



**I, Steven May, Tumu Whakarae Chief Executive Officer, hereby give notice that
Finance, Audit & Risk Committee Meeting will be held on:**

Date: Tuesday, 3 March 2020
Time: 1.30pm
**Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa**

AGENDA

Finance, Audit & Risk Committee Meeting

3 March 2020

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 17 September 2019

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 17 SEPTEMBER 2019 AT 1.33PM**

PRESENT: His Worship the Mayor Craig Little (Mayor), Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Jeremy Harker

IN ATTENDANCE: S May (Tumu Whakarae Chief Executive Officer), G Borg (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), (Kaiurungi Mana Arahi – Governance Officer), (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), K Stevenson (Kaiurungi Kore Whakawhara/Zero Harm Officer), G Waikawa (Kaiurungi Mana Arahi – Governance Officer)

1 KARAKIA

Given by G Borg

Cr Denise Eaglesome-Karekare left the meeting at 1.34pm.

2 APOLOGY FOR ABSENCE

APOLOGY

COMMITTEE RESOLUTION 2019/70

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

That the apology received from Mr Philip Jones be accepted and leave of absence granted.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

None

4 CHAIRPERSON'S ANNOUNCEMENTS

The Chairperson announced the Health & Safety Report will be moved from 8.4 to 8.1.

The Chairperson acknowledged Wairoa District Council for receiving the most improved customer service award across all NZ Councils through the Association of Local Government Information Management (ALGIM) awards and to pass on from the members of the FAR Committee.

5 LATE ITEMS OF URGENT BUSINESS

None

6 PUBLIC PARTICIPATION

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

7 MINUTES OF THE PREVIOUS MEETING**COMMITTEE RESOLUTION 2019/71**

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

That the minutes and confidential minutes of the Ordinary Meeting held on 6 August 2019 be confirmed.

CARRIED

8 GENERAL ITEMS**8.1 HEALTH & SAFETY REPORT**

The Kaiurungi Kore Whakawhara/Zero Harm Officer presented his report and reported on seven minor incident, five of the incidents being of abuse and threatening behaviour, Gaiety Theatre, staff training, Health and Safety Committee, Safety Audits Summary August/September 2019.

Various questions were asked from the Committee.

COMMITTEE RESOLUTION 2019/75

Moved: His Worship the Mayor Craig Little

Seconded: Cr Jeremy Harker

That the Committee receive the report.

CARRIED

Cr Denise Eagleseome-Karekare returned to the meeting at 1.45pm.

8.2 FAR ANNUAL WORK PLAN**FARC ANNUAL WORK PLAN**

#	Date Entered	Action to be taken	Responsible	To be completed by	Closed/Open
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1.	2 April 2019	Top five H&S risks to staff and what is being done to minimise them. - To be included in Zero Harm Officer's report	Kevin Stevenson	14 May 2019	Closed
2.	2 April 2019	3 rd quarter financial results - March financials to Council on 11 June 2019 - April financials to FAR committee on 25 June 2019	Gary Borg Gary Borg	11 June 2019 25 June 2019	Closed Closed
3.	2 April 2019	Adopt FAR work plan/TOR as per 26 Feb 2019 FAR Committee minutes - standing agenda item for work plan	Steven May	 16 July 2019	Ongoing Open
4.	2 April 2019	Detailed work plan on how Non-conformances from EY audit report will be addressed - establish an outstanding report to management register with a regular update.	Steven May/Gary Borg	Closed 16 July 2019	Ongoing Open
5.	14 May 2019	Interim Summary from EY on Annual Report process and FY18/19 close off. Liaise with Stuart Mutch to request summary. - update of where processes for reporting of reserves both quarterly and annual report	Gary Borg/Stuart Mutch	16 July 2019 6 Aug 2019	Ongoing Closed
6.	14 May 2019	Full draft Annual report NLT 10 Sept 2019 to be reviewed by FAR before submitting to Auditors	Gary Borg/Steven May	17 Sept 2019 – adjust to 30 Sept 2019	Open
7.	14 May 2019	Contract Management Review	Stephen Heath	17 Sept 2019	Open
8.	14 May 2019	Draft Financial Statements including summary reserves	Gary Borg	17 Sept 2019 adjust to 30 Sept 2019	Open

9.	2 July 2019	Interim report on risk against Council risk policy	CEO	17 Sept 2019	Open
10.	2 July 2019	Update on Long Term Plan 2021-2031 (Project Review)	Kimberley Tuapawa	17 Sept 2019	Open
11	6 Aug 2019	Reconciliation of reserves	Gary Borg	10 Dec 2019	Open

COMMITTEE RESOLUTION 2019/72

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the Committee receive the report.

