; and
- Initiate legal proceedings to collect Court costs awarded
- Issue a trespass notice on Council's behalf

is delegated to the Chief Executive, who may further delegate to any other officer of Council as required.

The authority to settle claims against Council, where proceedings are filed or contemplated, up to a limit of \$50,000 (exclusive of GST) in accordance with a recommendation from Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee, is delegated to the Chief Executive and, wherever possible, in consultation with the Mayor or Deputy Mayor.

6.5. Submissions

The authority to:

- Make a submission to a Board of Inquiry in relation to a proposed national policy statement under section 49 of the Resource Management Act;
- Make a further submission to a Board of Inquiry in relation to a proposed national policy statement under section 50(2) of the Resource Management Act;
- Make a submission to the Environment Court in relation to a special tribunal's report relating to a water conservation order (section 209 of the Act);
- Be heard at an inquiry for a proposed Water Conservation Order (section 211 of the Act); and
- Apply for the revocation or amendment of any Water Conservation Order (section 216 of the Act);
- Make a submission to an adjoining local authority on any proposed regional policy statement, regional or district plan or change or variation (Clause 6 of Schedule 1 of the Act);
- Make a submission to any application to an adjoining authority for resource consent (section 96 of the Act);

is delegated to the Chief Executive who, following discussions with the Mayor, Deputy Mayor, or in their absence another Councillor, can further delegate to any other officer of Council as required.

The authority to make a submission on any other matters of general Council interest or concern, where it is not possible within the available time to refer the matter to the Council or relevant standing committee, is delegated to the Chief Executive.

6.6. Council Property and Assets

The authority to:

- Approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land;
- Enter into contracts for the maintenance, management and development of any Council property;
- Enter into binding agreements for the sale and purchase of property (in accordance with the Long Term Plan) with schedules listing such sales or purchases being submitted to the relevant Standing Committee and/or Council on a regular basis;
- Grant and administer stall site licences including licences for the occupation of legal road (including termination thereof where required for non-payment of rental or other good reason);
- Approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines;
- Approve the hiring out, and the terms and conditions thereof, of any Council asset and staff;
- Approve the disposal (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement;
- Approve the disposal (whether by tender or otherwise), and the terms thereof, of any other surplus Council asset up to a book value of \$50,000 (exclusive of GST) per item;

is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.7. Development Contributions

Authority to carry out on Council's behalf, all its functions, powers and duties in relation to the Horowhenua District Council's Development Contributions Policy is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.8. Rates Remissions and Valuations

The authority to consider and decide on applications made under the following Rates Remissions Policies:

- Part 1 Community groups
- Part 2 Voluntarily protected land
- Part 3 Penalties on rates
- Part 4 Excessive water charges
- Part 5 Remnant land
- Part 6 Rating units in industrial and commercial areas used for residential purposes
- Part 8 Small rate balances
- Part 9 Targeted rates on non-rateable land
- Part 11 Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property
- Part 12 On Bare Land
- Part 13 Council Owned Utilities
- Part 14 Contiguous rating units not in common ownership.

is delegated to the Chief Executive up to \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chairperson of the Finance, Audit and Risk Committee for a decision.

The authority to consider and decide on applications made under Policy Part 7 Land Used for Primary Industry and Rural Residential purposes in areas that have been rezoned as Residential and Business Zones, is by the Chief Executive.

The authority to consider and decide on applications made under Policy Part 10 Properties affected by disasters is decided by the Council.

Section 6 of the Rating Valuations Regulations 1998 allows for a local authority to extend the due date for objections to rating valuations, either because the valuation was not received or for any other good reason. The power to decide on an extension to a due date for an objection is delegated to the Chief Executive.

6.9. Registrar of Members' Pecuniary Interests

The Local Government (Pecuniary Interests Register) Amendment Act 2022 requires Council to appoint a Registrar under Section 54G(1) to:

- compile and maintain the register of members' pecuniary interests; and
- provide advice and guidance to members in connection with their obligations under this subpart.

The Chief Executive is appointed as the nominated registrar. The Chief Executive may further delegate to any other officer of Council as required.

7 Local Government (Rating) Act 2002

The Council delegates all powers, duties and functions under the Local Government (rating) Act 2002 to the Chief Executive and the Officers listed below and excluding those matters in respect of which delegation is prohibited by any Act or regulation, or which are expressly excluded from this delegation.

Note that the Local Government (rating) Act 2002 prevents the Chief Executive from sub-delegating powers under that Act. The following are separate Council delegations direct to officers under that Act.

These are specific delegations to the:

- Chief Executive (CE)
- Group Manager Organisation Performance (GMOP)
- Financial Service Manager (FSM)
- Senior Rates Officer (SRO)

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Section	Details of Power	Reasons	Delegated to (Acronym)			
			CE	GMOP	FSM	SRO
27(5)	The decision on whether to divide rating units and the methodology for division.	<i>A division may be required where a single rating unit falls into a number of differential categories.</i>	✓	✓	✓	
28(2)	The decision on whether the disclosure of the name of any person is necessary to identify a rating unit.	<i>The Rating Information Database (RID) may not contain the name of any person unless this is necessary to identify the particular property.</i>	✓	✓	✓	
29	Authority to determine objections to the RID.	<i>An owner has the right to object to any entry in the RID on a number of grounds. Council determines whether the objection is valid and any actions required correcting it.</i>	✓	✓	✓	
35	Authority to remove a name from the RID.	<i>A person's name may be removed from the RID in circumstances outlined in Section 35. Generally this is as a result of a sale or disposal of the property.</i>	✓	✓	✓	
39	Authority to determine objections to rates records.	<i>A ratepayer may object to information contained in the rates records on the ground that the rates are calculated incorrectly or that the rates balance is incorrect.</i>	✓	✓	✓	
40	Authority to correct errors in the RID and Rate Records.	<i>Errors in the RID or rate records may be corrected even if there was no objection.</i>	✓	✓	✓	
52	Authority to agreed methods of payments for rates.	<i>The Act allows rates to be paid by any method that is agreed by the local authority.</i>	✓	✓	✓	
54	Authority not to collect small amounts, up to \$10.00.	<i>The Act allows the authority to not collect small amounts where, in its opinion, it is uneconomic to do so. It is envisaged that this will only occur where the cost to collect a debt is likely to exceed the amount of the debt due.</i>	✓	✓	✓	
61	Authority to collect unpaid rates from the owner.	<i>Where a ratepayer, other than the owner, is in default, the local authority may collect rates that are in default, from the owner.</i>	✓	✓	✓	✓

62	Authority to collect unpaid rates from persons other than the owner.	Where the owner is in default of their rates, the local authority may recover the rates from a mortgagee.	✓	✓	✓	✓
63	Ability to commence legal proceedings for the recovery of rates that are in default.	Where rates are in default, the local authority may commence legal proceedings against the owner for recovery of the rates.	✓	✓	✓	
67	Commencement of rating sales or lease provisions.	Once a local authority has received judgement and payment had not been received within the prescribed period, the authority may commence the process to carry out a rating sale or lease of the land to satisfy the level of the debt. Note: This process is carried out by the District Court Registrar and does not apply to Māori Freehold Land.	✓	✓		
72	Authority to sell land by private treaty.	If land that was the subject of a rating sale does not sell above the reserve set by the Registrar, the Registrar may, with the consent of the local authority, sell the land by private treaty for any consideration that the Registrar thinks reasonable. Note: This does not apply to Māori Freehold Land.	✓	✓		
77–83	Authority to sell abandoned land.	A local authority has the power to commence the process to have land declared 'abandoned' if rates have not been paid on it for three years, and the ratepayer: <ul style="list-style-type: none"> • is unknown, or • cannot be found after due enquiry, or • is deceased and has no personal representative, or • has given notice of the intention to abandon or has abandoned the land. The process is carried out through the District Court and the Court has to be satisfied the appropriate endeavours have been made to discover the owner. Note: This does not apply to Māori Freehold Land.	✓	✓		
85	Authority to administer rate remission and postponement policies.	As defined within the remission and postponement policies.	✓	✓	✓	
99	Authority to apply for charging orders.	The Act provides that where it has proved impossible to obtain rate on Māori Freehold Land, a local authority may apply to the Māori Land Court for a charging order on the land.	✓	✓		
135	Authority to sign documents for Court proceedings.	The Act authorises Council to commence legal proceedings. The authority to sign such documents needs to be delegated to appropriate officers.	✓	✓		

8 Resource Management Act 1991

The Council delegates all powers, duties and functions under the Resource Management Act 1991 to the Chief Executive and the Officers listed below and excluding those matters in respect of which delegation is prohibited by any Act or regulation, or which are expressly excluded from this delegation.

Note that the Resource Management Act 1991 prevents the Chief Executive from sub-delegating powers under that Act. The following are separate Council delegations direct to officers under that Act.

These are specific delegations to the:

- Chief Executive (CE)
- Group Manager - Community Experience and Services (GMCES)
- Group Manager – Community Vision and Delivery (GMCVD)
- Group Manager – Housing and Business Development (GMHBD)
- Strategic Planning Manager (SPM)
- Strategic Planner (SP)
- District Plan Lead (DPL)
- Senior Policy Planner (SPP)
- Policy Planner and Principal Policy Advisor (PP)
- Consents Manager (CM)
- Compliance Manager (CPM)
- Planning Team Leader (PTL)
- Resource Management Planners, Planning Technician, Resource Management Planner Cadet and Duty Planner (P)
- Resource Management Planner – Contractor (PC)
- Independent Hearings Commissioner (HC)

Delegations include temporary Acting CE, GMCES, GMCVD, GMHBD, SPM, DPL, SPP, PP, CM, CPM, PTL or SP when relevant or required.

The notation (ICWC) requires any officers exercising powers under the relevant section to obtain the consent of the Chairperson of the Hearings Committee before exercising any authority. Where the delegations refer to consultation with the Chairperson, the Chairperson shall retain the discretion to require such matters to be referred back to the Hearings Committee.

The notation (ICWC) Consultation with the Chairperson shall only be required in respect of applications which have been the subject of a hearing.*

Section or Clause Number	Delegation Description	Delegated to (Acronym)														
		CE	GMCES	GMCVD	GMHBD	SPM	SP	DPL	SPP	PP	CM	CPM	PTL	P	PC	HC
10(2)(b)	Time extension to existing use.	✓		✓	✓	✓		✓	✓		✓		✓			
34(A)(1) and (2) and 100(A)	The nomination of one or more commissioners in accordance with Council's policy for appointing commissioners. (ICWC)	✓		✓	✓	✓		✓	✓		✓					
36(5)	Power to reduce or waive fees or deposits for charitable or community organisations or in other situations deemed appropriate.	✓			✓						✓					
37(1)	Power to waive or extend time limits as specified in this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
37(2)	Waive compliance with the requirement to submit information as outlined in Section 37(2) and the power to set new terms for the rectification or the omission of the inaccuracy.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
37A(6)	Power to determine and notify those persons who are directly affected by the extension or waiver of compliance with a time period, method of service, or service of document.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
38	Power to authorise an Enforcement Officer/s to carry out all or any of the functions and powers as an enforcement officer under this Act.	✓	✓	✓	✓											
41B	The power to direct an applicant to provide briefs of evidence to the authority before a hearing. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	
41C	The power to request further information prior to or at a Hearing. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	
42	The power to make an order that a hearing be held with the public excluded. The power to make an order prohibiting or restricting the publication or communication of any information supplied or obtained in the course of any proceedings. (ICWC)	✓		✓	✓		✓			✓	✓		✓	✓	✓	
42A(1)	The power to commission a report by an officer or consultant for hearing.	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	
42A(5)	The Authority to waive compliance with service of documents requirements. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		

