AGENDA

Audit and Risk Committee Meeting

Date: **Wednesday, 18 August 2021**

Time: **9:30am**

Location: **Carterton Events Centre**
50 Holloway Street
Carterton

Chair P Jones

Deputy Chair R Cherry-Campbell

Mayor G Lang

Deputy Mayor R Vergunst

Cr Dale Williams

Marae Representative C Kawana

Marae Representative M Sebire

Notice is hereby given that an Audit and Risk Committee Meeting of the Carterton District Council will be held in the Carterton Events Centre, 50 Holloway Street, Carterton on:

Wednesday, 18 August 2021 at 9:30am

Order Of Business

1 KARAKIA TIMATANGA

Mai i te pae maunga, raro ki te tai

Mai i te awa tonga, raro ki te awa raki

Tēnei te hapori awhi ai e Taratahi.

Whano whano, haramai te toki

Haumi ē, hui ē, tāiki ē!

2 APOLOGIES

3 CONFLICTS OF INTERESTS DECLARATION

4 PUBLIC FORUM

5   CONFIRMATION OF THE MINUTES

5.1   MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 12 MAY 2021

1.   RECOMMENDATION

1.   That the Minutes of the Audit and Risk Committee Meeting held on 12 May 2021 are true and correct.

File Number: **135387**

Author: **Serah Pettigrew, Democratic Services Coordinator**

Attachments: **1.   Minutes of the Audit and Risk Committee Meeting held on 12 May 2021**

MINUTES OF CARTERTON DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE CARTERTON EVENTS CENTRE, 50 HOLLOWAY STREET, CARTERTON
ON WEDNESDAY, 12 MAY 2021 AT 9:30AM

PRESENT: Chair Philip Jones, Deputy Chair Robyn Cherry-Campbell, Mayor Greg Lang, Deputy Mayor Rebecca Vergunst, Marae Representative Charmaine Kawana, Marae Representative Marty Sebire

IN ATTENDANCE: Cr Rob Stockley, Cr Brian Deller, Cr Steve Cretney, Cr Jill Greathead, Jane Davis (Chief Executive), Dave Gittings (Infrastructure, Services and Regulatory Manager), Glenda Seville (Community Services Manager), Geri Brooking (People and Wellbeing Manager), Matt Chapman (Projects and Contract Officer), Elisa Brown (Communications and Engagement Coordinator), Jody Dalziel (Health, Safety and Wellbeing Advisor), Sheree Dewbery (Executive Assistant), Erin Collins (Democratic Services), John Whittal (Audit NZ by video link), Dale Williams.

1 KARAKIA TIMATANGA

The meeting was opened with a Karakia led by Marae Representative Marty Sebire.

2 APOLOGIES

There were no apologies received.

3 CONFLICTS OF INTERESTS DECLARATION

Cr Brian Deller, Item 6.3.

4 PUBLIC FORUM

Ron Shaw, Carterton resident, addressed the Committee in relation to Agenda Item 6.4.

Mike Osborne, Carterton resident, addressed the Committee in relation to Agenda Item 6.4.

5 CONFIRMATION OF THE MINUTES

5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 3 MARCH 2021

MOVED

That the Minutes of the Audit and Risk Committee Meeting held on 3 March 2021 are true and correct, with two amendments made to the attendance list.

Deputy Chair Robyn Cherry-Campbell / Mayor Greg Lang
CARRIED

6   REPORTS

6.1   AUDIT NEW ZEALAND REPORT ON THE 2019/20 ANNUAL REPORT

PURPOSE

To present the report prepared by Audit New Zealand on the 2019/20 Annual Report for the Committee's consideration.

MOVED

That the Committee:

Receives the report.

Notes the Management comment.

It is recommended to Council that the Mayor's claims and expenses be approved by the Chief Executive and the Deputy Chair of the Audit and Risk Committee.

Recommends a list of proposed actions and progress towards the recommendations, as outlined in the Audit NZ Management Letter, be presented at all scheduled Audit and Risk Committee meetings.

Chair Philip Jones / Deputy Mayor Rebecca Vergunst
CARRIED

6.2   POTABLE WATER TRANGRESSIONS

PURPOSE

For the Committee to be informed of the actions taken following the recent potable water transgressions.

MOVED

That the Committee:

Receives the report.

Notes the events in relation to elevated E-coli in the Carterton drinking water supply.

Notes the responses to the E-coli, and **agrees** the responses were appropriate for the circumstances.

Notes the Frederick Street treatment plant upgrade and the further steps being taken will enable the Council to meet the Drinking Water Standards.

Acknowledges staff for their response to the potable water transgressions and the manner in which communications were managed.

Deputy Chair Robyn Cherry-Campbell / Deputy Mayor Rebecca Vergunst
CARRIED

6.3   WASTEWATER TREATMENT PLANT UPGRADE PROJECT UPDATE

PURPOSE

For the committee to receive an update on the progress with the wastewater treatment plant upgrade project.

The meeting ajourned 10:57am and restarted at 11:05am.

MOVED

That the Committee:

Receives the report.

Notes the progress and timelines associated with the project and the financial results.

Agrees that an independent review of this project be undertaken at an appropriate time with a scope being bought back to the next Audit and Risk Committee meeting.

Chair Philip Jones / Mayor Greg Lang
CARRIED

6.4   REVIEW OF CLOCKTOWER EARTHQUAKE STRENGTHENING PROCESS

PURPOSE

For the committee to receive a report on the procurement and contract management process to earthquake strengthen the Carterton Clocktower.

MOVED

That the Committee:

Receives the report.

Notes the review of the clocktower procurement and contract management process.

Recommends as part of the Wastewater Treatment Plant project review to include advice on appropriate levels of investigation for different types of projects.

Chair Philip Jones / Deputy Mayor Rebecca Vergunst
CARRIED

Chair Philip Jones left the meeting at 12:37pm and Deputy Chair Robyn Cherry-Campbell continued as Chair.

6.5   IT SECURITY COMPROMISED ON INTERNAL COUNCIL SYSTEMS

PURPOSE

For the committee to be aware of an information technology security issue that has occurred and the implications.

MOVED

That the Committee:

Receives the report.

Notes that IT security is an ongoing exercise against a moving target.

Requests that the Chief Executive considers IT Security Risks in the Risk Register and brings advice back to the next Audit and Risk Committee Meeting.

Deputy Chair Robyn Cherry-Campbell / Mayor Greg Lang
CARRIED

6.6   HEALTH, SAFETY AND WELLBEING REPORT

PURPOSE

This report is to update the Audit and Risk Committee on recent health, safety and wellbeing (HS&W) activities.

MOVED

That the Committee:

Receives the report.

Notes the health, safety and wellbeing activities being undertaken.

Deputy Mayor Rebecca Vergunst / Deputy Chair Robyn Cherry-Campbell
CARRIED

6.7   RISK REGISTER UPDATE

PURPOSE

To advise the Audit and Risk Committee on changes to the Carterton District Council Risk Register.

MOVED

That the Committee:

Receives the report.

Notes the changes to the Risk Register, in Attachment 1.

Deputy Chair Robyn Cherry-Campbell / Deputy Mayor Rebecca Vergunst
CARRIED

7   KARAKIA WHAKAMUTUNGA

The meeting was closed with a Karakia led by Marae Representative Charmaine Kawana.

The Meeting closed at 12:57pm.

Minutes confirmed: ……………………………………

Date: ....

6   REPORTS

6.1   PROJECT REVIEWS CLOCKTOWER AND WASTEWATER RESERVOIRS

1.   PURPOSE

For the Audit and Risk Committee to agree on the scope of the Project Reviews and skills of the reviewer, for the wastewater treatment pond upgrade, and earthquake strengthening of the Carterton Clock Tower, in line with resolutions at the previous Audit and Risk meeting held on 12 May 2021 which were:

> ***Agrees*** *that an independent review of the wastewater treatment pond upgrade project be undertaken with a scope being bought back to the next Audit and Risk Committee meeting.*

> ***Notes*** *the review of the clocktower procurement and contract management process.*

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   BACKGROUND

Reviews on the cost and time taken for construction of the three lined treated wastewater storage reservoirs, and strengthening of the Clocktower, were considered by the Audit and Risk Committee. Whilst Councils are usually optimistic on delivery of projects within their Long-Term Plans, both of these projects generated high levels of public questions on management of costs, risks and robustness of investigations.

For the wastewater reservoir, the project report noted;

- The site for the proposed lined reservoirs had ground conditions requiring significantly more earthworks than expected from Geotech investigations

- The time to do build the three large reservoirs was overly optimistic, and affected by additional work and Covid-19

- The lining of the reservoirs had multiple delays

- Commissioning of the reservoirs is approximately two years later than expected

- Due to extremely sharp tender pricing, the main impacts were reputational and timing rather than cost or quality.

For the clock tower, the project report noted;

- Intrusive investigations into the concrete and steel reinforcing during the design stage did not align well with what the contractors found when stripping the concrete away. The original tenderer who was local withdrew partway into the construction phase

- The replacement contractor had substantially higher tendered rates

- Whilst the project was successful in providing a strengthened clock tower on the main street, the main impacts were reputational, timing and cost.

4.   OPTIONS

Review Scope and Skillset required

A project review is valuable where it identifies cost-effective practices that if used, would reduce the risks on a similar project using the same starting point of concept stage. Less useful reviews are those that use hindsight to identify what went wrong, after issues have arisen during construction.