CARRIED

8.3 DETAILED PROJECT PLAN FOR THE DEVELOPMENT OF THE LONG TERM PLAN 2021-2031

The Pouwhakarae-Parongo/Wheako Kiritaki Group Manager Information and Customer Experience reported on Basic Project Plan and the Detailed Project Plan.

COMMITTEE RESOLUTION 2019/73

Moved: Cr Jeremy Harker

Seconded: His Worship the Mayor Craig Little

That the Committee receive the report.

CARRIED

8.4 UPDATE ON PREPARATION OF THE ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2019.

The Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support informed the Committee on the progress against the annual report timetable 2018-2019 and is on track for adoption by 31 October 2019.

COMMITTEE RESOLUTION 2019/74

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the Committee receive the report.

CARRIED

9 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2019/76

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the public be excluded from the following parts of the proceedings of this meeting at 2.39pm.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Contract Management Review	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
9.2 - Risk Policy Report	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RESOLUTION 2019/77

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That Council moves out of Closed Committee into Open Committee.

CARRIED

Closing karakia was given by G Borg

The Meeting closed at 2.52pm.

.....
CHAIRPERSON

.....
CHIEF EXECUTIVE OFFICER

8 GENERAL ITEMS

8.1 HEALTH & SAFETY

Author: Kevin Stevenson, Kaiurungi Kore Whakawhara Zero Harm Officer

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Eco-portal [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on Council's health and safety (H&S) matters. No decisions are required by Committee at this stage.

RECOMMENDATION

The Kaiurungi Kore Whakawhara Zero Harm Officer RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 Regular reporting of health and safety compliance ensures that Wairoa District Council recognises its moral and legal responsibility to provide a safe and healthy work environment for its workers (employees, contractors and volunteers). This commitment extends to ensuring its operations do not place the local community at risk of injury, illness or property damage.
- 2.2 Consideration of this matter contributes to Council's vision of 'Connected Communities; Desirable Lifestyles; Treasured Environments', it also contributes to the following community outcomes:
- A safe and secure community.
 - A lifetime of good health and well-being.
 - A safe and integrated transport system.
 - Strong district leadership and a sense of belonging.
 - Safe and accessible recreational facilities.

3. CURRENT SITUATION

- 3.1 **Hazard Identification/Register/Accident or Near Miss Reports:** Twenty seven incidents have been reported for the period since the Committee's last update in September five near miss incidents Eleven involving Threatening Behaviour, One Property Damage The other Ten incidents involved minor injury's an ongoing ACC claim that is still active The Library has slowed down with only minor incidents occurring It would appear that it is only a small group of individuals causing the problems and they have been trespassed. The other reported Threatening Behaviour incidents were from the Animal Control Team this is a regular occurrence at this time of year due to registration of dogs and the cost. The other was property damage involving the Library rear door.

Gaiety Theatre: The Gaiety Theatre evacuation plan has been tested and found to be satisfactory. Some work is still to be done including padding of the screen corners and some lighting changes. The other work needed to be done is to make more room to move in the shop area.

3.2 Staff Training

Test and tag machine has been purchased by the Council and will save a considerable amount of money over the next three years. The training of two staff has been completed to carry out the testing.

3.3 Health and Safety Committee.

The Committee meet on 20th February and discuss the events of the last month including Councils preparedness for the Coronavirus. Yearly health checks for staff that are required due to their occupational position and ergonomic checks for new and existing staff will be carried out in April.

The local chemist has been approached again this year to provide the Flu vaccination for our staff as there is likely to be a larger uptake this year due to the current situation with Coronavirus.

The committee discussed the change in direction for determining risk assessments for each department and the involvement of the group to recommend the actions to identify, minimise and eliminate any perceived hazard in their work area. This will be done at team meetings on a monthly basis

The meeting also discussed the ongoing trend of threatening Behaviour and verbal abuse towards the Councils staff as this still appears to be the greatest risk to our staff. A meeting with the CE will be requested for his recommendations going forward.

The only other trend showing up is the speed of Council vehicles and the state of cleanliness they are left in. A letter will be sent to all drivers that are allocated a vehicle for work that this must change. A watch of Smartrak will result in letters being sent to the driver and a reminder that continual speeding could result in disciplinary action being taken.