86D(2)	The power to make an application to the Environment Court for a rule to have legal effect. (ICWC)	✓	✓	✓	✓														
87AAB(1) and (2)	New Consent Exemption under this section.					✓	✓	✓	✓	✓				✓	✓	✓			
87BB	Exemption of activities from resource consent for marginal or temporary breaches					✓	✓	✓	✓	✓				✓	✓	✓			
87(E)	Decision on whether to allow an application to be determined by the Environment Court and authority to determine an application for referral to the Environment Court is incomplete. (ICWC)	✓	✓	✓	✓														
88(3)1(3A)	The power to determine that an application is incomplete and to return the application with written reasons for the determination.	✓		✓	✓	✓		✓	✓	✓	✓			✓	✓	✓			
91	The power to defer an application pending additional consents.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92(1)	The power to request further information relating to an application.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92(2)	The power to commission a report on any matter relating to the application.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92A(2)	The power to set a time limit within which further information requested by a territorial authority should be provided.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92A(3)	The power to decline an application for failure to meet requirements under this subsection.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
92B(2)	The power to decline an application in accordance with this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
95 and 95(A)–(F)	The power to determine when applications shall be non-notified, limited notified or publicly notified.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
99	The power to convene a pre-hearing meeting and exercise all powers under this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
99A	The power to refer applicants and persons who made submissions on the application to mediation and the authority to appoint a mediator under section 34A. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
100	The power to determine that a hearing is not needed. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
101	The power to fix a hearing date and time and place of the hearing.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
102	Functions in relation to joint hearings.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
103	Functions in relation to combined hearings for resource consents in relation to the same proposal.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			

104A, 104B, 104C, 104D	The power to grant or refuse non notified resource consents, and the power to decide on applications made with full or limited notification where a hearing is not required under Section 100 of this Act. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
106	The power to refuse to grant a subdivision taking in consideration the issues specified in S106. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
108	The power to determine conditions of a resource consent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
108A (1), (2) and(3)	Bonds.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
109	The power to authorise Council use of bond funds. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
124(2)(e)	The power to permit an existing consent to continue while applying for a new consent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
125	The power to extend the period within which a resource consent lapses. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
126	The power to cancel unexercised resource consents. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
127	The power to decide on an application for change to or cancellation of consent conditions. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
128-132	The power to initiate and determine a review of conditions of a resource consent. (ICWC)*	✓	✓	✓						✓	✓				✓
133A	Power to approve an amended resource consent within 20 working days of the granting of the original.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
138	The power to grant or refuse partial or full surrender of a resource consent. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
139	The power to grant or refuse an application for a certificate of compliance.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
139A	The power to grant or refuse an application for an existing use certificate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
149Z	The power to process applications referred from the Minister for the Environment or the EPA.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
169	The power to process notices of requirement from a requiring authority.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
170	The power to decide whether to include a notice of requirement in a proposed plan change. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

174	The power to appeal to the Environment Court against the whole or any part of a decision of a requiring authority. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(2)	The power to waive the requirement for an outline plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(4)	The power to request changes to an outline plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(5)	The power to Appeal against the decision of a requiring authority to the Environment Court. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
181	The power to alter a designation. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
184(1)(b) and 184(2)(b)	The power to extend the expiry period of a designation that has not been given effect to. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
190	The power to process notices of requirement for a heritage order from a heritage authority.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
195A	The power to alter heritage orders. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
198C	The power to decide whether a notice of requirement application will be determined by the Environment Court as requested by applicant. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
198I	The power to decide whether a notice of requirement application will be determined by the Environment Court. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
220	The power to impose conditions on subdivision consents.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
221(1)	The power to impose a condition requiring the issuing of a consent notice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
221(3)(b)	The power to review, vary or cancel any consent notice. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
222	The power to extend a completion period and to issue a completion certificate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
223	The power to approve any survey plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
224(c)	Power to certify compliance with specified conditions prior to deposit of survey plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
224(f)	Power to certify compliance with building code provisions.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
226(e)	Power to issue a certificate in accordance with this Section.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S232.	The power to approve the creation of an esplanade strip in accordance with S232 (1) and (2).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S234(6)	The power to grant (with or without modifications) or decline an application to vary or cancel an instrument creating an esplanade strip.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
234(7)	The power to certify a varied or canceled esplanade strip.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

235	Power to agree to create an esplanade strip with the agreement of the registered proprietor.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
237	The power to approve survey plans where esplanade reserves or esplanade strips are required.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
237B	The power to authorise the creation, variation, or cancellation of easements.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
240(1) and (3)	The power to endorse survey plans with covenants and to approve the covenant instrument.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
240(4) and (5)	The power to approve the cancellation of a covenant imposed under this Section or under the corresponding provision of any former enactment for non-notified applications.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S241(2)(a)	The power to approve the individual disposal of land or the holding of land in separate titles which have previously been amalgamated.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
241(3) and (4)(b)	The power to cancel in whole or in part any condition described in Subsection (2).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
243	The power to revoke an easement in whole or in part.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
274	The power to nominate an officer or other person to attend a proceeding of the Environment Court.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
299	The power to appeal against the decision or report and recommendation of the Environment Court to the High Court on a point of law. (ICWC)	✓													
311	The power to apply for a declaration in accordance with this Section. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
316	The power to apply for an enforcement order or interim enforcement order.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
325A(2)	The power to cancel an abatement notice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
325A(5)	The power to determine an application to review and/or amend an abatement notice. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
330	The power to make the necessary determinations and undertake such actions as are provided for in Subsections (1) to (3) inclusive.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
334	The power to seek a search warrant from a District Court Judge or any duly authorised Justice or any Community Magistrate or Registrar for entry for search.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

7.3 Treasury Report

File No.: 22/443

1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the June 2022 quarter.

2. Recommendation

- 2.1 That Report 22/443 Treasury Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

This Quarterly Treasury Report is produced by Council's Treasury Advisors, Bancorp Treasury Services Limited, for the benefit of Senior Management and Council.

4. Issues for Consideration

Council has entered into a new interest rate agreement with BNZ for \$4,000,000 starting 17 May 2024 and finishing on 13 April 2029 at 3.56%. This has been done to ensure an increased level of fixed rate debt based on Council's policy bands set out in the Treasury Management Policy.

Attachments


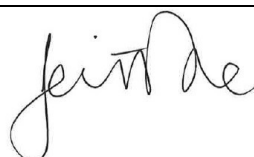
No.	Title	Page
A	Horowhenua DC Treasury Report June 2022	121

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jeff Paulin Manager Financial Special Projects	
Approved by	Jacinta Straker Group Manager - Organisation Performance	

CONFIDENTIAL

TREASURY REPORT

FOR



AS AT

30 JUNE 2022



AUCKLAND • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 30 JUNE 2022)

Financial market sentiment is increasingly fixated on the trade-off between central banks getting global inflation under control and what higher interest rates could mean for the global growth outlook. Signs of inflationary pressures have seen 'risk-off' flows drive bond yields higher, support a stronger US dollar, and lower equity indices. In contrast, data projecting weaker growth has seen interest rates pare back their gains with 'risk-on' flows capping the US dollar and supporting equity prices, which would be a strange reaction to a weak growth outlook in 'normal' times.

As has been the case over recent months, June was characterised by high levels of volatility across markets and large intra-month swings in pricing. The US 10-year bond yield traded between 2.87% and 3.51% and had an intra-day trading range in excess of 0.25bps on more than one day. It closed the month just above 3.00% as growth concerns increased on weakening data, 0.50% below the intra-month high. Equity markets saw similar levels of volatility, with the S&P500 trading in a 525-point (13.5%) range between 3,640 and 4,165 before closing just under 3,800 to record its lowest monthly close since January 2021.

Financial markets have again aggressively increased pricing expectations around the quantum, and speed, of central bank rate hikes over the rest of this year. In mid-June, the Federal Reserve ("Fed") increased its cash rate mid-point by 0.75% to 1.625%, with comments from Fed Chairman, Jerome Powell, implying that another 0.75% hike in July was possible. The 0.75% hike was in response to a larger than expected increase in the US CPI over the 12-months to 31 May, up by 8.6% (a 41-year high) against consensus forecasts of an 8.3% increase.

Current pricing is now implying that the Fed will increase its cash rate to 3.45% by Christmas, with a 3.75% peak this cycle in Q1 of 2023. Recessionary fears are having an impact, though, with markets pricing in rate cuts from June 2023, with the cash rate back at 3.00% by Christmas 2023. Recent comments from various Fed officials are implying aggressive hikes and ultimately a cash rate above 3.00%, with San Francisco Fed President, Mary Daly, recently saying that a 0.75% hike in July is her "starting point" because "data suggests inflation has not peaked and households still have plenty of savings to spend." She sees rates needing to get to 3.1% this year, her view of "neutral."

The European Central Bank announced in June that it will start hiking rates in July, with market pricing now implying a 1.00% cash rate by Christmas (from -0.50% currently). The Bank of England is expected to deliver a further 1.50% of hikes this year, taking the cash rate to 2.75% by Christmas, and despite the Bank of Japan ("BoJ") reaffirming its current 'easy' stance at its June meeting, market pricing has the BoJ edging the cash rate above 0.0% by the end of this year. In somewhat of a surprise move, the Reserve Bank of Australia ("RBA") raised its cash rate by 50bps to 0.85% in early June. The accompanying statement laid the groundwork for further rate hikes over the coming months as the RBA looks to normalise monetary conditions.

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 30 JUNE 2022)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 Mar 2022	1.00%	1.61%	3.29%	3.38%	3.39%	3.39%	3.38%
30 Jun 2022	2.00%	2.83%	4.06%	4.08%	4.04%	4.07%	4.11%
Change	+1.00%	+1.22%	+0.77%	+0.70%	+0.65%	+0.68%	+0.73%

On 25 May the Reserve Bank of New Zealand (“RBNZ”) in its quarterly *Monetary Policy Statement* (“MPS”) increased the Official Cash Rate (OCR”) as expected by 50 basis points to 2.00%. What was surprising was the tone of the MPS, with the RBNZ saying it is “resolute” in its commitment to returning inflation back to within the 1 to 3% inflation range. The RBNZ also increased its terminal OCR by 50 basis points from the last MPS to 3.90% which the RBNZ is forecasting will be reached in June 2023. Of small consolation was that the RBNZ is now forecasting that the OCR should start declining from September 2024.

With no meeting in June, markets focused on what to expect from the RBNZ at its July meeting. After the 0.75% Fed hike, speculation increased around a possible 0.75% hike, but softer data over recent weeks means that expectations have drifted back towards a 0.50% July hike. Market pricing has the OCR at 4.00% by Christmas with a 4.25% in the first quarter of 2023. Increasing speculation that OCR hikes of the scale projected will push the economy into recession is seeing the start of an easing cycle tentatively priced in for late 2023.

On the data front recent releases have shown the New Zealand economy to be slowing down and consumer confidence to be plunging. GDP contracted 0.2% in the March quarter and was up 1.2% over the March year, while the REINZ House Price Index fell 1.6% in May. According to the Westpac McDermott Miller Consumer Confidence Index, consumers are feeling more pessimistic than at any time since the survey began in 1988, as household budgets are being squeezed by higher mortgage rates and increases in fuel, food, local body rates and insurance premiums. The proportion of people who thought it was a good time to purchase a major household item, regarded as a key measure of consumer sentiment, fell 17.9% to a net negative 24.8% in June, a record low.

Swap rates beyond 2-years tested decade highs above 4.50% after the Fed hike in mid-June but have since edged back as recessionary fears increase and signs emerge that inflation may be peaking. The domestic curve is very flat with only a 5 basis point gap between the 2-year and 10-year swap rates. The nominal levels recognise the OCR outlook and current inflation concerns, whereas the shape of the curve is implying a tepid growth outlook and increasing risk of recession.

We believe that an OCR much above 3.00% will be more than sufficient to significantly slow demand and reduce inflation, although we accept that it might go higher. Our concern is that a recession may be the result of ongoing OCR increases in line with market pricing, and our core view is that aggressive hikes over the balance of 2022 will bring forward the next easing cycle into late 2023 with any material surprises to the projected OCR track to the downside.