The skillsets recommended therefore in a reviewer would be recent experience in

- Procurement of Council or NZTA co-funded civil infrastructure (which means understanding how Council as a client works with designers and suppliers in gaining their services for capital work, and actively reduces risk pricing premiums)

- Identifying then assessing raw and moderated project risks such as unforeseen ground or site conditions, contractor default, impacts of adverse weather

- Balancing the time windows for investigation, design, tendering, construction phases to minimise variations during construction phases knowing Councils Long Term Plan budgeting cycle, and

- Providing a similar review of a major build / rebuild for Councils elsewhere, picking up both successes and issues.

By considering what went well, and what could be done if doing a similar project in the future, the report can feed into Council's procurement policy and staff development.

Palmerston North City Council (PNCC) recently did a similar project review of the He Ara Kotahi project (Manawatu River Bridge and Shared Pathway to Massey University and Linton Army Camp). The scope covered the time from business case to commissioning, and the budget issues that stemmed from initial estimates of $11m and final cost of $18m. PNCC engaged The Integral Group Limited (TIGL) to facilitate this.

Review via a workshop and final report that;

- Celebrated the successes of the project

- Captured what should be repeated such as cross-team project steering groups (PSG's)

- What wasn't done that should have been, at initial business case (IBC) or detailed business case (DBC)

- What was done that you would not want to repeat

5.   NEXT STEPS

5.1   The project review scope identifies cost-effective practices that if used, would reduce the risks on a similar project to the Clock Tower Strengthening or Wastewater Reservoirs using the same starting point of Long-Term Plan concept stage;

5.2   The Chief Executive is requested to obtain the services of an independent party for this review, for up to $15,000 where the reviewer:

- demonstrates recent direct experience in Procurement of Council or NZTA co-funded civil infrastructure (which means understanding how Council as a client works with designers and suppliers in gaining their services for capital work, and actively reduces risk pricing premiums)

- Identifies, then assesses, raw and moderated project risks such as unforeseen ground or site conditions, contractor default, impacts of adverse weather

- Balances the time windows for investigation, design, tendering, construction phases to minimise variations during construction phases knowing Councils Long Term Plan budgeting cycle, and

- Provides a similar review of a major build / rebuild for Councils elsewhere, picking up both successes and issues.

6.   CONSIDERATIONS

6.1   Climate change

N/A

6.2   Tāngata whenua

N/A

6.3   Financial impact

The review has not been included in the LTP funding and therefore would be unbudgeted expenditure.

6.4   Community Engagement requirements

None for the review

6.5   Risks

N/A

7.   RECOMMENDATION

That the Committee:

1.   **Receives** the report.

2.   **Agrees** that an independent review of the Wastewater Treatment Pond upgrade and Clock Tower earthquake strengthening projects be undertaken as set out above and brought back to the next Audit and Risk Committee 17th November 2021.

File Number: **135019**

Author: **Dave Gittings, Infrastructure, Planning and Regulatory Manager**

Attachments: **Nil**

6.2   HEALTH, SAFETY AND WELLBEING UPDATE

1.   PURPOSE

This report is to update the Audit and Risk Committee on recent health, safety and wellbeing (HS&W) activities.
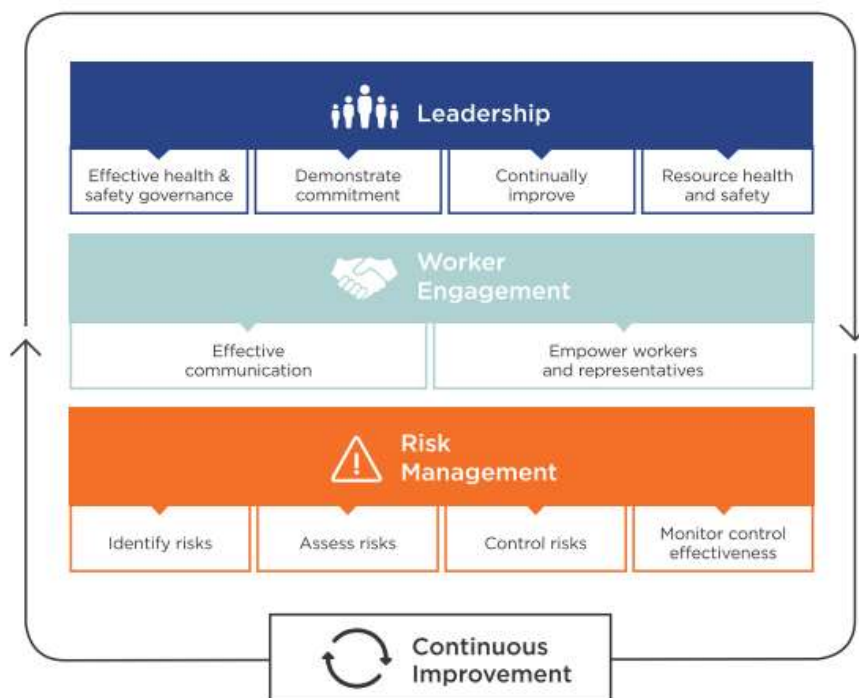
2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   NEW SINCE THE LAST REPORT

The main focus for this reporting period, 4 May 2021 to 11 August 2021, has been the review of the 2018-2021 Health & Safety Strategy, the development of the Staff Wellbeing Strategy, and the commencement of a focus on Driver and Vehicle Safety.

2018-2021 Health and Safety Strategy Review

As part of the Strategy review, we undertook a WorkSafe SafePlus survey that all staff were invited to complete. The survey took a behavioural based approach to health and safety which is organised into three concepts - leadership, worker engagement, risk management.

The survey results indicate that the health and safety performance of the council across all three concepts is at the "Performing" stage. An organisation at the "Performing" stage has the following characteristics:

- proactive and visible leadership and governance

- active review and performance monitoring to support continual improvement

- active information seeking on health and safety risks

- implementation and monitoring of actions to sustainably manage identified risks

- involvement and empowerment of workers across all departments in all activities to take action

- commitment at all levels to supporting good health and safety outcomes.

The findings are encouraging and provide a solid baseline to monitor future progress. Our key recommendations as a result of the assessment are in the areas of:

- increasing staff engagement and participation

- improving processes to manage the risks from manual handling

- ensuring actions taken to reduce risk are keeping our workers healthy and safe.

The next step we are now focusing on is developing the 2021-2024 Strategy framework.
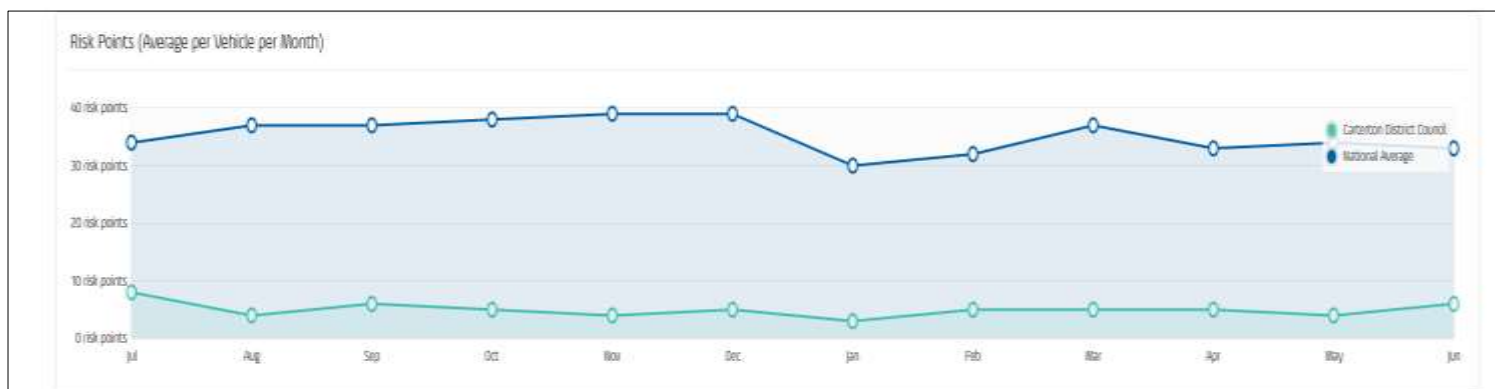
Staff Wellbeing Strategy

We continue working towards the implementation of our Wellbeing Strategy with final activities now complete including the adoption by the Executive Leadership Team and Health and Safety (H&S) Committee, and feedback to staff.

We expect the Strategy and Action Plan to be completed for presentation at the next Committee meeting.

Driver and Vehicle Safety

As the graph below shows, our driving risk points continue to be significantly lower than the national industry average however with the inclement winter weather upon us, we believe it is timely to remind staff of the importance of safe driving and safe vehicles.

Risk Points (Average per Vehicle per Month)

Data is taken from the Argus Tracking System installed in all Carterton District Council vehicles. The line graph shows risk points per vehicle, comparing Carterton District Council to the industry average. Risk points are incurred due to speeding where more speed equals more points, and sustained speed equals more points.

Over the next four weeks, we will be undertaking a number of activities to review and highlight safe driving and safe vehicle practices to staff including:

- Review and circulation of relevant staff policies:
    o Driver Licencing Policy
    o Motor Vehicle Usage Policy
    o Safe Driving Policy
- Review of council vehicle overspeed reports
- Review of pre-start vehicle check sheets and frequency of use
- Promotion of key messages at team meetings
- General messaging through the staff newsletter and staff noticeboards

4. **HEALTH AND SAFETY STATISTICS**

Reporting period incidents 04 May 2021 – 11 August 2021.

For this period, we are pleased to see an increase in reporting:

- 7 near miss incidents

- 4 non-injury accidents/incidents

- 10 incidents resulting in minor injury

- 1 lost time injury (under investigation)

- 1 hazard (task improvement).

The H&S Committee and HS&W Advisor have reviewed all incidents and are satisfied that the responsible managers and team leaders are taking appropriate actions in each case. None of the accidents have highlighted major systemic failings.