3.4

Safety Audits Summary

Six safety inspections were completed for this period. No major issues were identified. The demolition of the old supermarket and the removal of the asbestos and waste material has been monitored to keep the public and car park safe from accidents during this part of the rebuilding operation. The contractor carrying out this operation is very professional and co-operates well with Council when recommendations are made.

The Committee is asked to consider the content of this report and advice of any practice or process changes.

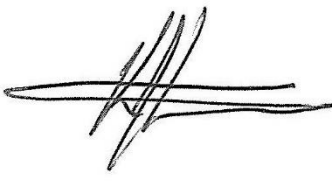

Further Information

<http://www.worksafe.govt.nz/worksafe/>

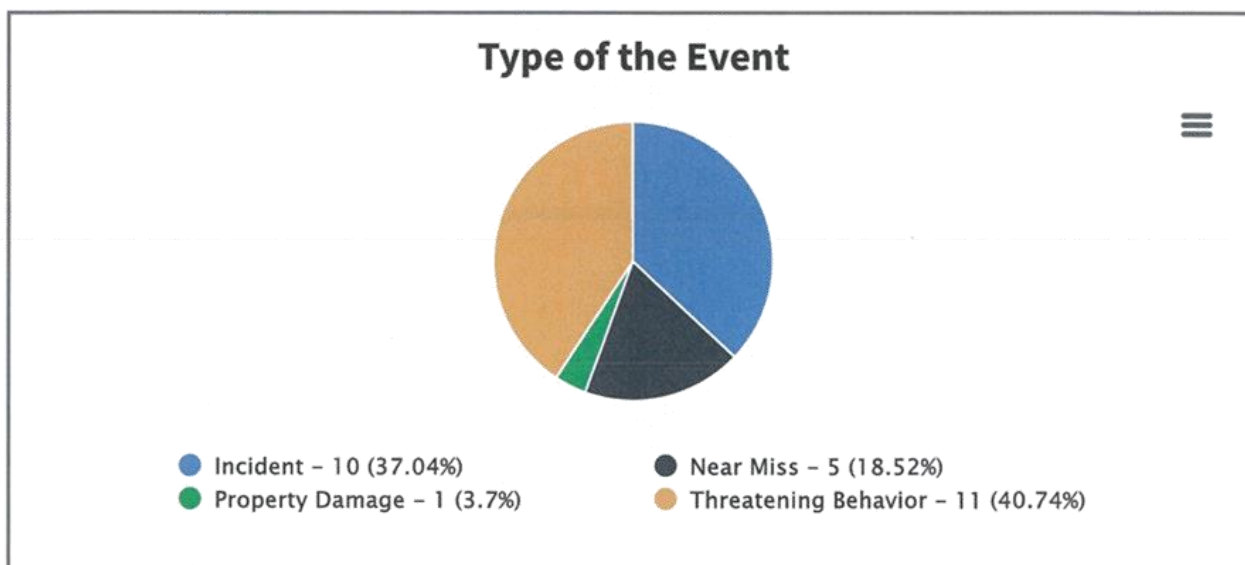
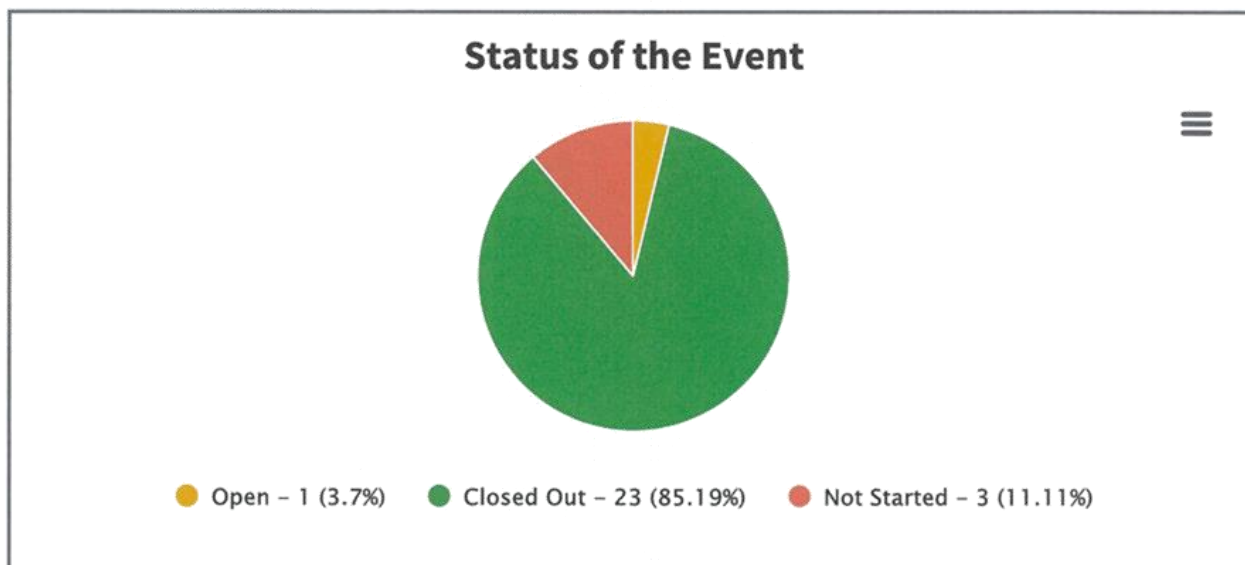
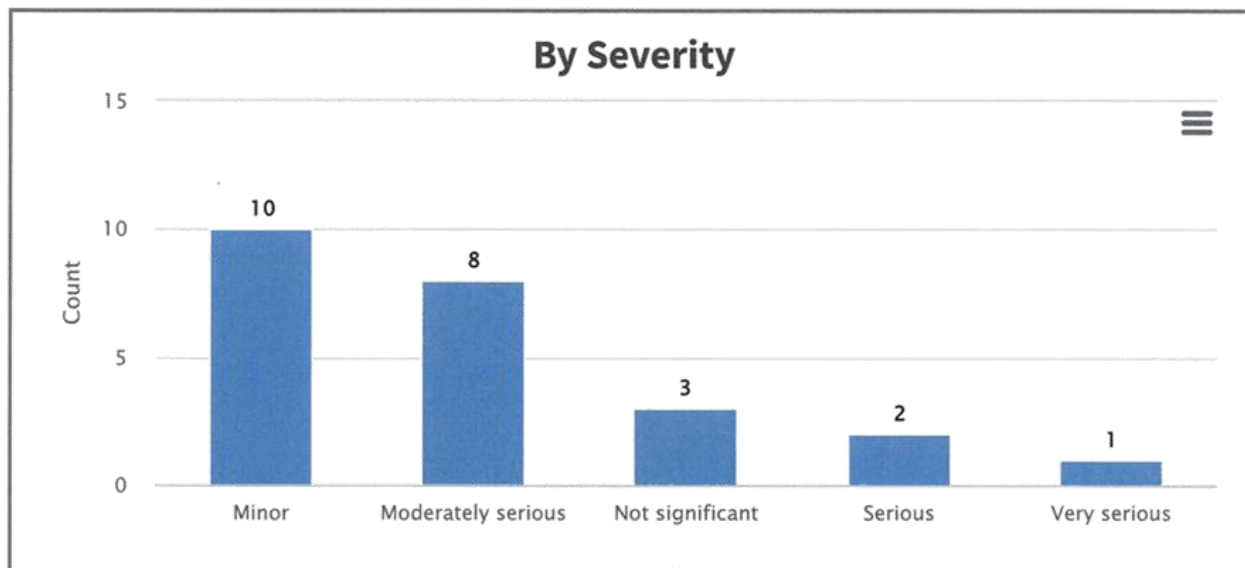
<https://www.sitesafe.org.nz/>