1.3 LOCAL AUTHORITY SECTOR

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

Maturity	Margin	FRN (or CP) Rate	FRB
3 month CP	0.15%	2.98%	N/A
6 month CP	0.15%	3.61%	N/A
April 2023	0.27%	3.10%	3.95%
April 2024	0.31%	3.14%	4.44%
April 2025	0.36%	3.19%	4.57%
April 2026	0.47%	3.30%	4.69%
April 2027	0.51%	3.34%	4.69%
April 2028	0.57%	3.40%	4.76%
April 2029	0.59%	3.42%	4.80%
May 2031	0.65%	3.48%	4.89%
April 2033	0.75%	3.58%	4.99%
May 2035	0.83%	2.86%	5.15%
April 2037	0.87%	2.90%	5.21%

Margins for LGFA debt decreased slightly during the quarter, this going against the trend of credit spreads increasing in the wider capital markets and banking sector. However, the outright yields for LGFA debt increased sharply over the three month period due to the increase in underlying rates, as the RBNZ's tightening cycle gathered momentum.

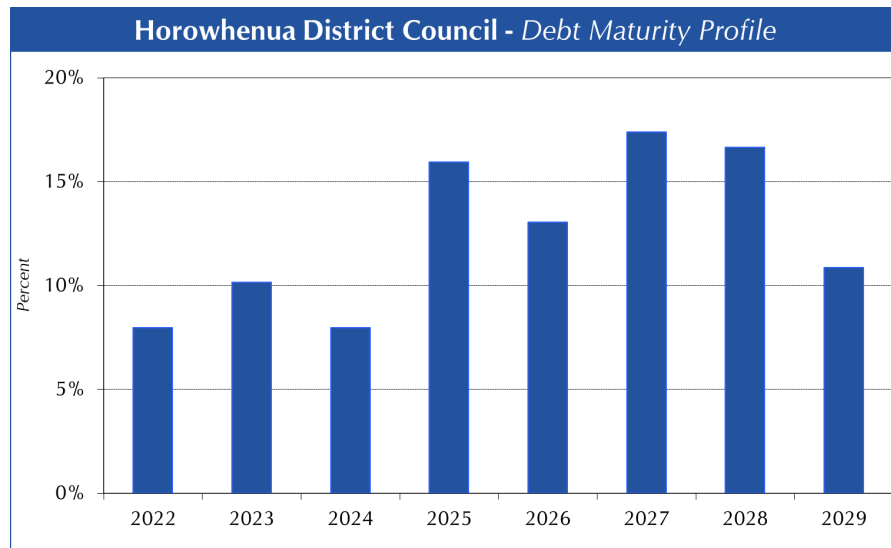
2. FUNDING

As at 30 June 2022, HDC had \$124.0 million of current external debt, up from \$121.0 million at the end of March. The debt is comprised of CP, FRBs and FRNs, all sourced from the LGFA. In addition, HDC had two tranches of LGFA forward starting debt, one an FRN for \$4.0 million starting in April 2023 and maturing in April 2025 and the other an FRN starting in April 2023 and maturing in April 2029 for \$10.0 million. Details of HDC's debt as at 30 June including the forward starting debt are as follows (the two tranches of debt in bold are the forward starting debt).

Instrument	Inception	Maturity	Rate	Margin	Amount
CP	Mar-22	30 Sep-22	3.01%	15 bps	11,000,000
FRB	Nov-14	15-Apr-23	5.1336%	81 bps	4,000,000
FRB	Aug-19	15-Apr-23	1.48%	55 bps	4,000,000
FRN	Feb-18	15-Apr-23	1.615%	57.5 bps	6,000,000
FRB	Apr-17	15-Mar-24	3.72%	63 bps	4,000,000
FRB	Mar-19	15-Apr-24	2.52%	54 bps	3,000,000
FRB	May-17	15-May-24	3.76%	58 bps	4,000,000
FRB	Mar-17	15-Apr-25	4.2046%	77 bps	3,000,000
FRN	Mar-20	15-Apr-25	1.85%	81 bps	5,000,000
FRN	Apr-22	15-Apr-25	2.34%	44 bps	3,000,000
FRN	Apr-23	15-Apr-25	TBA	51 bps	4,000,000
FRN	May-15	18-May-25	1.72%	49 bps	7,000,000
FRB	Mar-19	20-Mar-26	3.38%	78 bps	9,000,000
FRN	Apr-22	15-Apr-26	2.46%	56 bps	4,000,000
FRB	Jul-16	15-Jul-26	3.37%	84 bps	5,000,000
FRN	Aug-19	15-Apr-27	1.80%	76 bps	5,000,000
FRB	Aug-20	15-Apr-27	1.655%	86 bps	5,000,000
FRB	Aug-21	15-Apr-27	2.12%	39 bps	6,000,000
FRN	May-22	15-Apr-27	2.608%	57 bps	8,000,000
FRB	Aug-20	15-Apr-28	1.675%	88 bps	5,000,000
FRB	May-21	15-May-28	2.11%	53 bps	6,000,000
FRB	Apr-22	15-May-28	2.58%	TBA	12,000,000
FRN	May-21	20-Apr-29	1.69%	61 bps	5,000,000
FRN	Apr-23	20-Apr-29	TBA	70 bps	10,000,000
				TOTAL	\$138,000,000

As at 30 June, HDC had no drawings from its BNZ \$10.0 million Customised Average Rate Loan facility that expires in November 2022.

HDC's debt maturity profile (which includes the forward starting debt) is depicted in the graph on the following page, and indicates a good spread of maturities between 2022 and 2029. Additionally, HDC is compliant with Section 4.6 of the Liability Management Policy ("LMP"), which governs HDC's funding risk management activities.



3. DEBT AND HEDGING PROFILE

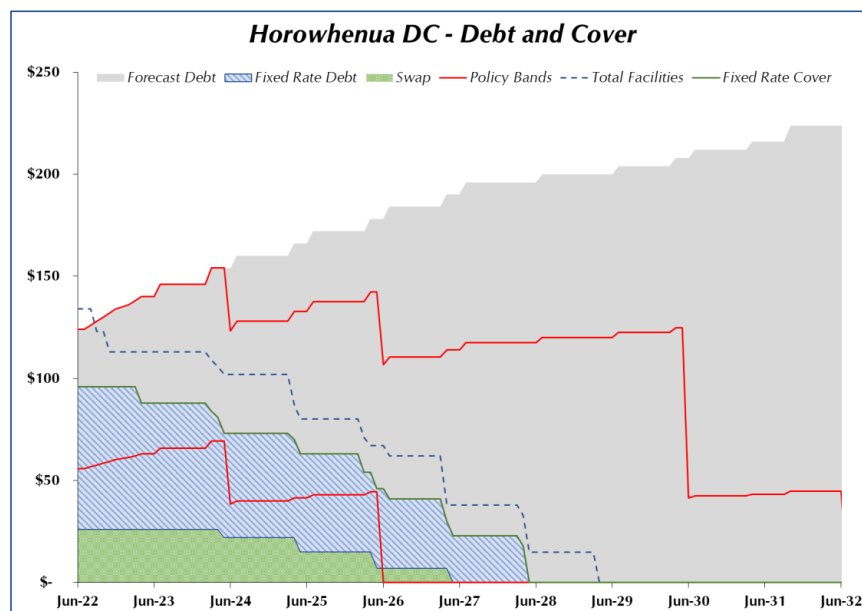
As at 30 June 2022, HDC had \$124.0 million of debt, of which \$96.0 million is currently fixed by way of \$70.0 million of fixed rate bonds and four interest rate swaps totalling \$26.0 million, details of these are as follows:

Start Date	Maturity Date	Rate	Amount
18-Feb-13	18-May-24	4.015%	\$4,000,000
18-May-15	18-May-25	4.75%	\$7,000,000
17-May-21	15-May-26	2.15%	\$8,000,000
17-May-21	17-May-27	2.25%	\$7,000,000
		TOTAL	\$26,000,000

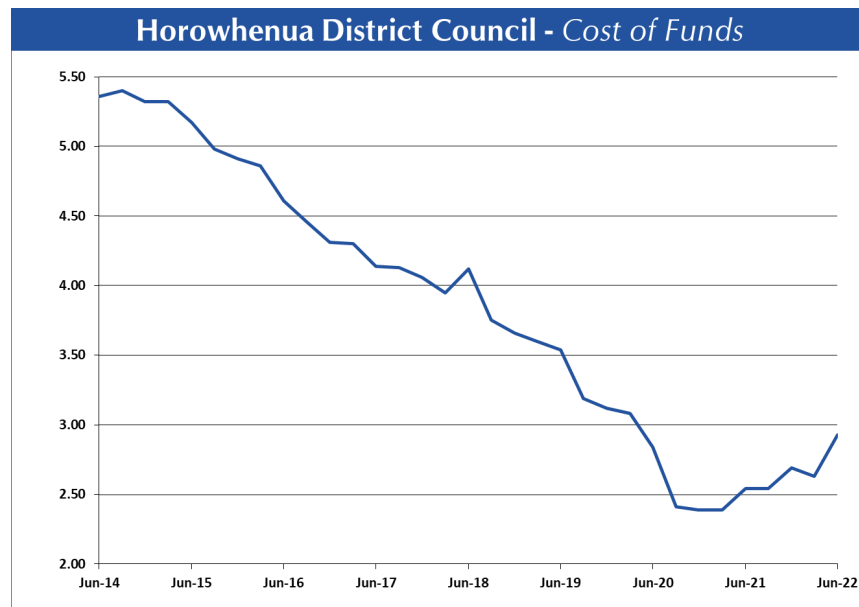
Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	45%	100%
2-4 years	25%	80%
4-8 years	0%	60%
8+ years	0%	20%

The forecast debt and hedging profiles incorporating these parameters, the interest rate swaps and the current and forward starting FRNs are depicted in the following graph. This shows that as at 30 June, HDC was compliant with Section 4.3 of the LMP. The graph incorporates the maturity profile of the debt facilities which is indicated by the dotted blue line.



HDC's cost of funds (inclusive of the bank line fee) as at 30 June was 2.93%, up from 2.63% at the end of March. The cost of funds exclusive of the bank line fee was 2.91%. Despite the increase, HDC's cost of funds remains lower (in many cases noticeably so) than a large number of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme over the last several years. The cost of funds dating back to June 2014 is depicted in the following graph.



4. POLICY COMPLIANCE (AS AT 30 JUNE 2022)

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

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7.4 Health and Safety Quarterly Report

File No.: 22/435

1. Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the period 1 June 2022 to 31 July 2022.

2. Recommendation

- 2.1 That Report 22/435 Health and Safety Quarterly Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As included in the attached report.

Attachments



No.	Title	Page
A↓	Finance Audit Risk Committee - Health and Safety Quarterly Report June-July 2022	132

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Tanya Glavas Health & Safety Lead	
Approved by	Ashley Huria Business Performance Manager	



Horowhenua District Council
Health & Safety Report 1 June – 31 July 2022
FAR Committee Meeting 31 August 2022

Key Highlights:

Health and Safety Incident Investigation – Improvement recommendations and actions related to the incident on 6 April 2022 attached to this report.

LEAD INDICATORS

1. Health & Safety Training/Inductions

1 June – 31 July 2022	Mandatory/ Optional	Attendees Completed	Percentage Completed
PeopleSafe Induction (New staff)	Mandatory	8	100%
Health & Safety Induction (New Staff)	Mandatory	8	100%
First Aid Training (Role specific) Ongoing Refresher & Full course	Mandatory/Optional	1	100%
Influenza vaccination	Optional	59	As scheduled
SiteWise Health and Safety Prequalification and Contractor Management Training	Mandatory	1	100% (new staff included)
Aquatics First Aid Training/Refreshers	Mandatory	3	100%
Aquatics H&S Inductions	Mandatory	1	100%
Mental Health 101	Optional	13	As scheduled
Intro to Mental Health	Optional	17	As scheduled
Health and Safety Representative Stage 1	Mandatory for HS Reps	1	As required
Workplace 4 Wheel Drive Training	Optional	8	As scheduled
PeopleSafe Manager & Team Leader Training	Mandatory	7	100%

2. Emergency Evacuation Drills (2 per year)

During COVID evacuation drills were put on hold at the request of FENZ thus HDC currently being behind in the scheduled drills.