5. **ENGAGING WITH OUR PEOPLE**

Training

First Aid training with Red Cross has been organised for September and October 2021 for 14 staff members across all teams. These are largely staff in high-risk areas, or teams whose work involves care of the public such as providing library services and the school holiday programme.

A training workshop is currently being organised with South Wairarapa and Masterton District Councils to deliver personal safety, conflict resolution, and robbery preparedness training for front line staff. This training is one of our key factors to mitigate the risk to staff from adverse customer behaviour.

Wellbeing activities

We held a staff Soup Lunch event in June to give staff the opportunity to connect with staff from other teams. This was a key factor that staff felt would enhance their wellbeing, improve communication across the organisation, and improve staff culture. The activity contributes to three focus areas of the Wellbeing Strategy - positive culture, job satisfaction, and good working relationships.

Health & Safety (H&S) Committee

The Committee remain well engaged and committed to leading HS&W across the Council. There are nine members representing all teams across the council and supported by the Health, Safety & Wellbeing Advisor.

The Committee meet bi-monthly to report on HS&W issues, and to review incidents, near misses and hazards. The main challenge for Committee members is finding time outside of their usual duties to undertake other HS&W activities such as reviewing the Health & Safety Strategy, the annual review of the Hazard Register, and the development of the Wellbeing Strategy and Action Plan. We will be working with managers to arrange release of these staff over 4 months to attend focused workshops to complete these activities.

6.   **WORKING WITH OUR CONTRACTORS**

We are currently undertaking an audit of our contractors to review and update the necessary H&S information. This will be part of a biennial audit to satisfy ourselves that our contractors understand their obligations, they know what they are doing, and have competent employees doing it. We are also ensuring contractors' COVID 19 safety plans and protocols are aligned with council protocols and MOH guidelines.

7.   **FIVE BIGGEST HEALTH AND SAFETY RISKS**

The five biggest Health and Safety risks are listed with details about how they will be reduced, and when reduction measures will take place.

Currently the five biggest risks we are focusing on are:

1. Contractors
2. Working alone and remotely
3. Under reporting
4. Behaviour
5. Staff wellbeing

Top 5 Health and Safety Risks

Risk	Description of Risk	Controls and reduction measures	Actions
Contractors	Council hires contractors because it doesn't always have the expertise or capacity to undertake the activities. Contractors pose a risk principally because we have little control over their staff and their work standards while they are on the job. It is not possible for us to supervise them at a micro level. We are reliant on them to employ staff who are trained and competent to undertake the work assigned while at all times observing safe practices and their obligations under the Health and Safety at Work Act.	All contractors used by the council will have satisfied us that they have robust health and safety systems in place and that they understand their health and safety obligations to us and their staff. Discussions will be held with contractors before they commence any tasks and staff are expected to have had and recorded health and safety conversations.	Contractors have been asked to provide details of their health and safety systems. Information provided is being checked and accredited by council. Approved providers will be required to sign a contractor agreement. **ONGOING** Briefing and induction processes including hazards and present controls are developed and are provided to appropriate council staff. **COMPLETE** Site safety Checklists have been developed and are provided to appropriate council staff. Checklists modified to include what meets expectations and doesn't meet expectations. **COMPLETE** Staff have attended the contractor management training and we are working with them on improvements to our system. We are currently trialling a simple app on phones which will help in recording health and safety interactions, conversations and monitoring of contactors. **ONGOING** Contractor COVID 19 safety plans and protocols are reviewed to ensure alignment with council protocols and MOH guidelines. **ONGOING**

Risk	Description of Risk	Controls and reduction measures	Actions
Working Alone and Remotely	Being such a small organisation it is often impossible for staff to work in teams or even in pairs. Often staff are required to work alone and remotely where in some cases poor cell phone coverage is an additional factor.	All staff who work remotely or alone will be provided with in car radio transmitters and/or cell phones. They will be required to sign out before they leave, including their intended location and expected time of return. This will be monitored, and action taken in line with an emergency response plan if help is summoned or they fail to return by the expected time. They will be required to sign in when they return. They will be provided with a device to summon assistance which does not require cell phone coverage.	All staff who work remotely or alone have a car radio transmitter and/or cell phone and/or a Garmin device. **COMPLETE** Sign out/in system has been reviewed. **COMPLETE** Monitoring of sign out/in system in place. **COMPLETE** Remote contact devices have been distributed to teams who have people who work alone or remotely. We will continue to work with the teams on monitoring team members when they are out and about and using the information from the Garmin device. **ONGOING** Garmin refresher training, and Working Alone refresher training will be co-ordinated in house with those staff that work alone. **ONGOING**

Risk	Description of Risk	Controls and reduction measures	Actions
Under Reporting	While there is a good level of reporting any physical accidents, the risk of under-reporting of near misses needs to be constantly monitored. This is due to a combination of staff thinking "nothing happened so why report it" and the perceived amount of time required to make a report.	We regularly remind staff of the importance of notifying any near miss so that we are able to both consider patterns and to take pre-emptive action to put in place safety measures where necessary. Wherever possible are making it easier for staff to report near misses.	We have provided all Operations staff with a pocket-sized notebook to instantly record near misses. **COMPLETE** The "Sh!t That Was Close" initiative is a descriptor of a near miss that is relevant to our staff who are the most likely to observe such things. We have a designated email address stwc@cdc.govt.nz and text number set up to make it easy for staff to communicate health and safety matters. **ONGOING** Managers and Team Leaders are backing the reporting message at team meetings through a formal agenda item, talking about near misses and reminding staff to report those that they see. **ONGOING** Near miss reporting and the STWC email are being promoted through posters, fortnightly staff newsletter and the TV monitors in the staffrooms. **ONGOING** Health and safety obligations are included in employment agreements and job descriptions. **ONGOING** The importance of timely reporting is emphasised during health and safety staff induction processes **ONGOING**

Risk	Description of Risk	Controls and reduction measures	Actions
Behaviour	An unintended consequence of changes in our environment has seen Carterton district council having to manage situations where people's behaviours pose a risk of somebody threatening or assaulting them, possibly with a weapon. With potential of a fatality. Introduction of a range of services and experiences such as Wi-Fi, together with external environmental factors such as transition of mental health patients into the community, troublesome youth, drug and alcohol abuse have potential to result in an increase in problematic individuals frequenting CDC premises and dealing with CDC staff in the community. Cash held on premises also presents potential for robbery.	It is important all our staff know how to keep themselves and others safe when dealing with each other and members of the public. Skilled staff are able to deal with interactions with difficult customers, before they escalate to situational violence. We need to provide all staff with training to give them the skills to deal with situations before they escalate to harm. We need to ensure there are appropriate security measures in place to protect staff from persons entering premises with the intent of causing harm. This includes equipping people working in our community with cameras and communication devices. We need to continue migration of customers to payment mechanisms that do not rely on cash. Concern for underreporting of near misses involving people's behaviour, is being addressed separately. The risk of threats or violence to staff working alone or in remote areas is also being addressed separately.	Staff continue to encourage payment of accounts online or by direct debit. We are seeing a good uptake with 60% of ratepayers now paying rates by direct debit. **ONGOING** Restrict public access to secure staff only areas. Ensure staff escorts visitors to non-public areas in all three council sites. **ONGOING** Undertake regular engagement with Police, community patrol groups and community groups supporting youth and mental health to ensure an awareness of what is happening in the community with potential to impact Council staff and others. **ONGOING** Following a behavioural incident, we have reviewed physical security in council office, staff ability, guidelines and tools to assist staff in managing difficult behaviour. Our front-line staff area happy with the results. **COMPLETE** Staff hare provided with training covering Personal safety, Conflict Resolution, Cash Handling and Robbery Preparedness. In the Staff Handbook, we have guidelines and tools to assist staff when dealing with difficult people. **COMPLETE** We have seen continued uptake of payment of accounts online or by direct debit with over 60% of ratepayers now paying rates by direct debit, with others

			paying through online banking and automatic payment.
			We have set up an online payment portal and we will continue to encourage people to pay online. **COMPLETE**
			We are fostering a healthy and safe team culture through gender balance, more robust onboarding process and the implementation of the CDC Wellbeing Strategy. We are promoting a culture where staff feel safe raising any concerns, and know their concerns will be addressed appropriately. **ONGOING**

Risk	Description of Risk	Controls and reduction measures	Actions
Staff Wellbeing	Being a small organization and having departments under-staffed is placing some teams under pressure and the need to work long hours. Staff under pressure pose a risk to themselves, the organization, and customers. Staff under pressure can lead to burnout, stress, fatigue, all leading to both mental/physical and social affects, contributing to lower performance levels. Working long hours under pressure can lead to poorer mental health including stressful feelings, an increase in anxiety, depression and lower quality sleep patterns. This will contribute to a higher number of accidents occurring, bad decisions being made, irritability and concentration/memory issues. Employees physical health can be compromised with the increased risk of a stroke, heart problems, high cholesterol and high blood pressure.	Managers and staff need to be able to recognise the early symptoms of stress, fatigue and burnout. We need to ensure we have an environment where staff feel they are trusted and can talk with their manager or a senior staff member about how they are feeling. Stress awareness, fatigue information and the symptoms of burnout will be communicated to all staff so early symptoms can be recognised across the team. Staff will be reminded of the free and confidential counselling service offered through EAP. Clearly defined position descriptions and resourcing are key for reducing this risk. Clearly defined boundaries and jobs that are achievable. Managers and Team Leaders to encourage their teams to take adequate breaks and keep tabs on work hours to ensure they do not exceed 55 hours in a week as per our "Hours of Work and Fatigue Policy" ID 42072.	Development of staff Wellbeing Strategy and action plan. **IN PROGRESS** Implementation of managed sick leave policy. **COMPLETE** Good mental health, stress awareness, fatigue information and good wellbeing is communicated to all staff through posters, T.V. screen notices, and the fortnightly staff newsletter. **ONGOING** Managers and team leaders regularly check in with their teams and provide support where needed. **ONGOING** EAP information communicated to all staff through posters and the fortnightly staff newsletter. **ONGOING** New screens installed in the lunchroom to provide wellbeing and health and safety messages. **IN PROGRESS** Work with other councils to combine services and/or provide relief staff. **ONGOING** Filling of vacant roles. **ONGOING**

8.   CONSIDERATIONS

8.1   Climate change

None of the issues reported in this paper are considered to have climate change implications.