<http://www.guardianangelsecurity.co.nz/>

Signatories

	
Author Kevin Stevenson	Approved by Steven May

Events : Wairoa District Council



2/24/2020

Events | ecoPortal

Latest Entries and Updates

EVN-00026

EVN-00027

EVN-00022

EVN-00025

EVN-00023

EVN-00024

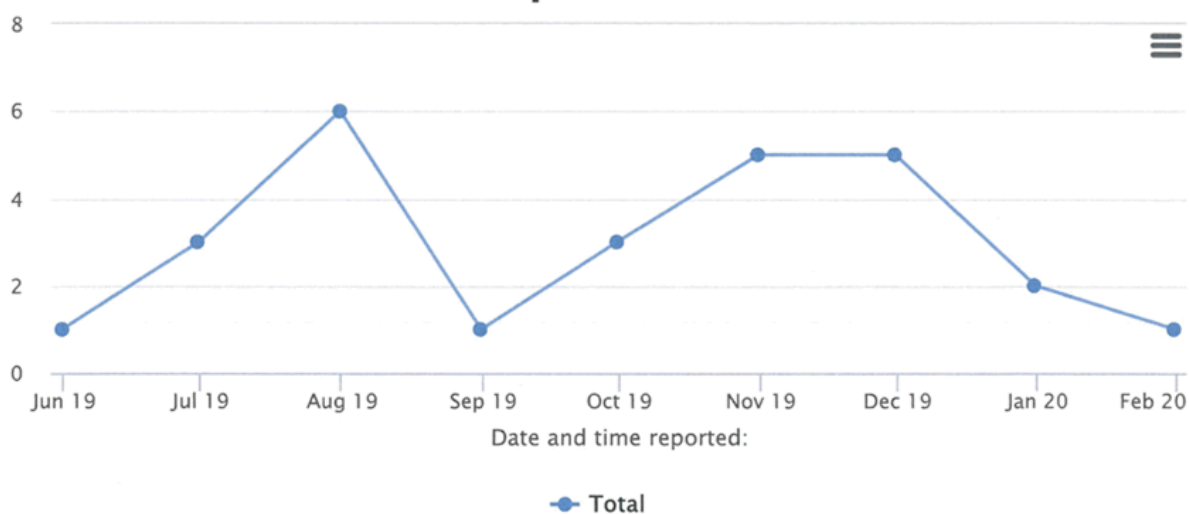
EVN-00020

EVN-00021

EVN-00019

EVN-00018

Events Reported Over Time



8.2 FINANCIAL PERFORMANCE TO 31 JANUARY 2020

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager Finance and Corporate Support

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Financial Report - January 2020 [↓](#)

1. PURPOSE

- 1.1 This summary report provides information on Council's performance for the 7 months ended 31 January 2020. No decisions are required by Committee at this stage.
- 1.2 This is an information report-only report because it provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2019-20 and Long-term Plan 2018-28.

RECOMMENDATION

The Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager Finance and Corporate Support RECOMMENDS that Committee receive the report.



2. BACKGROUND

- 2.1 Council's minimum statutory obligations regarding reporting, public accountability and financial management are contained in Part 6 of the Local Government Act 2002. Monitoring financial performance on Council's behalf is included in the Committee's Terms of Reference.
- 2.2 Beyond this, regular performance reporting is good practice, keeping Council and the community informed of its financial performance and position.
- 2.3 In addition, reporting during the year provides an indication of full year outcomes and informs the decision-making process for each subsequent Annual Plan and Long-term Plan.
- 2.4 The financial performance report, attached as **Appendix 1**, sets out the financial results against estimated phased budgets for each Group of Activities and the whole of council.

References (to or from other Committees)

Council - 11 January 2020 – Half Year Performance 2019-20

Signatories

	
Author Gary Borg	Approved by Steven May

MONTHLY REPORT

TO 31 JANUARY 2020



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WAIROA DISTRICT

FINANCIAL COMMENTARY

At the end of January 2020, Wairoa District Council had a Net Surplus on Operations of \$4,233K against a year to date (YTD) budget of \$4,936K.

Much of this relates to capital expenditure on roads being lower than forecast in the phased budget, and thus a corresponding lower figure for subsidy revenue. This is a phasing issue and it is expected that actual results will catch up with budget.

A permanent difference exists as a result of wastewater costs for desludging of the oxidation ponds. The cost of this work was budgeted in previous years and carried forward as capital expenditure, however has been reported as an operating expenses at half year in line with financial reporting standards. It is expected that the desludging process will occur approximately every 10 years for removal of non-biological solids, such as silts and is budgeted for in the Long-term Plan. Finance and Community Assets and Services staff are working together to ensure the classification of projects are consistent in both budget and reporting, and that appropriate funding provisions are made where required for large but infrequent operating costs in the future.

Some unbudgeted increases in activity spend have been unavoidable, for example solid waste costs relating to government levies are higher due to an increase in the levies charged. Others relate to unpredictable phasing of activities throughout the period, such as maintenance on water treatment operations.