However, the following FENZ update was posted on their website on 14th April 2022 stating that drills can commence:

Due to the whole country now being in the orange setting under the COVID-19 Protection Framework (CPF), all premises with approved evacuation schemes are required to resume conducting trial evacuations or deliver training programmes as per their approved evacuation



scheme. The change to the orange setting includes removing the mandatory use of vaccine passes, occupancy limits and physical distancing requirements.

All businesses are now required to resume trial evacuations or deliver training programmes, which must occur every six months. While this requirement was suspended due to previous CPF settings, from 14 April (when the country moves to the Orange setting) businesses need to ensure these are carried out to meet their own six month requirement.

Council is working with our Contractor to book in trial dates for facilities which will all occur during August 2022.

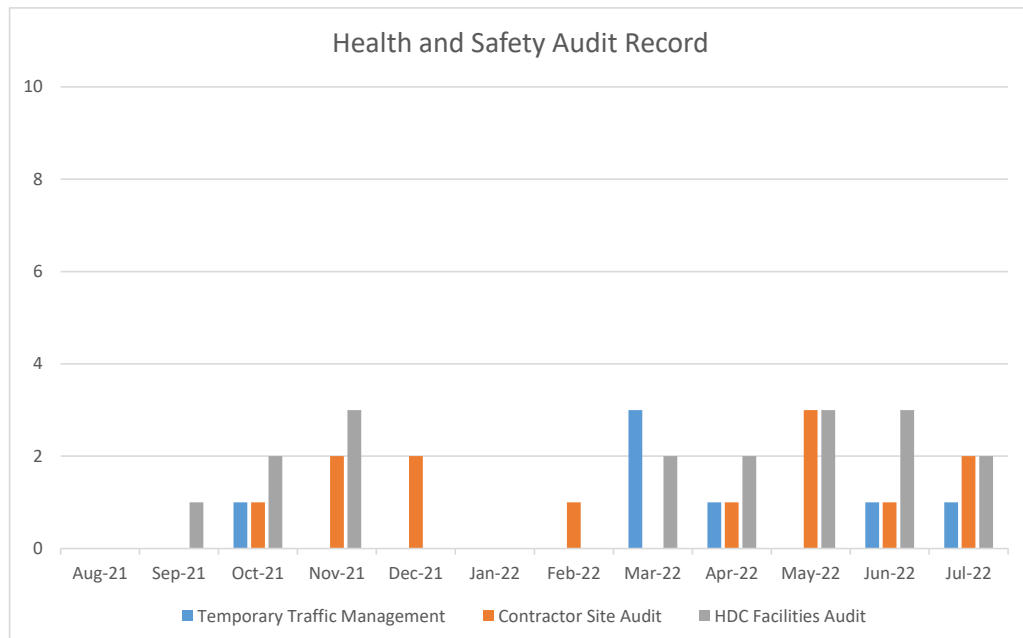
Levin Aquatic Centre	Completed 22 December 2021
Te Awahou Nieuwe Stroom	Completed 15 October 2021
Foxton Pool	Completed 22 December 2021
Te Takeretanga o Kura-hau-pō	Completed 13 October 2021
Council's Main Office	Completed 01 March 2022

3. Health & Safety Pre-qualification of Contractors

Council staff are effectively using the SiteWise system for contractor prequalification. Site inductions and site audits are being completed as required and documented across teams. Health and safety audits are also completed for Temporary Traffic Management (TTM), Contractor Work sites and Office audit across Council facilities (table below).

Health and safety audits are completed on contractor worksites to ensure the work being completed is following the agreed site specific safety procedures discussed during the site induction before the work commenced.

Health and safety audits completed on HDC facilities ensure our work spaces and facilities are safe for staff.





4. Health & Safety Committee (HSC) – Health and Safety at Work (Worker Engagement, Participation, and Representation) Regulations 2016

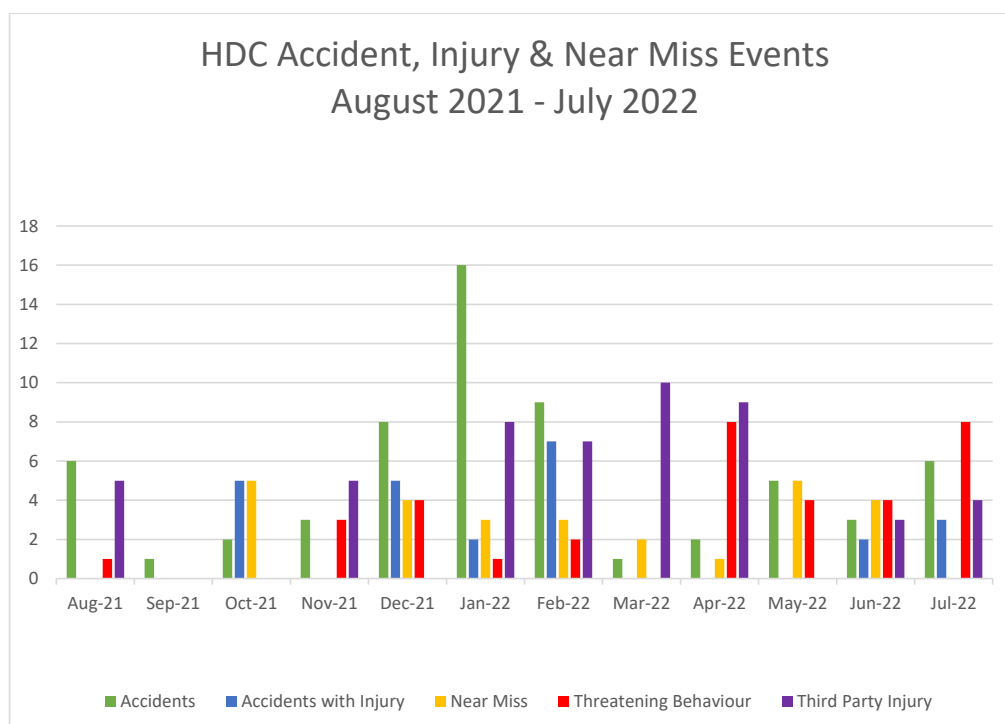
Meetings completed (June and July 2022)

The meetings in June and July saw Executive Leadership Team representatives share the importance of information sharing and raising the profile of the committee to enhance worker engagement.

The committee had discussions around threatening behaviour and the increased staff reporting of these incidents, which is an indicator of the increasing maturing H&S culture, ongoing training plans, and saw the election of Chairperson and Deputy Chair and a number of new representatives join the committee. The focus going forward for the committee is the work programme for the coming year.

5. LAG INDICATORS

Table 1



Horowhenua District Council experienced **no** Worksafe notifiable events.

Incidents of note from PeopleSafe Reports:

Date	Incident	Action Taken
June 2022	Threatening Behaviour – Compliance Team	<ul style="list-style-type: none"> Two staff attended on site compliance issue. Staff did not react to the threatening behavior



	<p>(Identified in the H&S Significant Hazards and Risk Register – People Behaviour)</p> <p>Two staff threatened by member of the public when on site for compliance issue.</p>	<ul style="list-style-type: none"> • Staff informed Manager on their return to office. • Staff reported the incident to the police. • Manager has discussed and debriefed with staff after incident. • Peoplesafe reports completed and reviewed.
July 2022	<p>Threatening Behaviour – Customer Experience Team</p> <p>(Identified in the H&S Significant Hazards and Risk Register – People Behaviour)</p> <p>Staff and security abused by member of the public after being asked to wear a face mask while completing a dog registration.</p>	<ul style="list-style-type: none"> • Security stayed close by staff until the Member Of Public (MOP) left the building • Provided online support information print out to MOP who did not wish to wear a mask. • Manager debriefed incident with staff • Peoplesafe reports completed and reviewed.
June/July 2022	<p>Threatening Behaviour – Libraries and Community Centre's.</p> <p>(Identified in the H&S Significant Hazards and Risk Register – Threatening and Abusive Situations)</p> <p>Multiple events occurred between groups of young people with unacceptable behaviour towards customers, security and staff.</p>	<ul style="list-style-type: none"> • Staff and security use de-escalation techniques to reduce tension • Staff repeated message to youth about acceptable behavior expectations. • Police were called if behavior persists or becomes dangerous. • Managers debriefed with staff after incidents • Peoplesafe reports completed and reviewed.

6. COVID-19

- The Covid-19 variants are still impacting the Horowhenua district. Work plans have been put in place for teams to ensure Council services are available.
- Staff wellbeing is discussed in team meetings and All Staff meetings to ensure messages around support that is available for staff is communicated.
- RAT tests available for all staff to use.
- Personal protection equipment and hygiene supplies in stock for staff:
 - Disposable masks
 - KN95 masks
 - Disposable gloves
 - Face shields
 - Hand sanitiser
 - Vehicle sanitiser stations

7. SafePlus March 2021 Recommendations and planned actions.

Recommendations	Actions	Update
LEADERSHIP		
<p>Build on what is already provided in the Health and Safety Quarterly Report by configuring the data to present it as a measurement framework that provides insight into:</p> <ul style="list-style-type: none"> o health and safety activities o critical risks and verifications o progress on the annual plan o event reporting and related trends. 	<p>Included as part of ongoing improvements to Health and Safety framework and reporting processes.</p>	<p>Education piece on critical risks included in FAR report.</p> <p>Dashboard report presented to ELT in May.</p> <p>Dashboard report for FAR under development in 2022/2023 reporting year.</p>
RISK MANAGEMENT		
<p>Consider reviewing the five critical risks documented in the FAR report. The risks do not seem to align with the business risks. Information on the risks should also cover how the controls are verified. It would be also useful to provide information on which business units are affected by these risks and what is considered the level of risk.</p>	<p>Objective in the Health and Safety Annual Plan 2022/2023</p>	<p>Critical risks increased to six with inclusion of People Behaviour.</p>
<p>The FAR Committee delivery objectives were that critical risk action plans would be developed for every work group where critical risk or high probability risk has been identified. Review how this objective is tracking.</p>	<p>Objective in the Health and Safety Annual Plan 2022/2023</p>	<p>Review of the critical risks to align with business risks planned once new Risk Manager is on board.</p>
<p>Consider a method of exception reporting to verify whether all relevant staff are now vaccinated.</p>	<p>Influenza and Hepatitis information contained in the Peoplesafe reporting system.</p>	<p>Influenza vaccinations offered annually to all staff.</p> <p>All staff identified in work groups with risk of Hepatitis identified offered screening and vaccination</p>
<p>Consider creating a health and safety document framework that fits HDC's current health and safety requirements.</p>	<p>Objective in the Health and Safety Annual Plan 2022/2023</p>	<p>Development of framework for health, safety and wellbeing underway</p>

Deep Dive Risk – Working Alone		
Ensure a process is put in place so HDC know which staff may be expected to work alone or in isolation, and that they all have plans in place that confirm to the Working Alone Policy	Plan with identified teams and HR to complete	Staff identified as possible work alone or isolation working have SOP, PPE and process in place for safety.
Consider creating some measures for the ELT and FAR report around how many business units have staff who work alone, how many business units have procedures in place and what training has taken place.	Identified in risk register review.	Staff identified as possible work alone or isolation working have SOP, PPE and process in place for safety. Full review planned as part of risk register review in September 2022.
Deep Dive Risk – Mental Health and Wellbeing		
Develop an overarching workplace mental health and wellbeing framework to dovetail into the soon to be developed wellbeing strategy	Included in the mental health and wellbeing strategy development	Development of framework for health, safety and wellbeing underway
The framework should be specific about what its intended goals are and how the outcome will be measured. This should also encompass any initiatives and activities that are launched.	Included in the mental health and wellbeing strategy development	Development of framework for health, safety and wellbeing underway
Build on the already completed Psychosocial Policy to identify tools and resources available to workplaces to develop the mental health and wellbeing framework.	Included in the mental health and wellbeing strategy development	Development of framework for health, safety and wellbeing underway



8. Education Piece - Risk Management – *Health and Safety at Work Act 2015 (Section 30)*

This education piece is to further explain how Council manages health and safety critical risks by breaking down each piece of information shown in the Health and Safety Significant Risk Register. Each critical risk has information related to it and resources available to support the management of the identified hazards and the associated risks.