8.2   Tāngata whenua

There are no decision implications for tāngata whenua.

8.3   Financial impact

All work undertaken is within planned budgets.

8.4   Community Engagement requirements

No community engagement is required.

8.5   Risks

There are no identifiable risks associated with the decisions required in this report.

9.   RECOMMENDATION

That the Committee:

1.   **Receives** the report

2.   **Notes** the health, safety and wellbeing activities described in this report.

File Number: **135233**

Author: **Geri Brooking, People and Wellbeing Manager**

Attachments: **Nil**

6.3   ANNUAL REPORT TIMELINE

1.   PURPOSE

To update the Committee on the timeline for the preparation and adoption of the 2020/21 Annual Report.

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   BACKGROUND

The Annual Report is prepared pursuant to sections 98 and 99, and Schedule 10 Part 3 of the Local Government Act 2002. The purpose of the Annual Report is to compare the actual activities and performance of Council over a year (1 July to 30 June) against the intended activities and levels of performance as set out in respect of the year in the Ten-Year Plan or Annual Plan.

The Annual Report also provides accountability to the community of Council's decisions made throughout that year. The accountability enables stakeholders (residents and ratepayers, other local authorities, business community groups, Government regulatory bodies etc.) to assess our performance and make decisions regarding Council and how it conducts its business.

The Local Government Act 2002, section 98 (3) requires that each annual report is adopted, by resolution within four months after the end of the financial year in which it relates.

This report focuses on the key dates in the planned timeline from now until the Council adopts the final 2020/21 Annual Report. Other areas discussed include revaluations, changes in accounting policies, and other risks.

4.   DISCUSSION

4.1   Key annual report dates

DATE	MILESTONE
20 August 2021	Land and buildings revaluation report due from QV
10 September 2021	Draft financial statements and groups of activities (including performance results) available
13 September 2021	Audit begins (onsite two weeks)

8 October 2021	Final full annual report available (incorporating any Audit changes)
13 October 2021	Audit verbal clearance (TBC)
20 October 2021	Council adopts annual report, audit opinion issued
By 20 November 2021	Annual report, and summary annual report to be made publicly available

This timeline allows staff sufficient time to prepare and QA the report, Audit NZ to complete their audit, and resulting final changes to be made, prior to Council's adoption of the 2020/21 Annual Report at the Council meeting on 20 October 2021.

We have been notified by the Auditor-General that the statutory reporting deadline has been extended by two months, largely due to a national shortage of auditors. This means that the Council is required to adopt the annual report by the end of December. However, from discussion with Audit NZ to date, they are intending to complete our audit in the existing planned timeframe, which would allow adoption on 20 October as planned. We are aware however, that this is subject to change, and we will keep elected members informed should dates be moved.

4.2   Revaluations

This year is a revaluation year for land and buildings (valued every three years). We have engaged QV to complete the revaluation, with the report due 20 August. When this is received, we will review the results, and account for movements.

Our infrastructure asset classes (waters and roading) are not due for revaluation this year. We are however required to complete a fair value assessment to determine whether values have changed significantly, which could then trigger a full revaluation. We have engaged WSP to complete a fair value assessment, which is due to be completed by 20 August. This will involve an assessment of the price movement in the valuation of CDC's three waters and roading infrastructure, for the period since their last valuations to 30 June 2021. If a full revaluation is triggered, this has the potential to result in delays to completion of the draft financial statements. However, given WSP will already have completed the fair value assessment, and have access to our asset data, this should not be a significant delay.

4.3   Accounting policy changes
There are no proposed changes to CDC's accounting policies for the year ended 30 June 2021.

4.4   QA process

As sections of the annual report are drafted, they will be subject to QA review by the Corporate Services Manager. While it is difficult to identify all errors in a report of this size, we intend to provide Audit NZ with a fully QA'd document at the start of the audit, to reduce the number of Audit, and other, changes to be made.

5.   CONSIDERATIONS

    5.1   Climate change

    No specific climate change considerations.

    5.2   Tāngata whenua

    No specific tāngata whenua considerations.

    5.3   Financial impact

    The audit fee and revaluation fee have been included in the 2020/21 budget.

    5.4   Community Engagement requirements

    No community engagement considerations at this stage.

    5.5   Risks

- There is the risk that staff do not meet the timelines proposed. This could lead to a delay in the adoption of the annual report. This risk is not considered significant, as staff have already begun preparation of the annual report, and we expect to meet the timelines as set out. If, however this were to occur due to unforeseen circumstances (e.g. another covid lockdown, unexpected staffing change etc), we would notify elected members, and would update the planned timeline.

- Another risk is for Audit NZ to be unable to meet the planned timelines. This is a possibility, as there is currently a national shortage of auditors, which is the main driver for the extension of the statutory reporting deadline by two months. As discussed above, we will keep elected members informed should any changes to dates occur. The extension of the statutory deadline would allow us to adopt the annual report by the end of December.

- Other risks have been included in the discussion section above.

6.   RECOMMENDATION

    That the Committee:

    1.   **Receives** the report

    2.   **Notes** the proposed 2020/21 Annual Report timeline

File Number: **135272**

Author: **Kelly Vatselias, Corporate Services Manager**

Attachments: **Nil**

6.4   TREASURY REPORT AS AT 31 JULY 2021

1.   PURPOSE

The purpose of the report is to provide the Committee with an update on the current Treasury position.

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   BACKGROUND

This report is an update on the current position of the loan/debt status, and compliance against the parameters outlined in the Council's Liability Management Policy.

4.   DISCUSSION

Historically CDC has had a relatively low level of debt. Debt has been funded through BNZ, with some internal loans when prudent. Reporting against debt has generally been through financial updates to council, and in the annual report.

As CDC's debt increases, the level of risk also increases, and as such we plan to report on CDC's treasury position and management at each Audit and Risk Committee meeting. This is the first such report, and covers the current debt position, forecast debt position, compliance with policy and covenants, and risks. If there are other areas the Committee would like addressed in future reports, this can also be discussed.

5.   CURRENT POSITION

In July 2021 CDC drew down $10m of borrowing from the LGFA. As previously discussed with Council, interest rates with LGFA are much lower than through the bank, so interest savings can be made by changing our borrowing over to LGFA. The $7.2m loans through BNZ were repaid with the LGFA borrowings. The BNZ loans were floating, or near the end of term, in anticipation of this change, which meant the break-fee was only approximately $1,200.

The remaining $2.8m was used to clear some of CDC's internal borrowings. This is where previous capital works were planned to be funded through loans, but rather than drawing down new borrowings, council reserves were used to make the capital payments. These are then recorded as internal borrowings. We still have internal borrowings of $5.9m, which can be a prudent way to manage debt, however it is not always visible in financial reporting, as only external debt is shown in the Statement of Financial Position. For the 2021 annual report, we plan to include in our borrowings note disclosure, a table to show our internal debt.

Position as at 31 July 2021:

LGFA	$10,000,000
Internal borrowings	$5,900,000
TOTAL	**$15,900,000**

The average interest rate on our borrowings with LGFA is currently 1.15% (with BNZ this was 3.08% as at 30 June). This has been achieved through borrowing from a number of different bonds, ranging from 6 months to eight years. In selecting the bonds, we considered interest rates, the timing of bonds, and the three waters reform (loans for three waters activities are in bonds with dates before April 2024).

6.   **LIABILITY MANAGEMENT COMPLIANCE**

Council adopted Liability Management and Investment Policies as part of the 2021-31 LTP. The new Policies were effective as of the date of adoption.

The Liability Management Policy stipulates a number of parameters relating to the prudent management of debt. For the purposes of this report, the key policies are each addressed separately, as relevant.

6.1   **Interest rate exposure**

Interest rate exposure refers to the impact that movements in interest rates have on the Council's financial performance. Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

Factors that influence interest rates for long and short-term securities are beyond the control of the Council. It is prudent to be aware of where interest rate cycles are when making a decision as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing.

As discussed above, we have considered our interest rate exposure when drawing down borrowings and have structured our borrowings across bonds that end at different dates.

Interest rates are expected to increase from the current historically low rates, and we will continue to monitor interest rates and consider ways to manage our interest expense.

6.2   **Liquidity**

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs. The policy states that Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall. The policy does not specify the level of liquidity required.

Liquidity at 30 June was 1.7, where our current liabilities are $2.6 million and liquid assets (i.e. working capital) are $4.5 million, based on our tentative end of year results.

6.3   **Credit exposure**

Credit risk is the risk that a party to a transaction will default on its contractual obligation. Policy states the Council will only enter into borrowing agreements with creditworthy counterparties (rated A- or better).

LGFA is currently rated AAA by S&P Global Ratings.