FINANCIAL STATEMENTS – WHOLE OF COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the 7 months ended 31 January 2020

	Actual 7 months to 31 Jan 2020 \$000	Annual Plan 7 months to 31 Jan 2020 \$000	Variance			Audited 12 months to 30 June 2019 \$000
			\$000	%		
Revenue						
Rates	9,777	9,774	3	0%		12,517
Subsidies and grants	8,573	9,832	(1,259)	-13%	A	14,070
Petrol tax	40	43	(3)	-7%		88
Fees and charges	1,436	1,474	(38)	-3%		2,811
Investment income	502	488	14	3%		609
Miscellaneous income	-	-				194
Total revenue	20,328	21,611				30,289
Expense						
Water supply	1,516	1,480	36	2%		2,535
Stormwater	327	316	11	3%		600
Wastewater	1,518	837	681	81%	B	1,903
Solid waste	1,001	989	12	1%		1,838
Transport	6,838	7,821	(983)	-13%	A	13,560
Community facilities	1,457	1,369	88	6%		2,462
Planning and regulatory	982	1,186	(204)	-17%	C	1,558
Leadership and governance	1,993	1,992	1	0%		3,372
Corporate expense	463	685	(222)	-32%	D	614
Total expense	16,095	16,675				28,442
Net surplus (deficit) on operations	4,233	4,936				1,847
Taxation	-	-				-
Net surplus (deficit) after taxation	4,233	4,936				1,847
Other comprehensive income						
Increase (decrease) in revaluation reserve	-	-				-
Increase (decrease) in AFS reserve	14	-				-
Total comprehensive revenue and expense	4,247	4,936				1,847

Variance explanations (31/1/20 actual compared to annual plan YTD)

- A** Subsidies and grants are \$1.3m less than budgeted. Expenditure on subsidised roading was lower than forecast in the phased budget but is expected to catch up during the 3rd quarter. This is partially offset by lower operating costs, with the difference being the result of lower than forecast capital expenditure.
- B** Wastewater costs are 81% (\$681k) higher than budget. This is primarily due to \$458k spent YTD on desludging of the oxidation ponds. The cost of this project is budgeted as a capital expenditure in the long term plan, however has been reported as an operating expenses in line with financial reporting standards. There is also higher than budgeted costs associated with Wairoa Wastewater treatment operations and maintenance - along with greater costs at Mahia and Opoutama operations. These are compliance costs that were not fully anticipated in the budget.
- C** The planning and regulatory budget in the annual plan includes \$170k for plan management (District Plan review and e-plan maintenance) of which the spend YTD is nil. These savings have been slightly offset by higher than budgeted consulting costs. District Plan review work has been side-lined YTD due to staff shortages and high consent workload. It is expected that the District Plan review will have commenced by year end, therefore increasing costs in line with budget. It is also anticipated that recent new staff appointments will reduce reliance on contractors and therefore the associated costs.
- D** The favourable variance relates to interest revenue on reserves that was not redistributed to respective activities. There are opposite and equal variances within these groups.

STATEMENT OF FINANCIAL POSITION

As at 31 January 2020

	Actual As at 31 Jan 2020 \$000	Annual Plan As at 31 Jan 2020 \$000	Audited As at 30 June 2019 \$000	Variance		
				\$000	%	
Current Assets						
Cash and cash equivalents	6,698	91	2,473	6,607	7260%	A
Inventories	31	58	55	(27)	-49%	
Trade and other receivables	5,928	6,724	5,908	(796)	-13%	A
Financial assets at fair value	-	-	509	-	0%	
Total current assets	12,657	6,873	8,945			
Current liabilities						
Trade and other payables	3,624	9,978	5,973	(6,354)	-106%	B
Advance funding - PGF	3,969	-	-	3,969	0%	C
Borrowings	-	-	1,500	-	0%	
Total current liabilities	7,593	9,978	7,473			
Working Capital	5,064	(3,105)	1,472			
Non current assets						
Property, plant and equipment	255,084	266,360	258,054	(4,018)	-1%	D
Work in progress	16,648	9,390	8,169			
Investment in subsidiary	1,250	1,250	1,250	-	0%	
Investment property	405	-	405	405	100%	
Biological asset - forestry	260	260	260	-	0%	
Available for sale financial assets	37	23	37	14	38%	
Intangible assets	41	241	69	(200)	-290%	
Financial assets held to maturity	144	-	56	144	257%	
Financial assets at fair value	5,947	9,255	5,408	(3,308)	-61%	
	279,816	286,779	273,708			
Non current liabilities						
Employee entitlements	75	114	121	(39)	-32%	
Landfill aftercare	1,054	730	1,055	324	31%	
Borrowings	9,000	8,183	3,500	817	23%	E
	10,129	9,027	4,676			
Net assets	274,751	274,647	270,504			
Represented by						
Equity	274,751	274,647	270,504			