From the Significant Risk/Hazard register, the following health and safety Critical Risks for Council have been identified.

- Contractors and sub-contractors
- Working Alone (currently under review)
- Moving stock off the road
- Confined space
- Driving/vehicle related incidents
- People behaviour

Why are Confined Spaces identified as a critical risk for Horowhenua District Council?

Under the Health and Safety at Work Act 2015 (HSWA) PCBUs are required to do all that is reasonably practicable to ensure the safety of their staff and to have arrangements in place to control risks.

Confined space work is covered by an Australian standard: [ASNZS 2865](#) Confined spaces.

Worksafe definition of a confined space:

- Is an enclosed or partially enclosed space and
- Is not intended or designed primarily for human occupancy and
- May present a risk from one or more of the following at any time:
 - Unsafe concentration of harmful airborne contaminants
 - Unsafe concentration of flammable substances
 - Unsafe levels of oxygen
 - Substances that can cause engulfment.

Council has confined spaces trained staff working in Horowhenua Alliance and at Aquatics Horowhenua. All staff who are required to enter a space identified as confined, have completed training in Unit standards: 17599, 18426 and 25510 Confined Spaces and Gas Detection. Teams have the required equipment for safe entry and egress to the identified confined spaces which includes retrieval harness, rescue tripod, bump gas test kit, gas alert monitor, gloves, helmet and emergency escape kit. Safety staff who support the confined space entry but do not enter the space, are trained and understand the emergency procedures if required.

Before work that includes a confined entry can begin, Work Entry Permit documentation must be completed to ensure a full understanding of the work being undertaken. This documentation includes:

- Work permit
- Job Safety Analysis
- Isolation permit
- Gas testing register
- Emergency plan

The confined spaces at HDC include:

- Aquatics Horowhenua – balance tank
- Horowhenua Alliance – identified areas in the Waste Water Treatment Plant, Water Treatment Plant and under road service areas

To give some scope of the types of confined spaces there are, and the consequences of not ensuring the safety of people entering those spaces, here are some examples from Worksafe New Zealand of confined space incidents:

- A man was killed when he was engulfed in a silo containing sand.
- Two men were hospitalised after inhaling hydrogen sulphide. One man was cleaning inside a tank that previously stored a substance for cultivating mushrooms. When he lost consciousness, the second man climbed in to rescue him before also losing consciousness.
- Three men died from lack of oxygen inside a sewer.
- A man drowned in slurry after being suffocated by fermentation fumes in a tank used to mash pig feed.
- A winemaker inspecting a vat was suffocated by fumes from fermenting wine.
- A man steam cleaning the inside of a fuel tank died from lack of oxygen.

Hazard	Risk	Likelihood	Consequence	Risk Score	Hierarchy of Control Action	Person Responsible	How often action is monitored	Reference	Date Identified	Last reviewed	Training	Health Monitoring	Final Risk Rating
Confined Space dangers	Asphyxiation, inhalation, drowning, crush injuries, impact injuries, death, mental pressure	3. Likely	4. Major	Significant	Administrative – Change the way people work	Manager / Trained Staff	As required	Confined Space Plan. Safe operating procedure for identified confined space. Work Entry Permit	1/06/2016	30/07/20	Confined Space Training	N/A	Significant



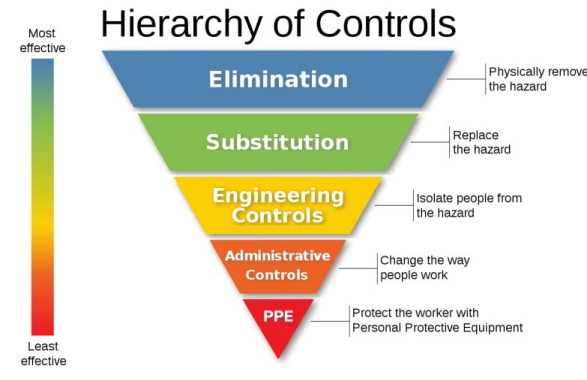
- **Hazard:** A hazard is a situation that poses a level of threat to life, health, property, or environment.
- **Risk:** Is the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.
- **Likelihood:** On a risk matrix represents the likelihood of the most likely consequence occurring in the event of a hazard
- **Consequence:** Consequence is the outcome of an event.
- **Risk Score:** Used during risk assessment to define the level of risk by considering the category of likelihood against the category of consequence severity. This is the score without any Control Actions in place to mitigate the risk.
- **Hierarchy of Control Action:** Use the *hierarchy of controls* to determine the most effective control measures to minimise those risks.
- **Person Responsible:** Job title or position of person/s responsible for contractor health and safety. Usually the Officer who is engaging the contractor for work and the Health and Safety Advisor who reviews and issues the pre-qualification approved status of contractors.
- **How often action is monitored:** Based on type of action and the schedule of the register review
- **Reference:** Supporting documents and Regulatory information
- **Date Identified:** the date the hazard was identified and added to the risk register
- **Last Reviewed:** the date the register was reviewed (Reviews are carried out by multiple groups including staff focus groups, Managers, H&S Committee members and staff who are exposed to the hazard)
- **Training:** Identifies specific training required e.g. working at heights, hot-works, confined spaces.
- **Health Monitoring:** Occupational health monitoring requirements e.g. Hepatitis A&B screening for landfill and waste water work
- **Final Risk Rating:** Where the hazard fits in the risk matrix after the elimination or minimisation of the risks, through the detailed control actions that have been implemented. Sometimes risks do not reduce, even with controls in place, due to elements like human behaviour.

DETAILED CONTROL ACTIONS: Confined Spaces

1. Only trained staff are to enter confined spaces and only when a permit has been issued.
2. Pre-entry tasks are established and understood by all in attendance.
3. The atmosphere has been tested and is monitored continuously pre entry and cleared for entry, then during entry at specified intervals.
4. The emergency plan is established and known to all parties prior to entry.
5. Standby people are present, trained and aware of their specific tasks in the event of an emergency (safety person).
6. Equipment and PPE must be suitable and operational to the relevant standard and within certification inspection dates.
7. Assess and identify staff emotional distress.
8. Gas detection kit must be checked and /or scheduled calibration before use.
9. Test/schedule calibration of tripod.

- **Detailed Control Action for Confined Spaces:** The actions taken to eliminate or minimise the risks identified.
 1. Restricting entry to only staff who have completed training is the requirement under the ASNZS 2865
 2. Pre-entry tasks ensure that those supporting the confined space entry understand the job being completed and are focused on the potential risks.
 3. Before entering a confined space, this process ensure the air is breathable, and remains so continuously during the work being completed.
 4. In case of an emergency (e.g. medical event with the staff member or an earthquake) whilst a staff member is in the confined space, those assisting have a very specific emergency plan to follow.
 5. The safety person leads the team on the outside of the confined space, ready and prepared to initiate the emergency plan.
 6. Specialised equipment is fit for purpose and up to standard before every entry.
 7. Continuous verbal checking in with the person in the confined space, supports the safety person monitoring their emotional state.
 8. Equipment that requires calibration is of no use if this important part of maintenance and checking is not completed as required.
 9. Ensuring the tripod is maintained is a very important as it is a major piece of equipment in an emergency event to evacuate the worker from the confined space.

RISK MATRIX - SCORE						
RISK HAZARD MANAGEMENT : Purpose - To further improve the method for systematically identifying, assessing and controlling hazards in the workplace as required by the Health & Safety at Work Act 2015						
	Consequence					
Likelihood	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic	
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme	
4 - Very Likely	Low	Moderate	Significant	Significant	Extreme	
3 - Likely	Low	Moderate	Significant	Significant	Extreme	
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate	
1 - Extremely unlikely	Low	Low	Low	Low	Low	





Health and Safety Incident - 6 April 2022

Recommendations Reviewed – August 2022

Recommendation	Action	Notes / Action / Recommendation
AFD1 – Duress Alarm Procedures	Review the duress alarm procedures and ensure the content is relevant and that our people in front-facing roles are aware of what our procedures require.	<p><u>Fit for purpose</u></p> <p>The duress alarm procedure documents for the Civic building and Aquatics are fit for purpose. The duress alarm procedure in the new employee H&S induction is fit for purpose and will continue to be highlighted for all new employees.</p> <p>Additional Action Required</p> <p>Libraries and Community Centres documents to be updated.</p>
AFD2 – Duress Alarm Training	Develop a training framework for emergency responses to threatening behaviour at our front-facing counter locations. In-house emergency procedures	<p><u>Fit for purpose</u></p> <p>Health and safety training plan 2022/2023 completed.</p> <p>Regular messaging about safety – team meetings, all staff emails, the Hub.</p> <p>Additional Action Required</p> <p>The health and safety training framework is part of the larger health and safety framework development underway in the 2022/2023 year.</p>
AFD3 – Review Management of After-hours Egress	Review current after-hours procedures to reflect the identified factors in this investigation. Also review the door closing mechanism and the feasibility of other security options such as a screen and camera to give visibility of the other side of the door to someone exiting the building.	<p><u>Fit for purpose</u></p> <p>Door closing mechanism on front staff access door has been improved to ensure a more secure closing weight on the door.</p> <p>Additional Action Required</p> <p>Recommendation – quotes be received to replace the solid security door with one that allows vision through to the outside area beyond the door.</p>
ITA1 – After-hours Procedures	Review procedures for staff access and exit to Council buildings after-hours, including personal safety.	<p><u>Fit for purpose</u></p> <p>After hours safety information displayed throughout all Council facilities for staff to be reminded of their personal safety if working after hours. Security contractor complete physical checks on the Civic building and respond to alarm activations.</p> <p>Additional Action Required</p> <p>Develop a process that allows monitoring of staff numbers accessing and completing work outside of normal operating hours.</p>



<p>ITA2 – Personal Safety Training</p>	<p>Develop a training framework to include personal safety for all staff.</p>	<p><u>Fit for purpose</u> Health and safety training plan 2022/2023 completed and sent to Human Resources team. Regular messaging about safety – team meetings, all staff emails, the Hub. <u>Additional Action Required</u> The health and safety training framework is part of the larger health and safety framework development underway in the 2022/2023 year.</p>
<p>ITA3 – Opening Procedures</p>	<p>Review procedures for opening service counters and ensure the content is relevant and that our people in front-facing roles are aware of what our procedures require.</p>	<p><u>Fit For Purpose</u> A review of opening procedures all facilities has been completed and are fit for purpose.</p>
<p>ITA4 – Risk Awareness Training</p>	<p>Include risk awareness training in Front of House settings</p>	<p><u>Fit for purpose</u> Health and safety training plan 2022/2023 completed and sent to Human Resources team. Regular messaging about safety – team meetings, all staff emails, the Hub. <u>Additional Action Required</u> The health and safety training framework is part of the larger health and safety framework development underway in the 2022/2023 year.</p>
<p>ITA5 – Health and Safety Incident Reporting</p>	<p>Review reporting procedures to ensure all staff can identify a health and safety incident and report it.</p>	<p><u>Fit for purpose</u> Current staff employed over two years ago, who are not part of a higher risk work group, may not engage in risk identification or experience incidents or accidents in their work space. <u>Additional Action Required</u> Short Term - Training/presentations for team (group) meetings across organisation. Long Term - Develop a training module as part of the health and safety training framework that includes incident and accident identification and reporting on Peoplesafe that issues an annual task for staff to complete.</p>
<p>OF1 – Review of Health and Safety training framework</p>	<p>Develop a health and safety training framework to incorporate content identified in this report</p>	<p><u>Fit for purpose</u> Health and safety training plan 2022/2023 completed and sent to Human Resources team. Regular messaging about safety – team meetings, all staff emails, the Hub.</p>