6.4 Borrowing limits

The policy specifies the following limits for borrowing:

Policy	Current position (as at 30 June 2021)
Total debt as a percentage of total assets will not exceed 15 percent.	3.07%
In any financial year, gross interest paid on term debt will not exceed 12 percent of gross operating revenue.	1.25%
In any financial year, gross interest expense will not exceed 50 percent net cash inflow from operating activities.	3.09%

7.   FORECAST POSITION

We are currently in year 1 of the Long-Term Plan. Capital expenditure is forecast for the year, which is largely loan funded, resulting in forecast debt of $18m at 30 June 2022. This is well within our limits, as shown in the LTP prudence benchmark graphs. We expect to draw down further borrowings from LGFA in the September/October bond issuance (depending on timing of capital projects).

One area for consideration is that the limit for a non-guarantor council to borrow through LGFA is $20m. Currently CDC is not a guarantor. Prior to CDC reaching $20m in borrowing, Council will need to decide whether CDC becomes a guarantor or not. If CDC does not become a guarantor, once borrowings reach $20m, borrowings will need to be obtained through banks, rather than LGFA.

As CDC's debt increases, the Council will need to consider the risks/benefits of becoming a guarantor and decide whether to become a guarantor or whether further borrowings should instead be funded through bank loans.

8.   NEXT STEPS

Staff will continue to monitor and report treasury position and compliance to the Audit and Risk Committee.

9.   CONSIDERATIONS

9.1 Climate change

No specific climate change considerations.

9.2 Tāngata whenua

No specific tāngata whenua considerations.

9.3 Financial impact

Our interest on borrowings is currently slightly lower than forecast, due to a lower average interest rate on borrowings than forecast in the LTP. We will

continue to monitor interest rates, as well as our debt position, against forecast.

9.4   Community Engagement requirements

No community engagement requirements.

9.5   Risks

Key risks relate to treasury management areas outlined above. As demonstrated, we are in compliance with policy, and have significant headroom in terms of our borrowing capacity.

As borrowings increase, risk becomes higher. For example, changes in interest rates can have a significant impact. In order to reduce risk we can, and will, consider the following:

- Interest rate exposure

- Policy limits

- Implications of the potential 3 waters reform

- Whether CDC becomes an LGFA guarantor

- The level at which CDC may engage a treasury advisor (e.g. PWC)

10.   RECOMMENDATION

That the Committee:

1.   **Receives** the report

2.   **Notes** the current treasury position and compliance with policy.

File Number: **135274**

Author: **Kelly Vatselias, Corporate Services Manager**

Attachments: **Nil**

6.5   PROGRESS ON AUDIT NZ RECOMMENDATIONS

1.   PURPOSE

The purpose of this paper is to update the Committee on the progress achieved to date responding to the recommendations presented by Audit NZ, arising from their previous audits.

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   BACKGROUND

At the completion of each audit, Audit NZ sets out their findings from the audit in a report to the governing body. This report draws attention to areas where Audit have made recommendations for improvement. These recommendations are then added to this report. This report proves a mechanism for the Audit and Risk Committee to monitor the Councils progress in relation to the implementation of these recommendations on a regular basis.

Management can comment on the Audit recommendations, noting planned actions, or if management considers time/resource/financial costs outweighs the benefits gained by implementing the recommendation. The Committee can provide guidance on prioritisation of recommendations, and whether to accept the risk associated with any of the recommendations (i.e. where time/resource/financial costs outweighs the benefits gained by implementing the recommendation).

4.   DISCUSSION

There are currently 16 recommendations listed. Twelve are rated Necessary, and four are rated Beneficial. We believe we have cleared six of these recommendations, with a further eight in progress, and two not started.

We have not yet received the Audit NZ report from the 2021 interim audit, so no new recommendations have been added since the Final Report to Governors on the 2020 audit was received.

These findings and recommendations are set out in Attachment 1, which also includes an explanation of the rating criteria. The management comments and details of progress to date are identified with each.

Staff continue to work towards clearing the outstanding items.

5.   CONSIDERATIONS

5.1   Climate change

No climate change considerations.

5.2   Tāngata whenua

No Tāngata whenua considerations.

5.3   Financial impact

Our responses to most of the outstanding recommendations can be covered within existing budgets.

As a small council, it can be challenging to implement some recommendations with current resources. For example, an independent review of all invoices created would require a staff member to take on this role and there is limited capacity in the Corporate Services team to do this. We are considering roles and priorities within the team, and we also weigh up the benefits of implementing recommendations against costs (whether financial, or staff time).

5.4   Community Engagement requirements

No community engagement requirements.

5.5   Risks

There are risks associated with outstanding Audit recommendations. There are currently no 'Urgent' recommendations outstanding, which would identify a more significant level of risk. When considering Audit recommendations, we look at the level of importance assigned, and as discussed above, the benefits of implementing vs the costs involved.

6.   RECOMMENDATION

That the Committee:

1.   **Receives** the report.

2.   **Notes** the progress being made to meet the recommendations made by Audit New Zealand**.**

File Number: **135354**

Author: **Kelly Vatselias, Corporate Services Manager**

Attachments: **1.   Audit NZ recommendations and progress table** ⇩

Audit NZ recommendations and progress

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Procurement The District Council maintains appropriate documentation, proportionate to the value and risk of each procurement, to support planning, evaluation and conflict of interest management processes followed.	**Necessary**	**In progress.** We will review progress against this during our 2021 audit.	**In progress.** We are currently completing a review of our procurement practices and policy. Key staff involved in procurement have also been reminded of the need to ensure appropriate documentation is maintained.
Infrastructure contribution fee The schedule of fees and charges is updated for the infrastructure contribution fee for each type of service.	**Necessary**	Raised during 2020 final audit	**Cleared.** In the 2021/22 Schedule of Fees and Charges (in the 2021-31 LTP), we have broken down this contribution into each of the services as recommended. We expect this recommendation to be cleared in Audit NZ's next report.
Revaluation of Property, Plant and Equipment (Roading) The District Council work to implement recommendations raised by the valuer during the 2020 revaluation. To be followed up when roading revaluation next occurs – expected in 2023.	**Necessary**	**In progress.** The independent valuer raised recommendations for the District Council to work through for future valuations.	**Not started.** We will review recommendations made by WSP and ensure these are considered for the next valuation of roading assets (due 2023).

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Building Consent – number of days 19 J Comments: During our walkthrough of the building consent process, we noted that Magiq counted the days as 8 days while a manual recalculation by audit and confirmed by the Infrastructure Services and Regulatory Manager, and Building Services Team Leader, counted 9 days. While this is not an issue for a majority of the Building Consents issued as these fall well under the 20 day limit, it is an issue for those which fall on the 20 day deadline as they may have actually been issued at day 21. 20J update: MagiQ counts the days as 10 days while a manual recalculation by audit and confirmed by the Building Services Team Leader, counted 11 days. It is an issue for those which fall on the 20 day deadline as they may have actually been issued at day 21.	**Necessary**	**In progress.** We will review progress against this during our 2021 audit.	**Cleared.** Due to the issues with the way Magiq was calculating consent days, we are now using the system GoGet. This system calculated the number of days accurately, so we expect this issue to be cleared next time Audit NZ review the system.

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Annual leave balances Consider putting in place formal leave plans for staff with high annual leave balances.	**Necessary**	**In progress.** Management have advised that the HR manager provides leave balances to the relevant managers with a view to encourage people to take leave. We understand some progress is being made, however some annual leave balances remain high.	**In progress.** Management regularly receive staff leave balances and encourage staff with high leave balances to take annual leave. It is difficult to clear this recommendation, given some staff members in key positions have high leave balances, and it is not always easy to take extended leave. We will however continue to monitor balances, and work with staff to implement leave plans when needed.
Bank reconciliations Both the preparer and reviewer sign and date the bank reconciliations to demonstrate independent review was carried out and reconciling items have been checked to supporting documentation.	**Necessary**	**Outstanding.** During the audit, we reviewed a sample of monthly bank reconciliations and found that signoffs were not completed consistently. **Management comment** *We will ensure signoffs are completed in a consistent and timely manner. The recent lack of a Corporate Services Manager has resulted in some systems partially falling down.*	**In progress.** The finance team are implementing improvements in systems and processes, including around the preparation and sign-off of reconciliations. We expect this issue to be cleared for next year's audit.

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Lack of review of timesheets Timesheets should be signed by the relevant cost centre manager as evidence of approval for work performed by the employee.	**Necessary**	**Outstanding.** We reviewed a number of timesheets and noted several instances where the approval was not evidenced. Management should ensure that all timesheets are approved. **Management comment** *We will contact managers to ensure this task is carried out and monitor to ensure compliance*	**In progress.** We have reminded managers of the requirement to review timesheets, including signing hard copy timesheets as evidence of review. Most staff are on electronic timesheets, which require manager sign-off prior to each payrun.
Independent review of creditor masterfile changes Creditor masterfile change reports should be independently reviewed within a timely manner.	**Necessary**	**Outstanding.** During our interim visit, management were in the process of retrospective review however this review should be completed regularly. **Management comment** *This will form part of the month end procedures when the full time Corporate Service Manager commences*	**In progress.** The finance team are implementing improvements in systems and processes, including around the review of Masterfile changes. We expect this issue to be cleared for next year's audit.
Independent Review of the changes in the Rating Information Database (RID) Implement independent review of changes made to the RID to ensure all changes are made correctly.	**Necessary**	**In progress.** Processes have not changed since the previous financial year. During the visit, we provided some guidance and advice	**Cleared.** We have implemented the following review process: - The QV maintenance weekly file is processed by one

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
		to management on a method to address this recommendation. **Management comment** *We would like to discuss this matter further with you.* *We agree some form of review is necessary, however the volume of updates to the RID means reviewing all changes is not practical, or perhaps necessary in some cases. We would like to agree what matters should be the subject of review.*	person and checked and signed off by another staff member. • Internal cash transfers eg: correction of payments from one rate account to another – processed by one person and checked by another. • Reassessment of rates (for various reasons) are signed off by CSM. • Change of ownership on properties are now processed by one person and checked by another. Based on the changes implemented, we expect Audit to clear this issue in next year's audit.
Expenditure processes Implement improvements to the expenditure process, including: • detailing a dollar amount on purchase orders; and	**Necessary**	**Outstanding.** Processes have not changed since the previous financial year. **Management comment** *We have substantially implemented an electronic purchase order system which incorporates internal controls of this*	**Cleared.** We expect this recommendation to be cleared by Audit NZ in the next report given our new electronic purchasing system requires users to input the dollar amount on purchase orders, and goods must be receipted in the system prior to the invoice being paid.

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
• documenting the receipt of goods or services on invoices approved for payment.		*nature. We will be monitoring this system to ensure appropriate controls are followed.*	
Controls over journals • A system generated list of all manual journals for the period is included with the journals for review. • The reviewer is someone who is unable to post journals but understands the concept of them.	**Necessary**	**Outstanding.** Processes have not changed since the previous financial year. We continue to recommend that the finance team should ensure that there is a process for independent review of journals, even if on a sample basis, and the evidence of this review is adequately documented. **Management comment** *We do not disagree with this comment, we will review the systems around journals, however finding a suitable person may be problematic given our size*	==In progress.== The finance team are implementing improvements in systems and processes, including around journals. We expect this issue to be cleared for next year's audit.
Segregation of duties We recommended a review of access to all systems occurs to ensure that access is given only to those who need it and that reviewers have read only access where appropriate.	**Necessary**	**Outstanding.** Processes have not changed since the previous financial year. **Management comment**	==In progress.== We are in the process of reviewing access to systems, with some review having been completed. We will continue our review, and also consider where we can better

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Also where the process currently involves one staff member, another is added to the process to ensure appropriate segregation of duties.		*Once senior manager (CSM) resourcing is reinstated, matters of this nature will be addressed.*	implement improved segregation of duties. When implementing the new electronic purchase order system, we allocated access to staff with segregation of duties being one of the considerations. For example, the staff member involved in creditors does not have the ability to raise purchase orders.
Contract Management Overall our review found that the majority of expectations of contract management processes were met. We noted however that there was a lack of a District Council specific contract management policy and guidance available to contract managers. When management are next reviewing the suite of policies, if policy or guidance on contract management was considered useful, the MBIE website has resources at https://www.procurement.govt.nz/procurement/guideto-procurement/manage-the-contract/ that could be used as a basis.	**Beneficial**	**In progress.** We will review progress against this during our 2021 audit.	**In progress.** We are currently completing a review of our procurement practices and policy, which includes contract management. We are also implementing the contract management module in Magiq, which will allow better recording, and management of our contracts.

Audit NZ Recommendation	Audit NZ rating	Status (as at final audit 2020)	Management comment on status as at 31 July 2021
Expenditure approval Consider an alternate approver for the Mayor's expenditure.	**Beneficial**	Raised during 2020 audit	**Cleared.** As agreed at the May ARC meeting, the Deputy Chair of the ARC signs off the Mayor's expenditure. We expect this issue to be cleared when Audit NZ next review this type of expenditure.
Sensitive expenditure policies When the District Council next updates the sensitive expenditure policies, the areas we have identified against the OAG good practice guidelines are considered for inclusion.	**Beneficial**	**In progress.** We will review progress against this during our 2021 audit.	**Cleared.** The Sensitive Expenditure policy was last reviewed in March 2021. The policy was reviewed against OAG good practice guidelines. The policy covers areas relevant to CDC.
Review of invoices created Undertake a post-creation review to ensure all invoices issued by the District Council are correct.	**Beneficial**	**Outstanding.** Processes have not changed since the previous financial year. **Management comment** *Once senior manager (CSM) resourcing is reinstated, matters of this nature will be addressed.*	**Not started.** We are currently considering this recommendation, and how best to address it, with consideration of areas of risk, and resources available to complete such a review.

Audit NZ priority ratings:

Priority	Explanation
Urgent	Needs to be addressed *urgently* 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, *generally within six months* 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, *generally within six to 12 months* 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 these, provided the benefits outweigh the costs.

6.6   RISK REGISTER UPDATE

1.   PURPOSE

To advise the Audit and Risk Committee on changes to the Carterton District Council Risk Register.

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   RISK MANAGEMENT FRAMEWORK

On the 23 November 2017 the Audit and Risk Committee was presented with the Council's Risk Management Framework. The risk management framework outlines Council's risk appetite and informs the ranking for the risk register.

4.   RISK REGISTER

Since its development the Carterton District Council risk register has been regularly reviewed and updated when necessary **(Attachment 1)**. The register (Doc ID 39844) was last updated on the 10th August 2021.

The Register contains 30 identified risk items each with a risk colour associated with a risk score as per the approved Risk Management Framework. The number of unmitigated items is recorded in the first column where the second identifies risk scores once mitigated.

5.   DATA MANAGEMENT RISK

The expansion of the Data Management Risk within the risk register introduces additional Information Technology (IT) risks due to the changing landscape that IT finds itself today. Previously, the main concern for IT was focused on the possibility of natural disasters (e.g. fire, flood, property destruction), or the possibility that someone may gain access to the data stored on the network.

The connected nature of IT work means that the landscape has changed to include threats to the overall running of the council services from issues such as Ransomware, (Distributed) Denial of Service, IT resource theft and other methods that have been used on computer networks around the world.

In addition, with the increased level of inter connection between services, the risk of disruption to council services from incidents and activities outside the control of the Council is increasing.

The following items specific to the Data Management Risk have been included on the risk register for Item 4

- Cyber Attack on the Council's ICT Environment
- Loss of External Network Connectivity for the Council's ICT Environment
- Loss of Internal Network Connectivity for the Council's ICT Environment
- Council Data loss (This is an extension of the Data Management System Loss)

Mitigation work for these identified threats is underway including the following:

- Multiple External Network Suppliers
- Patch Management and Deployment
- Staff awareness and training
- Delegation of Authority where possible
- Establishment of working IT security relationships across local governments
- Hardware and Connectivity redundancy where possible

6.   RISK REGISTER CHANGES

Additional changes identified from the previous presentation of the risk register are:

Item 1: Reputational damage – added to the potential cause of 'Inappropriate behaviour of staff' is "or elected members".

Total number and categorisation of risks are as below.

Risk Score (unmitigated)	Risk Score (mitigated)	Level of Risk
11	Zero	**Extreme risk**
14	1	**Significant risk**
5	14	**Moderate risk**
Zero	16	**Low risk**

7.   EMERGING RISKS

Legislative change – Taumata Arowai

Further to the report 3 March 2021 submissions on the Water Services Bill closed on 2nd March 2021 with the report due back from select committee on 8th June 2021.

Legislative change – Resource Management Act

Further to the report 3 March 2021 an exposure draft which includes the most important sections of the Bill such as the overall purpose of the Bill and what it aims to achieve, the Treaty clause, the National Planning Framework and region-wide plans will be considered by a select committee inquiry in the second half of 2021.

Local Government Review

On 23 April 2021 the Minister of Local Government established a review into the future for Local Government. The review is to consider, report and make recommendations on this matter to the Minister.

The scope of the review encompasses what local government does, how it does it, and how it pays for it. The scope includes, but not be limited to, a future looking view of the following:

- roles, functions and partnerships
- representation and governance
- funding and financing.

An interim report presented to the Minister signalling the probable direction of the review and key next steps is due 30 September 2021. Draft report and recommendations to be issued for public consultation are due in October 2022 and final report May 2023.

Three Waters Review

The Government has decided to pursue an integrated and extensive package of reform to the current system for delivering three waters services and infrastructure. The package comprises the following core components:

- establish four statutory, publicly owned water services entities
- enable the water services entities to own and operate three waters infrastructure on behalf of local authorities, including transferring ownership of three waters assets.
- establish independent, competency-based boards to govern each water services entity.
- introduce mechanisms that protect and promote the rights and interests of iwi/Māori in the new three waters service delivery system.
- introduce a series of safeguards against future privatisation of the water services entities.
- set a clear national policy direction for the three waters sector, including expectations relating to the contribution by water services entities to any new spatial / resource management planning processes.
- establish an economic regulation regime, to ensure efficient service delivery and to drive the achievement of efficiency gains, and consumer protection mechanisms.
- develop an industry transformation strategy to support and enable the wider three waters industry to gear up for the new water services delivery system

The proposed reforms have a potential for massive change to the local government sector and bring into question the viability of some smaller Council's within New Zealand.

8. CONSIDERATIONS

8.1 Climate change

None for the Risk Register.

8.2 Tāngata whenua

None for the Risk Register.

8.3 Financial impact

There are no budgetary implications for the Risk Register.

8.4 Community Engagement requirements

None for the Risk Register.

8.5 Risks

None for this report.

9. RECOMMENDATION

That the Council/Committee:

1. **Receives** the report

2. **Notes** the changes to the Risk Register in Attachment 1.