		<p><u>Additional Action Required</u></p> <p>The health and safety training framework is part of the larger health and safety framework development underway in the 2022/2023 year.</p>
OF2 – Review of Emergency Procedures	Review emergency procedures to include content identified in this reports.	<p><u>Fit for purpose</u></p> <p>Current emergency procedures are fit for purpose. Further review of procedures will occur whenever design changes occur in facilities and buildings.</p>
OF3 – Review Health and Safety Induction	Review the current health and safety induction process to ensure the content is relevant	<p>Staff induction in the Civic building is completed by the Health and Safety Lead, is approximately 1 hour long and completed within the first two days of employment where practicable.</p> <p><u>Additional Action Required</u></p> <p>Short Term – HS Lead attend Team meetings to discuss staff safety specific to their work.</p> <p>Long Term - Develop team induction document and process alongside Managers.</p>
OF4 – Review options for improving staff safety	Review the design of the customer service area	<p>Design review completed with input from Emergency Management Officer, Customer Experience Team and Manager and Health and Safety Lead.</p> <p><u>Additional Action Required</u></p> <p>Review options for design changes to the Civic building foyer Customer Service area to improve staff safety.</p>
OF5 – Critical Risk Review	Review control actions for People Behaviour to ensure they are appropriate and working as required.	<p><u>Actions Completed:</u></p> <p>Add duress alarm information to risk register.</p> <p>Add additional training information to register.</p>

7.5 Finance, Audit & Risk Resolution and Actions Monitoring Report August 2022

File No.: 22/452

1. Purpose

The purpose of this report is to present to Finance, Audit & Risk Committee the updated monitoring report covering resolutions and requested actions from previous meetings of Council. This also includes recommendations made by Audit New Zealand as part of their annual audit.

2. Recommendation

- 2.1 That Report 22/452 Finance, Audit & Risk Resolution and Actions Monitoring Report August 2022 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments


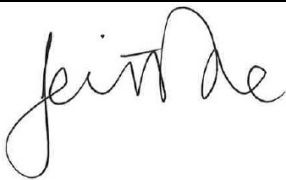

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Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jody Lygo Democracy Support Officer	
Approved by	Jacinta Straker Group Manager - Organisation Performance	
	Monique Davidson Chief Executive Officer	



Finance, Audit and Risk Committee Actions Monitoring Report 2022

	Completed
	In progress
	Transfer
	Off track

Reference	Resolution/Action	Officer	Due date	Status	Officer Comment
20/465	Customer & Strategy – Activity Update <ul style="list-style-type: none"> To provide further information with regard to current and future consenting activity – trends to be identified in the growth dashboard 	M Leyland	August 2022		Activity Updates now reporting through to Council
	Infrastructure Operations – Activity Update <ul style="list-style-type: none"> Levin Wastewater Treatment Plant digesters – one digester had failed and replacement options being looked at - report to come to Council, including any risks to Council 	A Crawford	August 2022		Activity Updates now reporting through to Council
21/337	Health & Safety Report <ul style="list-style-type: none"> Enhanced risk management reporting, over time, in response to the SafePlus comment “some risk controls were being monitored but effectiveness of controls were not being verified” 	T Glavas	Ongoing		The effectiveness of the controls is being monitored through ongoing incident reporting.
21/392	Finance, Audit & Risk Committee Work Programme <ul style="list-style-type: none"> Council’s Risk Register – what should be added in terms of risk due to the proposed reforms – Local Government, RMA, and Three Waters to be considered. 	A Huria	Complete		Risk improvement programme presented to Council and implantation programme underway. Future updates will be via Risk Status Reports

D22/76662

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	Also what was learned during the recent CouncilMARK process to be included.				
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Key from Audit

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address them, provided the benefits outweigh the costs.

Audit Management Report 2020/21 Recommendations					
Reference	Recommendation	Priority	Due date	Status	Officer Comment
Roading assets valuation					
4.1	That the areas of improvement identified by the external valuer, GHD, are addressed prior to the next valuation, being:	Urgent	31/12/2022		The recommendations are currently being incorporated into the valuation that is

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Last update: 24-Aug-22

	<ul style="list-style-type: none"> review and update in RAMM of asset ownership attributes so there is clarity and confidence in the asset ownership information; continue to update and improve existing asset datasets such as those used for calculating unit of measures for an asset; and implementation of a consistent data confidence so that a greater understanding can be provided on improvements being made with the valuation outputs. 				occurring now for the 2021/22 annual report.
Timing of revaluations					
4.2	Consideration should be given to having the revaluation of infrastructure assets effective "as at 30 June", instead of "as at 1 July".	Urgent	31/12/2022		Valuations are now being completed as of 30 June.
Robustness of fair value assessments					
4.3	Fair value assessments should be improved by making reference to recent contract rates for contracts completed for the District Council, or neighbouring Councils.	Urgent	31/12/2022		This method of fair value assessment requires similar resourcing as a full revaluation and is not practicable or affordable. The revaluations are done every two years so the potential movements are not material.
Three water infrastructure assets valuation					
4.4	Areas of improvement identified by the external valuer (WSP) and us, should be addressed prior to the next valuation, being:	Necessary	31/12/2022		The update of the GIS asset register is being implemented

	<ul style="list-style-type: none"> • update of the GIS asset register to reflect the reassessed useful lives in the valuation worksheet; • componentisation of the treatment plants and pump stations; • water supply tanks are revalued in conjunction with treatment plants and pump stations; • further investigation and tracking of Alliance costs as the true on-costs applied to capex projects could be higher than the currently applied value; • investigate and reconcile the discrepancy between water and wastewater laterals and house connections; and • investigate the impact of significant population growth on the remaining life where replacement date could be brought forward to achieve required capacity/standards. 				<p>as part implementing RAMM for 3 Waters reticulation.</p> <p>Detailed asset registers for both Water and Wastewater treatment plants have been populated into Excel spreadsheets.</p> <p>Treated water storage tanks are all located at respective Water Treatment plants hence these assets are incorporated within the Water Treatment plants asset register.</p> <p>True on-cost are applied to all capital projects regardless of who execute the projects. We have developed a suitable 'handover' process where all appropriate information are transferred from projects team to asset team.</p> <p>The discrepancy between water and wastewater laterals and house</p>
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					<p>connections will be investigated.</p> <p>We have been applying this approach in considering the impact of significant population growth. It is part of activity/asset management plans.</p> <p>The asset registers are being moved into RAMM and the above will be addressed as part of that process.</p>
Ensuring all assets within an asset class are revalued					
4.5	A process/reconciliation should be implemented to ensure that all assets within an asset class are revalued.	Necessary	31/12/2022		We are engaging with the valuer and including additional scope into the contract to make sure all assets are included.
Approval of sensitive expenditure					
5.1	Sensitive expenditure should be approved on a one-up basis.	Necessary	31/12/2022		Current process is that the Chief Executive 's expenditure is approved by the Mayor and Chair of the Finance, Audit and Risk committee and the Mayors expenditure is approved by the Chief Executive and the Deputy Mayor.

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					Council has a one up approval process and it is not possible for a manager to approve their own expenditure.
Elevated network user accounts need management					
5.2	<p>Any elevated access account creation should have formalised approval by the IS manager and regular reviews of these accounts should be carried out.</p> <p>Use of the generic Administrator account should be eliminated and the password stored away for use in an emergency.</p> <p>Logging of any changes to privileged network accounts, and to usage of the Administrator account should be established and reviewed.</p>	Necessary	31/12/2022		<p>To date, there have been some changes made to how elevated and administration accounts are provisioned and, additional education and awareness information has been provided to the team.</p> <p>Information Services is also working with our support partner to understand our current security posture and policies that will inform changes to our existing processes required to grow our capability and maturity in relation to identity and access management (IDAM).</p>
Organisational practices for advising IT of leavers aren't working effectively					
5.3	<p>Regular reviews of all network user accounts should be performed, and any inappropriate access removed;</p> <p>All Managers should be reminded of the correct procedures for advising all necessary people about staff and</p>	Necessary	31/12/2022		Information Services is working with HR to improve the on-boarding and off-boarding process and workflows including defining roles and responsibilities and identifying different types of roles (e.g. Permanent, fixed-

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	<p>contractors leaving, so that all access can be removed promptly;</p> <p>Where staff leave but come back as contractors, the correct leaving and starting procedures should be followed to ensure the correct access in systems is established;</p> <p>All contractors should have end dates set in the network which match their contract end or review/renewal date; and</p> <p>A review of procedures for adding, reviewing and removing contractors should be performed and a centralised database of contractors be established.</p>				<p>term, part time, contractor, etc).</p> <p>In terms of IT user accounts, the wider IDAM piece of work will look to resolve issues around account activation, changes and removals including; improving on and off-boarding workflows as mentioned above and, initiating ongoing monitoring and reporting across user and network activity.</p>
<p>Content of the Summary of the Annual Report</p>					
<p>6.1</p>	<p>The Summary of the Annual Report should only include information that has been included in the full Annual Report.</p> <p>For example the information included in pages 6 to 11 of the 2021 Summary of the Annual Report could have been usefully included in the full Annual Report.</p>	<p>Necessary</p>	<p>31/12/2022</p>		<p>The additional information in the Summary Annual Report added to the readability of the report and was appropriate to include. The next full Annual Report will have this extra information.</p>

Audit Management Report 2020/21 Previous Recommendations		
Recommendation	Status	Comments
Urgent		
Recording of complaints not in line with DIA guidance		
<p>The process of recording in CRM the complaints received by the District Council be reviewed and amended to ensure completeness of records and compliance with the requirements of the Non-Financial Performance Measures Rules 2013. For records received from the Palmerston North City Council (PNCC), a monthly reconciliation (evidenced with a dated signature) be implemented to ensure:</p> <ul style="list-style-type: none"> all "Jobs Logged" on the spreadsheets are appropriately broken down into the correct category and have been classified correctly to the CRM system; all "Jobs Logged" on the PNCC spreadsheet have the supporting request for service (RFS); and any issues are followed up within a month to be resolved between PNCC and the District Council 		<p>Matter progressing Refer to section 2 of this report.</p> <p>Management comment Issue has been resolved Horowhenua District Council and Palmerston North City Council now log all 3-water jobs. New CRM categories have been created in February 2021 for all 3-water known faults. Palmerston North City Council new RFS category created January 2022 for 3-waters known faults and instructions supplied for all 3-water calls to be logged going forward, which are then created as CRMs for reporting purposes.</p>

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Recommendation	Status	Comments
prior to the data being overwritten by PNCC.		
Necessary		
Annual Reporting Process		
<p>Implement audit recommendations to improve the audit process including improving the quality assurance review over the annual report.</p> <p>The particular areas we would expect to see improving are:</p> <ul style="list-style-type: none"> implementing a quality assurance review over the annual report before providing to audit, performed by a staff member not directly involved in collating the information. This should include a check that notes agree to the face of the accounts, disclosures, variance explanations and statement of service performance information are complete; and 	2018	<p>Matter ongoing</p> <p>Three of the prior year recommendations have been closed.</p> <p>The initial draft provided for audit review contained issues that we found indicate quality assurance could be improved.</p> <p>Management comment</p> <p>Complete</p> <p>A QA of the Annual Report was undertaken before the report was released to Audit NZ on day 1. This comment is not reasonable.</p>
<ul style="list-style-type: none"> ensuring that there is supporting information for annual report balances and statement of service information that agrees to the 		<p>We encountered issues with obtaining support for the statement of service information (see section 1.6 of this report).</p> <p>Management comments</p>

Recommendation	Status	Comments
information reported in the annual report.		Work is happening to ensure that this process is smoother for the 2021/22 year.
Annual report disclosure improvements		
<p>We noted several disclosures where improvements could be made to better align with the accounting standards. These include:</p> <p>PBE IPSAS 17 <i>Property, plant and equipment</i></p> <ul style="list-style-type: none"> • judgements management has made in the process of applying the District Council's accounting policies that have the most significant effect on the amounts recognised; • the methods and significant assumptions applied in estimating the assets' fair values, e.g. assumption on obsolescence and how the replacement costs of the assets were derived; and • the extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's 		<p>Matter ongoing</p> <p>We continue to recommend disclosure in line with our model annual report.</p> <p>This will be done for the 2021/22 year. This was not raised by Audit as part of their review work during the audit. It would have been included if it was raised.</p> <p>This will be done for the 2021/22 year. This was not raised by Audit as part of their review work during the audit. It would have been included if it was raised.</p> <p>This will be done for the 2021/22 year. This was not raised by Audit as part of their review work during the audit. It would have been included if it was raised.</p>

Recommendation	Status	Comments
length terms, or the extent to which they were estimated using other valuation techniques.		