File Number: **135375**

Author: **Dave Gittings, Infrastructure, Planning and Regulatory Manager**

Attachments: **1.** **CDC Risk Register** ⇩

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
1) Reputational damage	- Poor communication - Poor performance - Misinformed public - Poor media relationship - Conflicts of interest or perception of conflicts not managed - Inappropriate behaviour of staff or elected members - Sector damage	- Code of Conduct and/or appropriate policies - Leadership by example - Media training - Appointment of media liaison advisor		
2) Lapses of health and safety	- Contractors carrying out work on Council's behalf without correct health and safety plans - Event Centre venue hirers without health and safety plans - Staff working alone in remote working areas - Staff interacting with troubled or difficult people who may react badly - Equipment misuse/failure - COVID 19 outbreak through Council Staff or from a Council run venue - Staff mental wellbeing adversely affected by stress and fatigue	- Health and Safety requirements instigated across Council - Create evacuation guide to be given to hirers and placed in main areas of high visibility - Adequate training for staff in high risk areas - Equipment is maintained and regularly serviced - Personal camera for animal control - Policy not to work alone where possible danger exists - Use of Garmin In Reach devices for remote workers - All council vehicles have GPS tracking - Pandemic response plan - Wellbeing initiatives implemented - Monitoring of staff workloads including cover for extraordinary circumstances and staff vacancies		

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
3) Poor natural disaster response (Lack of preparation)	• Council overwhelmed in a major incident • Inappropriate decisions being made • Lack of compliance with policies and processes • Lack of capability, knowledge and ability • Lack of well-defined or practiced processes • Lack of community resilience	• Emergency Management planning and practices • Regular adequate training • Policies and procedures in place and followed • Good relationship with WREMO and other Councils • Ensure staff are aware of what is required and what their role is • Asset Infrastructure resilience (e.g. purchasing of pipe work, joints and introduction of practices that have shown to be more resilient in the Christchurch earthquakes) • On-going relationship with 'Resilient Carterton' • Public information and education • Focus on potential earthquake prone buildings within the district		
4) Data management system loss	• Sole source of information coming from data management system • Information not captured • Information and data not restored after loss • Cyber Attack on the Council's ICT Environment • Loss of External Network Connectivity for the Council's ICT Environment • Loss of Internal Network Connectivity for the Council's ICT Environment	• Firewalls, passwords, and other security measures • Back up processes • Disaster recovery processes in place and working • Use of MagiQ Documents • Use of authorised systems only • Multiple External Network Suppliers • Patch Management and Deployment • Staff awareness and training • Delegation of Authority where possible • Establishment of working IT security relationships across local governments	🟥	🟨

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
	• Council Data loss (This is an extension of the Data Management System Loss)	• Hardware and Connectivity redundancy where possible		
5) Loss of key employees	• Small Council with limited human resources resulting in a single staff member in key Council areas • Serious accident • Prolonged illness (non-accident) • Retirement • Disaffected staff resigning • Pandemic affecting staff or their families or pandemic response preventing staff from being at work • Water Services Bill - as per its first reading placing personal strict liability on Council officers	• Cross training for some work items with the wider team. • Contract availability from outside agencies • Operations manuals/Desk Files • Job Descriptions • Document extraordinary tasks • Duplicate training across staff • Succession plans where appropriate • Availability of Contractors and/or Consultants • Investment in our people • Regular communication with staff • Engaged staff • Keeping jobs interesting • Upskilling • Pandemic Policy • Business Continuity Plan • Continuing evaluation of water services being handed to a regional body	🟥	🟧
Human Resources				
6) Industrial action	• Unhealthy organisational culture • Autocratic management style • Workplace practices • Poor employment practices • Lack of communication • Legal action against Council	• Education and awareness of rights • Managing conflict and resolving disputes in the workplace • Effective communication with staff • Bargaining parties effectively represented • Organisational commitment to effective/peaceful bargaining • Demonstrating respect	🟨	🟩

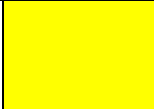| COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
		• Good communication with staff		
7) Unethical/inappropriate behaviour	• Inappropriate computer use • Time misuse • Harassment and/or bullying of staff • Lack of policies or policies not enforced • Poor work place culture • Lack of effective procedures and systems • Theft and fraud and other illegal acts	• Create Code of Conduct and/or appropriate policies • Lead by example • Reinforce consequences • Show appreciate to employees • Create checks and balances • Hire for values	🟧	🟩
8) Unfair treatment of council staff	• No framework in place to support pay, leave, overtime activities and transactions and benefits and/or bonuses • No formalised hiring processes in place • Unequal compensation and benefits	• Training • Policies and procedures in place and followed • Checks and balances in place • Documented delegated authorities/signing authority • Multiple signatures required • Collective agreements in place • Council Drive for a positive culture	🟧	🟩
9) Hiring of unsuitable/ unsafe personnel	• Discriminatory practices • Poor interviewing practices • Negligent reference checks • Hiring staff who lack capability and or knowledge	• Staff training in interviewing or accompanied by experienced interviewer • Employment Agreements comply with all employment law • Induction process in place and used	🟧	🟩

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
		• Employees required to sign off on important policies and procedures • Set paperwork as required by law completed • Dedicated HR manager position • Hiring procedure in place • Collective Employment Agreements • Proactive culture that allows people to speak up		
10) Breach of employment legislation	• Lack of knowledge/ awareness of employment law • Applicable law not complied with • Required records not kept	• Managers assisted by human resource understand basic employment law • Managers briefed by HR staff when laws changes are made • Employment Agreements drafted that comply with all terms and conditions of employment required by law • Management non-compliance not tolerated • Managers are aware of the records that need to be kept • Managers and human resources monitor all staff to ensure working conditions are appropriate and are not exploitative.	🟧	🟩
Operations				
11) Water supply contamination		• Sand filtration	🟥	🟨

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
	Multiple potential points of contamination: • Failure of chlorine dosing and pH adjustment • Failure of UV disinfection • Contamination of treated water storage • Contamination of ground water bores • Frederick Street reticulation pressure pump contamination • Failure of any of the distribution system connections allowing contaminant ingress • Untrained/unsupervised or poorly trained staff • Lack of monitoring • Response delays	• Bag filtration • UV disinfection (x2) • pH adjustment • Chlorination • Daily monitoring • Weekly cleaning of filters • Drinking-water supply - Water Safety Plan • Supplementary supply • Ability to isolate sections of supply (contain contaminants) • External auditing		
12) Failure of asset/infrastructure (three waters)	• Lack of investment in maintenance and renewal of assets • Lack of knowledge of asset state • Natural disaster (flood / earthquake) causing equipment breakage • Significant loss of IT or stored data not triggering warning alert • Loss of Power PLC / Telemetry	• Renewal programmes • Staff knowledge of asset condition • Reporting of faulty plant/equipment • Updated and adhered to asset management plans • Increased monitoring • Back-up water supply • Back-up generators • Use of more resilient materials and procedures in replacement and new pipework • Council investment in wastewater plant upgrade	█	█

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
		• Back-up computer server • Back-up of telemetry data • Regular updating of telemetry & PLCs • Staff capable and trained to carry out repairs • Supplementary supply stocked up with chemical for a prolonged event. • Material in stock to carry out any foreseeable repairs		
13) Wastewater plant failure	• Lack of trained staff leading to asset break or environmental damage • pipe failure leading to environmental contamination	• Staff knowledge of asset condition • Reporting of faulty plant/equipment	🟧	🟨
14) Poor building/asset security	• Theft or damage to assets • Theft or damage to critical machinery	• CCTV • Alarms fitted to vital buildings	🟧	🟩
15) Non-compliance with GWRC consents	• Significant loss of IT or stored data or data telemetry • Lack of trained personal • Lack of systematic monitoring	• Regular monitoring as per consent requirements • Back up staff trained in sampling techniques • Back-up computer server • Back-up of telemetry data	🟧	🟩
16) Poorly run roading contracts and contracting process	• In document contractual errors • No oversight on contractual work • Poor contractual service (delays / poor work) • Cost overruns • No or poor asset condition monitoring	• Employment of CDC roading manager for project oversight • Asset engineer /roading manager/ops manager closer working relationship • Best practice contractual arrangements	🟧	🟨

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
	• Roads and footpaths not fit for purpose leading to accident/injury			
17) Wastewater treatment plant upgrade cost overrun or non-performance	• Lack of a detailed project plan • Incorrect design • Lack of Governance and project management oversight • Project specific risks not identified and addressed	• Project has Governance Group, project management, design detail, and risk register.	🟥	🟨
Reserves and Buildings				
18) Unsafe Council buildings or grounds in use	• Failure of specified systems (air conditioning system, fire detection, fire suppression etc.) • Disturbance of asbestos in or on the building without appropriate safety procedures • Failure of fire evacuation procedures • Earthquake prone buildings in use • Uncontrolled building access	• Building warrant of Fitness closely monitored • All suspected asbestos material identified and tested • Regular fire evacuation procedures practised for events centre and administration building • Any EQP buildings operated under Legislative requirements • CCTV in place and used • Register of all access keys and fobs in development	🟧	🟩
19) Injuries/death at the swimming pool	• Uneven /wet surfaces causing slips and falls • Oversubscribed admission to the pool overtaxing life guards • Incorrect dosing of chlorine pool water (poor water quality) • Untrained or undertrained lifeguards	• Safety matting provided • Manhole covers flush with surrounding paths • Chemical handling certificates and training in pool dosing for all staff undertaking the work • Contracted trained lifeguards	🟥	🟨
20) Injuries at council parks		• Play equipment checked 6-monthly	🟥	🟨

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
	• Children play equipment becoming or installed as unsafe • Incompatible activities on existing equipment • Incorrect mower or power tool use around public	• Clear signage of intended use • Training and supervision of inexperienced staff		
21) Incorrect or delayed cemetery interments	• Interments in the wrong site • Interment site unprepared on time • staff and public falling into prepared graves • Heavy machinery use in public area	• Burial warrants sent to four different staff to ensure action • Training and supervision of inexperienced staff	 	
22) Improper chemical use	• Incorrect storage or use of chemical sprays	• GroSafe handling certificate for staff	 	
Planning and Regulatory				
23) Statutory non-compliance	• IT system providing false time keeping information • Unable to complete all required statutory tasks • Lack of resources to follow regulations • Procedures inadequate or not followed	• Close monitoring of time frames with contractual arrangements in place for overflow • Regular in-house audits	 	
24) Non-compliance of CDC animal facility	• Animal facility below MPI minimum code of welfare standards	• Funding for new pound in Annual plan 2019/20 for approval	 	
25) Poor regulatory decision making	• Inexperienced staff • Lack of care and diligence	• New staff closely supervised by competent staff • Annual competency assessments of BCOs • Peer review of technical decisions for each BCO	 	