Recommendation	Status	Comments
<p>BE IPSAS 1 <i>Presentation of Financial Statements</i></p> <ul style="list-style-type: none"> the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity; the expected resolution of an uncertainty and the range of reasonably possible outcomes, within the next financial year, in respect of the carrying amounts of the assets and liabilities affected; when it is impracticable to disclose the extent of the possible effects of a key assumption or another key source of estimation uncertainty at the reporting date, the entity discloses that it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. 		<p>This will be done for the 2021/22 year. This was not raised by Audit as part of their review work during the audit. It would have been included if it was raised.</p>

Recommendation	Status	Comments
<p>PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i></p> <p>Borrower notes are correctly valued at “fair value at amortised cost”. However, they were incorrectly included in Note 28(c) of the financial instruments note as being fair value through other comprehensive revenue and expense.</p>		<p>Not disclosed in the 2021 Annual Report.</p> <p>Management comment</p> <p>Borrowers notes have been recorded at face value in line with the process followed by other Council’s. They have been shown in Note 9 for some years and we recommend this comment be closed.</p>
<p>Sensitive expenditure policies</p>		
<p>The sensitive expenditure policies should be updated to reflect good practice, such as the OAG’s <i>Controlling sensitive expenditure: Guide for public organisations</i>.</p> <p>For example:</p> <ul style="list-style-type: none"> • Policies should explain what is meant by “actual and reasonable”, when these terms are used, and specifying dollar limits and defined boundaries, where practicable, of what is “reasonable”. • The current practice is that the FAR Chair approves expenses related to the Mayor and the Mayor approves the Chief 		<p>Matter ongoing</p> <p>There has been no update to the sensitive expenditure policies from last year.</p> <p>We understand that the District Council’s internal auditors are drafting an update to this policy to be finalised by 30 June 2022.</p> <p>Management comment</p> <p>The sensitive expenditure policy has been review. The updated policy is planned to be provided to the FAR committee in the first meeting of the new triennium.</p>

Recommendation	Status	Comments
<p>Executive's sensitive expenditure whereas the policy states that:</p> <p><i>The Chairperson of the Chief Executive's Relationship Committee (CERC) approves the Chief Executive's sensitive expenditure;</i></p> <p><i>The Chief Executive approves the Mayor's sensitive expenditure; and</i></p> <p><i>The Chief Executive approves the Group Manager Corporate Services' sensitive expenditure.</i></p>		
Credit card usage		
<ul style="list-style-type: none"> • Credit card holders should be reminded of, and adhere to, the requirements of the sensitive expenditure policy. • Either the sensitive expenditure policy be updated to reflect current practice where the Chief Financial Officer's credit card is used as a corporate card or the practice of 		<p>Matter progressing</p> <p>Two of the prior year recommendations have been closed.</p> <p>Some issues were noted with credit card approval during testing. See section 5.1 of this report.</p> <p>Management comment</p> <p>This Sensitive Expenditure policy has been reviewed and will be provided to FAR in the first meeting of the new triennium</p>

Recommendation	Status	Comments
using that credit card as a corporate card should cease.		
Legislative compliance		
The District Council should look at mechanisms to actively monitor compliance with legislative requirements.		<p>Matter outstanding</p> <p>No change in processes from last year.</p> <p>The District Council uses an informal system to monitor compliance with legislation. Reporting to governance (i.e. Council) is performed on an exception basis rather than regular positive reporting. There is less chance of the District Council not complying with legislation if there is effective monitoring.</p> <p>Management comment</p> <p>This will be implemented by Council</p>
Bribery and corruption		
<ul style="list-style-type: none"> • Include the fraud policy in the induction pack. • Expand the fraud policy to be explicit about reporting requirements in relation to attempted bribery and corruption. • At least annual reporting to Council that would consider mechanisms indicating the adequacy of controls, including consideration by senior 		<p>Matter ongoing</p> <p>We understand that the current fraud policy will be included as part of induction.</p> <p>We understand District Council's internal auditors are drafting an update to the fraud policy (last updated in 2016) which is to be finalised by 30 June 2022.</p> <p>Management comment</p> <p>The Fraud policy has been reviewed. The updated policy is planned to be provided to the FAR committee in September.</p>

Recommendation	Status	Comments
management of any changes required.		
Procurement review		
<p>The Procurement Policy is dated July 2019 and the Procurement Guideline is dated March 2016.</p> <p>We continue to recommend that the policy and guidelines include documentation on:</p> <ul style="list-style-type: none"> • methods of procurement; • handling of late tenders; • reviewing contracts prior to the end of contracted period; and • the transition periods between suppliers. 		<p>Matter progressing</p> <p>We understand the Procurement Policy and Guideline are in the process of being updated.</p> <p>Management comment</p> <p>A detailed review has been completed by Aurecon and a programme is in place rolling out the procurement improvement programme and required reporting. This will be presented to FAR in the first meeting of the new triennium.</p>
Contract Management policy and guidelines		
<ul style="list-style-type: none"> • A contract management policy and guidelines should be put in place that are consistent with best practice in the sector. • Processes should be implemented that improve contract management. 		<p>Matter outstanding</p> <p>We reviewed this area as part of our interim visit and did not note implementation of these recommendations.</p> <p>Management comment</p> <p>Council has appointed a procurement manager. A detailed review has been completed by Aurecon and a programme is in place to roll out a procurement improvement programme.</p>

Recommendation	Status	Comments
Three Waters Alliance arrangements		
The risk register could be improved by making the intended or expected impact of any risk treatment on the likelihood and/or consequence (the risk priority) clearer.	2020	<p>Matter outstanding</p> <p>The risk register does now include a Residual risk section which we assume is intended to document the impact of the mitigation or treatment on the risk priority assessment. However, it would appear it is not being used in this way. Where it is populated, it is more of a commentary on latest developments.</p> <p>Management comment</p> <p>The Alliance has committed to reporting the outcome of proposed risk mitigations.</p>
We encourage the District Council to take some time to rationalise and fully align performance measures and ensure they are being used consistently for reporting purposes.		<p>Matter Outstanding</p> <p>The October 2021 Principal Group report includes KPIs. But the Performance Management Framework, which should inform the measures to be reported, has not yet been finalised so we could not confirm consistency. We will revisit in 2021/22.</p> <p>Management comment</p> <p>Council and the Alliance partners are carrying out a full review of the performance management framework to rationalise and update the reporting and financial management of the contract. The new performance framework will be embedded in the renewal agreement.</p>
Conflict of interest management		
<ul style="list-style-type: none"> • Training be provided to staff on conflict of interest risk management. • The current form of interest registers is improved to include columns on whether: 		<p>Matter outstanding</p> <p>We reviewed this area as part of our interim visit and did not note implementation of these recommendations.</p> <p>Management comment</p> <p>The Conflicts of Interest policy has been reviewed. The updated policy is planned to be</p>

Recommendation	Status	Comments
<ul style="list-style-type: none"> ○ the interest is pecuniary or non-pecuniary; ○ the interest declared represents actual, potential or perceived conflict, and the agreed approach to managing any conflicts amongst the declared interests; and ○ a staff interest register is maintained as well. 		<p>provided to the FAR at the first meeting of the new triennium.</p>
<p>Councillors – System for identifying transactions greater than \$25,000</p>		
<p>A system be put in place to monitor all payments in which a member has an “interest” to ensure the limit is not exceeded and if it is likely to exceed the \$25,000 threshold (in total) that these are identified and approval is sought from the OAG in advance.</p>		<p>Matter outstanding</p> <p>We reviewed this area as part of our interim visit. We noted that there was no change to the process from the prior year, in that there was no formal system in place that identifies transactions at risk of exceeding the \$25,000 limit <u>before</u> the transaction occurs.</p> <p>As part of the annual report process, all interests in the register are reviewed for completeness against the Companies Register and for disclosure against the debtors/creditors system. At this point, if the limit has been exceeded, then approval from the Office of the Auditor-General will be requested.</p> <p>However, retrospective approval is not guaranteed, hence the recommendation is for the process to be performed <u>before</u> the transaction occurs.</p> <p>Management comment</p> <p>This is currently done in relation to one members interest but this has been extended to all members interests, with effect from 1 July 2021.</p>

Recommendation	Status	Comments
Maintenance of fixed assets WIP schedule/depreciation		
<p>Monitor WIP balances on a regular basis to ensure that any WIP that should be capitalised, is done so in a timely manner. All significant capital additions be depreciated when the asset becomes available for use.</p> <p>As depreciation is only calculated at year end, the District Council should review larger additions to check if depreciation should be recognised earlier.</p>		<p>Matter outstanding</p> <p>Our recommendations are yet to be implemented.</p> <p>Management comment</p> <p>We started this work as of 1 July 2022.</p>
<p>Perform a full review of the FAR to ensure valid data is contained in the module. Review accounting policies to ensure depreciation rates are appropriate and detailed enough for assets which are commonly added to the schedule.</p> <p>Implement regular reconciliations between the Asset Management Systems, maintained by the asset managers, and the FAR, maintained by the finance team. The reconciliations should be reviewed by an independent person evidenced with a dated signature.</p>		<p>Matter outstanding</p> <p>Our recommendations are yet to be implemented.</p> <p>We were advised that this is a resource issue which prevents a monthly reconciliation.</p> <p>Management comment</p> <p>We now have resourcing which start this work as of 1 July 2022.</p>

Recommendation	Status	Comments
Revaluation of Infrastructure assets		
<p>Improve the revaluation asset data by:</p> <ul style="list-style-type: none"> Updating asset condition information and review the reasonableness of asset useful lives. Reviewing the assumptions used in the revaluation of the treatment plants; and reviewing and simplifying revaluation templates. 		<p>Matter progressing</p> <p>Some of our recommendations had been implemented.</p> <p>Improvements could be made on the asset data. See comments in section 4.4.</p> <p>Management comment</p> <p>A focus on improvements is underway.</p>
Stand-alone fixed asset register for treatment plants		
<p>Develop stand-alone fixed asset register for treatment plants so they are revalued at component level.</p>		<p>Matter ongoing</p> <p>See comments in section 4.4</p> <p>Management comment</p> <p>Completed. This is currently being done.</p>
Evidence on NZTA claim review		
<p>The reviewer signs and dates the documentation as evidence of their review.</p>		<p>Matter outstanding</p> <p>We reviewed this area during the interim audit. We found that the review is not evidenced.</p> <p>Management comment</p> <p>Completed. The NZTA is reconciled to the General Ledger monthly and signed and dated as being done so. The reconciliation is then returned to the Roding manager to review.</p>