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
26) Operational below standard food establishment	• Lack of regular inspections by Environmental Health Officer (EHO) • No competent EHO available in Council	• Qualified EHO employed	🟨	🟩
27) Disease spread by poor animal management practices	• Placement of wandering diseased stock into areas that were disease free	• Stock not moved into private property without owners approval or directed by Police	🟧	🟩
Corporate services				
28) Inadequate financial controls	• Not following legislative or policy financial systems and processes	• Separate passwords required for each approval stage • Segregation of duties • Source documentation retained • Delegations policy • Procurement policy • Audit trails • Budget holder review processes • Dunning processes • All receipts through Debtors • Receipts given to all customers • Subsidiary systems reconciled • POs pre-numbered, sequential, and signed for • System controls • Invoices require manager approval	🟥	🟨

COUNCIL RISK	POSSIBLE CAUSE	MITIGATION	Raw RS	Mitigated RS
		• Mileage claims through payroll • Only 2 credit cards (CE, CSM) • Approval required before use • Clear policy and guidelines • Small number on payroll – everyone known to staff • All changes reviewed and checked • Manager approves timesheets • Electronic timesheet approves annual leave in advance • Overtime authorised in advance		
29) Unable to obtain loan funding	• Loss of bank confidence	• strong financial management • relationship with account manager • funding through LGFA	🟨	🟩
30) Local Body elections	• Electoral fraud • Errors in election process	• Employ appropriate elected service supplier • Security measures around voting booths • Elected officer declaration	🟥	🟩

6.7   CHIEF EXECUTIVE KEY RESULT AREAS 2021/2022

1.   PURPOSE

For the Audit and Risk Committee to set the Chief Executive's 2021/2022 Key Result Areas.

2.   SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

3.   BACKGROUND

The Audit and Risk Committee sets and reviews the performance of the Chief Executive. This is done through the annual setting of Key Result Areas (KRAs), with measures associated with each area.

For the 2021/2022 period, the review will be undertaken for the new Chief Executive who commenced in the role on 9th August 2021.

4.   DISCUSSION

When setting KRAs and measures, the Committee should adopt measures that reflect the Council's priorities for the year and are based on the SMART principles, which means measures should be:

- specific
- measurable
- achievable
- results-focused
- time-bound.

It should be noted however that KRAs are measured qualitatively where possible, however some measures require a qualitative assessment and may be based on opinion and personal feedback.

A draft set of KRAs and measures are in **Attachment 1** for consideration by the Committee. They are an updated version of the previous Chief Executive's KRAs, and also include new KRAs to establish and develop foundational knowledge and understanding for the new Chief Executive.

There are also a number of new KRAs reflecting an emphasis on:

- the completion of current and new infrastructure projects, including those scheduled under the 2021-2031 Ten Year Plan

- the development and implementation of the Housing Action Plan

- progress on the Ruamāhanga Climate Change Strategy

5. PROCESS FOR CONFIRMING KEY RESULT AREAS AND MEASURES

In accordance with the Chief Executive's Employment Agreement, and as a matter of good practice, the Chief Executive has been given the opportunity to comment on the KRAs before they are finalised.

6. CONSIDERATIONS

6.1 Climate change

The KRAs include a climate change measure to ensure progress towards the delivery of the Ruamāhanga Climate Change Strategy.

6.2 Tāngata whenua

The KRAs include an emphasis on the development of healthy, well-functioning relationships with mana whenua.

6.3 Financial impact

There are no financial implications.

6.4 Community Engagement requirements

There are no community engagement requirements in this report to establish the review criteria however some of KRA measures will include community and stakeholder feedback.

6.5 Risks

There are no risks in the establishment of the KRAs.

7. RECOMMENDATION

That the Council/Committee:

1. **Receives** the report.

2. **Agrees** to the Chief Executive's Key Result Areas and Performance Measures for 2021/2022.

3. **Agrees** that an interim review of the Chief Executive's performance be undertaken in February 2022.

4. **Agrees** that a full review of the Chief Executive's performance be undertaken in October 2022.

File Number: 135388

Author: Geri Brooking, People and Wellbeing Manager

Attachments: 1.   **Draft Chief Executive Key Result Areas and Performance Measures 2021/2022** ⇩

DRAFT Chief Executive Key Result Areas 2021/2022

Key Result Area	Measures	Result
Support Effective Governance		
Consistent, regular reporting to Council.	Timely, logical and robust reporting on issues facing the District to enable well informed decision-making by Council.	
Prompt briefing to the Mayor of any operational and community issues that might impact on the reputation of Carterton. A 'no surprises' culture is nurtured between Council, staff and the community.	Risks and exceptions are reported to Audit and Risk as required, or full Council as appropriate, to enable well informed and timely risk mitigation decision making.	
Governance Review / Restructure.	A full review of Council structures including committees, delegations, membership, and Terms of Reference (process/options to implement recommendations) to ensure efficient, transparent and best practice decision making.	
Strategy, Planning and Reporting		
Smooth transition into Carterton District Council and review of operations.	Evaluate current operations and practices and present an Issues and Strategy paper to Council within 90 days.	
Progress the development of Council's Housing Strategy. Progress Council's Climate Change Strategy.	Strategy is adopted and progress made towards goals. Action plan outcomes are achieved.	
Ensure that the Council's finances are prudently managed and that agreed levels of service are delivered to the community in a cost-effective manner.	Not less than 85% measures of key performance (listed in Appendix 1) as reported in the Annual Report are achieved.	

Key Result Area	Measures	Result
All reports requiring a significant decision of Council have options including assessment of costs and risks.	No breaches.	
Good quality financial reporting to the Council, and Audit and Risk Committees.	Financial reports to the Council, and Audit andRisk Committees are accurate and robust, including forecasting.	
Proposed changes to Local Government functions and responsibilities and Central Government Reforms (Three Waters & RMA); Elected Members are kept informed of proposed changes the impact to community, and flow-on effects for Council.	Understand where Council sits in the current Wairarapa and Regional Local Government environment. Elected Members are satisfied with the levels of information provided.	
Council adopts the Annual Report within the statutory timeframes.	The Annual report 2020/21 is adopted by Council without audit qualification within statutory timeframes.	
Council adopts the Annual Plan with the statutory timeframes.	The Annual Plan 2022/23 is adopted no later than 30 June 2022.	
Team Management and Leadership		
Provide inspirational, supportive and empathetic leadership to Council employees. Focus on building and maintaining a skilled, respected and high functioning/achieving team. Staff feel supported and well-informed during uncertainty, and transition	Survey and report feedback. Effective succession planning for key positions is in place.	

Ensure a safe and healthy workplace.	Council's health and safety is effectively monitored and enforced. No personal grievances successfully brought against Council	

Key Result Area	Measures	Result
Relationship Management and Communication		
Healthy relationships are in place with neighbouring councils, mana whenua, community groups, and other key stakeholders (locally and regionally).	Well-functioning relationships with key stakeholders. Survey and report feedback.	
Community engagement is undertaken as required by Council'sSignificance and Engagement policy.	No breaches with policy.	
Regular proactive communication and education with the community about Council operations, capital projects and rates.	Communication and engagement is delivered on a regular and timely basis through relevant Council channels and platforms.	
Operational Management		
Ten Year Plan Infrastructure Projects	Projects in year one of the 2021-31 Ten Year Plan proceed in a timely manner with good project and risk management, proactive communications with Elected Members and the community.	
Major Infrastructure Projects	Council's existing projects are effectively managed including WWTP upgrade, wastewater aeration ponds, water supply.	
Annual Plan operational budgets are met.	Results of the actual operational control benchmark (as defined by the LG (Financial Reporting & Prudence) Regulations 2014) isplus or minus 10%.	

Chief Executive Key Performance Measures for 2021/2022

Regulatory and planning			Result
Timely processing of applications	1. LIMs processed within 10 working days	100%	
	2. Non-notified and notified resource consents processed within statutory timeframes	100%	
	3. PIMs and building consents processed within statutory timeframes	100%	
Roads and footpaths			
Up-to date, 'fit for purpose' network and facilities	4. Compliance with maintenance contract response times	90%	
	5. Average quality of ride on the sealed local road network	≥90%	
	6. Percentage of the sealed local road network that is resurfaced	≥5%	
Sewerage and the treatment and disposal of sewage			
Management of environmental impacts	7. Number of abatement notices	≤1	
	8. Number of infringement notices	0	
	9. Number of enforcement orders	0	

Storm water drainage			
Management of environmental impacts	10. Number of abatement notices	0	
	11. Number of infringement notices	0	
	12. Number of enforcement orders	0	
Waste management			
Adverse effects of wasteon the environment are minimised	13. Compliance with resource consent conditions including compliance monitoring	100%	
	14. Goals in Waste Management and Minimisation Plan 2017-2023 are progressing		
Water supply			
Safety of drinking water	15. Compliance with part 4 of OW Standards (bacteriological requirements)	Full Compliance Full Compliance	
	16. Compliance with part 5 of OW Standards (protozoal requirements)		
Maintenance of the reticulation network	17. Real water loss from networked reticulation system	≤45%	

7 KARAKIA WHAKAMUTUNGA