Recommendation	Status	Comments
Cash receipting		
Require reconciliation of the amounts in the "receipt listing after closing reports" to be initialled by the preparer and independently recounted.		<p>Matter progressing</p> <p>We reviewed this area during the interim audit. Reconciliations are prepared but the cash is not independently recounted.</p> <p>Management comment</p> <p>Completed. The receipt listing after close report is initialled at the end of the day. The cash is independently recounted the next morning when that person is preparing the banking.</p>
Require all cashiers to log out after use and to use their own login to process transactions.		<p>Matter outstanding</p> <p>We understand due to the additional effort required vs benefit, management has accepted the risk.</p> <p>Given the nature of the transactions involved, we continue to make this recommendation.</p> <p>Management comment</p> <p>The recommendation is noted. This situation only arises when breaks are taken. Council is of the view that this recommendation is impractical to implement and there are sufficient controls including having two people at front of house to alleviate any risk.</p>
Creditor master file		
Review current processes to ensure there is adequate supporting information to verify that new creditors, and changes are bona fide.		<p>Matter ongoing</p> <p>We reviewed this area during the interim audit. We were advised that the company register check is now undertaken where necessary but there is no evidence of this being performed.</p> <p>Management comment</p>

Recommendation	Status	Comments
		<p>The creditor's Masterfile audit report is reviewed and signed off every month. Where the new creditor is a company and the company register is checked then the company number is written on the new creditor form. Going forward the new creditor form will be updated to record the company number where applicable and the front page of the company register will be attached to the new creditors form. This was in place by 30 June 2022.</p>
<p>Implement a regular review process to remove redundant creditors.</p>		<p>Matter ongoing</p> <p>We understand a review of redundant creditors has been performed and reviews will be undertaken on an annual basis.</p> <p>We reviewed the creditor Masterfile as part of the interim audit visit and had not been made aware of this at the time.</p> <p>We will verify this in our 2022 interim audit visit.</p> <p>Management comment</p> <p>A review of redundant creditors is underway and will be completed before 31 December 2022 and any redundant creditors removed. This will be done on an annual basis going forward.</p>
<p>Policy on deposits and bonds</p>		
<p>Adopt a policy on deposits and bonds and review deposits and bonds held to determine whether those no longer required should be refunded or recognised as revenue.</p>		<p>Matter progressing</p> <p>We understand that work on this is expected to be completed by 30 June 2022, albeit management no longer see the need for a policy.</p> <p>We will revisit this as part of our 2022 interim audit.</p> <p>Management comment</p> <p>All outstanding deposits and bonds have been reconciled. Some of the outstanding balances were cleared by 30 June 2022 and Council will try and locate some other older</p>

Recommendation	Status	Comments
		standing bond holders by December 2022. Council does not see the need for a policy for this as deposits and bonds are now covered by bond and resource consents documentation.
Purchase Order Clearing Account		
<ul style="list-style-type: none"> Ensure an appropriate report can be generated and reviewed for the <i>Purchase Order Clearing Account</i>. Remove/adjust for purchase order outstanding balances where invoices have been received/outstanding amounts paid. 		<p>Matter progressing</p> <p>We understand a report can now be generated and a process is in place. We will revisit this as part of our 2022 interim audit.</p> <p>Management comment</p> <p>Considerable work was undertaken in 2021 to fully reconcile the purchase order account. As at 30 June 2021 the report was in balance with the General Ledger. This report is run on a regular basis and outstanding balances investigated and removed or adjusted.</p>
No records of retentions by contract		
<p>Maintain a separate listing for all contract retentions held by Council and review them for reasonableness on a regular basis.</p> <p><i>2020 comment:</i> Reason for raising this issue is that there is a risk that a retention is being held by the District Council for longer than intended. With no separate listing for retentions, there is no practical way of reviewing every credit balance to check for retentions due to be released.</p>		<p>Matter outstanding</p> <p>Our recommendations are yet to be implemented.</p> <p>We understand management does not see the need for a separate listing as retentions are already held in the creditors' ledger.</p> <p>Management comment</p> <p>Retentions are already recorded in the creditor's ledger. Council does not see the need to duplicate this information by recording it separately.</p> <p>The creditors listing is reviewed monthly immediately after the 20th payment run and any creditor reconciliations are undertaken as part of this review.</p>
Payroll masterfile review		

Recommendation	Status	Comments
<ul style="list-style-type: none"> Changes to the payroll masterfile be regularly reviewed against the supporting documentation for appropriateness through the running and review of a Masterfile change report. Consideration be given to giving the reviewer “read-only” access to the payroll masterfile to ensure the review is independent. 		<p>Matter outstanding</p> <p>We reviewed this area during the interim audit. We were advised by management that individual changes are being checked; however these are not evidenced. Therefore, we cannot confirm that these checks are being done.</p> <p>In addition, as there is no audit report as yet, we cannot confirm that all changes are being reviewed.</p> <p>Management comment</p> <p>Any masterfile changes must be supported by the appropriate paperwork. The pay edit listing is reviewed by two people and the documentation for changes is supplied to the second reviewer. The pay edit listing is signed by the second reviewer before the pay is completed.</p> <p>A new payroll masterfile audit report has been written and was in place by the end of June 2022.</p>
Payroll – post input review of timesheets		
<p>An independent post input review should be carried out over timesheet data inputted into the system.</p>		<p>Matter outstanding</p> <p>We reviewed this area during the interim audit. We found that the timesheet we selected was not input correctly into the system (the hours were shown under annual leave in the timesheet but the pay was recorded as ordinary hours in the system).</p> <p>Management comment</p> <p>Completed. The pay edit list is reviewed by two people.</p>
Evidence of review of journals		
<p>For each journal, retain evidence of the preparer and reviewer to confirm</p>		<p>Matter outstanding</p>

Recommendation	Status	Comments
<p>appropriate segregation of duties is in place.</p>		<p>We reviewed this area during the interim audit. We found that there is no system control in place that prevents a journal being posted to the GL unless it is approved on a one-up basis.</p> <p>Management comment</p> <p>Completed</p> <p>All journals are reviewed and signed off on a one-up or same level basis.</p> <p>However the number of people that can raise journals is very small.</p>
<p>Performance measures process for complaints</p>		
<ul style="list-style-type: none"> Review the effectiveness of the current reporting and systems to accurately capture the underlying data and to ensure the data is complete. Systems and processes should be formally documented and regular training provided to all staff involved. Perform a regular, weekly or even daily, quality review of data entered into the Customer Request Management system (CRM) for complaints, service requests and response times to ensure it is complete, accurate and supportable. Reviews should also focus on following up 		<p>Matter outstanding</p> <p>As there was an issue with the recording of the complaints in line with DIA guidance, we did not complete testing of detail over the records in the CRM system as part of the 2020/21 audit.</p> <p>CRMs are currently a focus for Council.</p>

Recommendation	Status	Comments
<p>unclosed jobs, ensuring all data fields are updated, and review of unusual response times. We would expect that these reviews are formally evidenced by way of a date and signature.</p> <ul style="list-style-type: none"> • Ensure data fields include information to clearly show why data has been amended or re-categorised with a clear audit trail of any changes made and who authorised them. • Document any calls that are excluded as Department of Internal Affairs (DIA) service requests or complaints. This may require additional fields to be added to the existing CRM if this information is not already captured. • Continue to review DIA guidance to ensure that the data being captured and reported, meets the mandatory reporting requirements. We expect that there will be further clarification around these measures as they become 		

Recommendation	Status	Comments
<p>embedded into the annual reporting.</p> <ul style="list-style-type: none"> Establish a system to check contractor times recorded, are accurate instead of relying solely on the time that the contractor/staff noted. This is important to ensure accurate monitoring of contractor performance against the District Council's key performance targets. Use the data from the CRM to monitor the District Council's performance, on a regular basis, to ensure corrective action can be taken as needed. 		
<p>Service performance: Evidencing monthly review of CRM requests</p>		
<p>Evidence review of the CRM requests at month-end with a dated signature.</p>		<p>Matter outstanding Our recommendations are yet to be implemented. The review is still not formally signed off.</p> <p>Management comment We now have resourcing to start this work as of 1 July 2022.</p>
<p>Classification of records in the CRM system</p>		

Recommendation	Status	Comments
<p>We recommend that a monthly review of the CRM is implemented in order to mitigate the risk of overstating the reported results.</p>		<p>Matter outstanding</p> <p>As there was an issue with the recording of the complaints in line with DIA guidance, we did not complete testing of detail over the records in the CRM system as part of the 2020/21 audit.</p> <p>This will be completed as part of the 2021/22 Audit work,</p>
<p>Disaster Recovery</p>		
<p>We recommend that the District Council continue to support and execute the overall BCP work programme underway to achieve BCP and DR plans that meet Council requirements, including confirming the risk tolerance and response to achieve mitigation required for the District Council's target risk level.</p>		<p>Matter progressing</p> <p>IT have developed an IT Disaster Recovery plan and have DR mitigation strategies in place, but organisational Business Continuity planning and testing is still to be finalised.</p> <p>Management comment</p> <p>In terms of Business Continuity Plans, there has not been much progress at an organisation level however, from an IT perspective key staff (e.g. payroll officers) have been identified and provisioned with laptops and remote network access to enable mobility. IT support is also able to be provided remotely and there is an on-call roster process in place.</p> <p>BCP is an organisational issue and this is likely to be managed under the risk portfolio.</p>

7.6 Finance, Audit and Risk Committee Work Programme

File No.: 22/445

1. Purpose

The purpose of this report is to provide the Finance, Audit and Risk Committee with an outline of a Draft Work Programme.

2. Recommendation

- 2.1 That Report 22/445 Finance, Audit and Risk Committee Work Programme be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Finance, Audit & Risk Committee notes the Finance, Audit and Risk Committee Work Programme.

3. Issues for Consideration

The Finance, Audit & Risk Committee work programme is attached for consideration.

Attachments



No.	Title	Page
A1	Finance, Audit and Risk Committee work programme 2022 - updated June 2022	179

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jacinta Straker Group Manager - Organisation Performance	
Approved by	Monique Davidson Chief Executive Officer	

Finance, Audit and Risk Committee Work Programme 2022

	Completed
	In progress
	Transfer
	Off track

	Topic	Planned meeting date	Status	Note
1.	2021/22 Annual Report <ul style="list-style-type: none"> • Audit engagement letter • Project Plan 	May 2022		Engagement letter yet to be provided by Audit NZ
2.	Eleven Month Report to 31 May 2022	June 2022		
3.	FAR Work programme - June	June 2022		
4.	Health & Safety Report	June 2022		
5.	Risk Management Status Report	June 2022		
6.	Audit NZ Final Management Report for the year ended 31 June 2021.	June 2022		
7.	Activity Report – Project Steering	August 2022		Activity reports now reporting through to Council
8.	Quarterly Financial Report (June)	August 2022		
9.	FAR Work Programme	August 2022		
10.	Rates Review – Stage 1 – Rates Affordability	August 2022		This will be part of the LTP Council briefing on 7 September.
11.	Draft Procurement Policy and Strategy	August 2022		
12.	PwC Tax Governance Presentation	September 2022		Due to PwC availability this will be completed in the new triennium.
13.	Activity Report – Project Steering	September 2022		Activity reports now reporting through to Council
14.	Financial Report (August)	September 2022		
15.	FAR Work Programme	September 2022		
16.	Health & Safety Report	September 2022		
17.	Audit NZ Management Report – quarterly monitoring report	September 2022		This is now included in the overall FAR monitoring report and is included in the August agenda.
18.	Draft financial policies – Fraud prevention, Sensitive Expenditure, Conflict of interest prevention, Giving gifts, Receiving gifts, Koha and donations.	September 2022		

D22/76645

Last update: 24-Aug-22