Variance explanations (31/1/20 compared to 30/06/19)

- A** Cash reserves (including short term deposits) are 171% (\$4.2m) higher than at year end. This is due to an increase in WDC's short term deposits as a result of PGF funds received to allow cash for the Mahia East Coast Road project to commence. Trade receivables are lower than forecast because the amount receivable from NZTA is lower than the phased budget.
- B** Trade and other payables are 39% (\$2.3m) less than at year end. This is a reflection of large claims being paid promptly, increasing throughput.
- C** The \$3.9m in prepayments received from PGF for roading projects (Alternative Route Nuhaka-Ōpoutama Road Investigation (\$400k) and Mahia East Coast Road Traction Sealing (\$3.6m), is held as a prepayment as the funds are available for clawback unless spent in accordance with the grant. These funds will therefore be released to match expenditure.
- D** WIP includes a balance in excess of \$8 million from 2018-19 of expenditure yet to be capitalised. This includes the Wairoa Wastewater Reconsenting programme.
- E** Borrowings increased due to an additional \$2m drawdown to fund capital works. The current portion at year end was refinanced and so all borrowings are now long term liabilities. The financial assets held to maturity represent notes issued in conjunction with the LGFA borrowing. The additional borrowing particularly supports the Wairoa Wastewater Reconsenting programme.

STATEMENT OF CHANGES IN EQUITY

For the 7 months ended 31 January 2020

	Actual As at 31 Jan 2020 \$000	Annual Plan As at 31 Jan 2020 \$000	Audited As at 30 June 2019 \$000
Total equity - opening balance	270,504	269,711	268,657
Net surplus (deficit) for period	4,233	4,936	1,847
Other comprehensive income	14	-	-
Total comprehensive income	4,247	4,936	1,847
Total equity - closing balance	274,751	274,647	270,504
Components of equity			
Ratepayers equity - opening balance	135,156	140,624	132,248
Net surplus/(deficit) for period	4,233	4,936	1,847
Transfers from restricted reserves	782	2,335	6,030
Transfers to restricted reserves	(8)	(2,239)	(5,231)
Transfer from revaluation reserve on disposal	2,610	-	262
Ratepayers equity - closing balance	142,773	145,656	135,156
Special funds - opening balance	22,076	17,173	22,875
Transfer from ratepayers equity	8	2,239	5,231
Transfer to ratepayers equity	(782)	(2,335)	(6,030)
Special funds - closing balance	21,302	17,077	22,076
Revaluation reserves - opening balance	113,272	111,914	113,534
Net transfer from revaluation reserve on disposal	(2,610)	-	(262)
Transfer to revaluation	14	-	-
Revaluation reserves - closing balance	110,676	111,914	113,272
Total equity - closing balance	274,751	274,647	270,504

STATEMENT OF CASHFLOWS

For the 7 months ended 31 January 2020

		Actual 6 months to 31 Jan 2020 \$000	Audited 12 months to 30 June 2019 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
	Rates received	6,805	12,552
	Other revenue	16,984	14,630
	Dividends received	319	110
	Finance income	183	500
		24,291	27,792
<i>Cash was applied to:</i>			
	Payments to suppliers and employees	15,400	21,883
	Taxation	-	-
	Interest paid	69	189
		15,469	22,072
Net cash flows from operating activities		8,822	5,720
Cash flows from investing activities			
<i>Cash was provided from:</i>			
	Sale of property, plant and equipment	-	285
	Repayment of advances	-	-
	Sale of financial assets	-	4,438
		-	4,723
<i>Cash was applied to:</i>			
	Purchase of intangibles	-	-
	Purchase of financial assets	118	-
	Purchase of property, plant and equipment	8,479	11,390
		8,597	11,390
Net cash flows from investing activities		(8,597)	(6,667)
Cash flows from financing activities			
<i>Cash was provided from:</i>			
	Loans raised	5,500	6,500
		5,500	6,500
<i>Cash was applied to:</i>			
	Borrowings repaid	1,500	6,512
		1,500	6,512
Net cash flows from financing activities		4,000	(12)
Net increase/(decrease) in cash and cash equivalents		4,225	(959)
Cash and cash equivalents at beginning of year		2,473	3,432
Cash and cash equivalents at end of year		6,698	2,473
Made up of:			
	Cash	(12)	22
	Short Term Deposits	6,710	2,451
	Bank Overdraft	-	-
Cash and cash equivalents at end of year		6,698	2,473

FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,875	2,875	4,928
Targeted rates (other than a targeted rate for water supply)	6,899	6,899	11,826
Subsidies and grants for operating purposes	3,732	3,983	6,804
Fees and charges	1,148	1,232	1,971
Internal charges and overheads recovered	298	(98)	(169)
Internal interest income	2,638	3,225	5,530
Interest and dividends from Investments	502	488	1,127
Local authorities fuel tax, fines, infringement fees, and other receipts	40	43	87
Total operating funding (A)	18,131	18,646	32,104
Applications of operating funding			
Payments to suppliers	9,384	9,463	16,028
Employee benefit expenses	3,389	3,537	6,071
Finance costs	128	51	293
Internal charges and overheads applied	298	142	243
Internal interest charged	2,606	3,225	5,530
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	15,806	16,418	28,166
Surplus (deficit) of operating funding (A - B)	2,325	2,228	3,938
Sources of capital funding			
Subsidies and grants for capital expenditure	4,840	5,850	10,029
Development and financial contributions	-	-	-
Increase (decrease) in debt	835	1,056	1,895
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5,675	6,906	11,924
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,142	1,431	2,490
- to replace existing assets	7,340	7,961	13,766
Increase (decrease) in reserves	(481)	(258)	(392)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8,001	9,135	15,863
Surplus (deficit) of capital funding (C-D)	(2,325)	(2,228)	(3,938)
Funding balance ((A-B) + (C-D))	-	-	-

ACTIVITY STATEMENTS

FUNDING IMPACT STATEMENT - WATER SUPPLY

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	116	116	198
Targeted rates (other than a targeted rate for water supply)	823	823	1,411
Subsidies and grants for operating purposes	-	-	-
Fees and charges	168	197	324
Internal charges and overheads recovered	287	240	411
Internal interest income	-	-	-
Interest and dividends from Investments	-	38	65
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,394	1,414	2,411
Applications of operating funding			
Payments to suppliers	539	549	887
Employee benefit expenses	110	98	167
Finance costs	-	-	-
Internal charges and overheads applied	500	477	817
Internal interest charged	58	-	-
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,207	1,124	1,873
Surplus (deficit) of operating funding (A - B)	187	290	539
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	13	3	3
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13	3	3
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	51	66	66
- to replace existing assets	97	255	324
Increase (decrease) in reserves	51	(29)	151
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	200	293	542
Surplus (deficit) of capital funding (C-D)	(187)	(290)	(539)
Funding balance ((A-B) + (C-D))	-	-	-

FUNDING IMPACT STATEMENT - STORMWATER

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	302	302	518
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2	-	-
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	23	39
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	304	325	557
Applications of operating funding			
Payments to suppliers	80	73	118
Employee benefit expenses	-	-	-
Finance costs	-	-	-
Internal charges and overheads applied	50	32	55
Internal interest charged	84	92	159
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	214	198	332
Surplus (deficit) of operating funding (A - B)	90	127	225
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	66	135	231
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	66	135	231
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	66	135	231
- to replace existing assets	19	153	262
Increase (decrease) in reserves	71	(26)	(37)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	156	262	456
Surplus (deficit) of capital funding (C-D)	(90)	(127)	(225)
Funding balance ((A-B) + (C-D))	-	-	-

FUNDING IMPACT STATEMENT - WASTEWATER

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	920	920	1,577
Subsidies and grants for operating purposes	-	-	-
Fees and charges	(53)	76	130
Internal charges and overheads recovered	1	222	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	38	64
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	868	1,256	1,772
Applications of operating funding			
Payments to suppliers	1,146	497	815
Employee benefit expenses	-	-	-
Finance costs	-	-	-
Internal charges and overheads applied	51	32	54
Internal interest charged	160	179	307
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,356	708	1,178
Surplus (deficit) of operating funding (A - B)	(488)	547	594
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	276	36	62
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	276	36	62
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	250	36	62
- to replace existing assets	539	430	737
Increase (decrease) in reserves	(1,002)	(105)	(143)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(212)	361	656
Surplus (deficit) of capital funding (C-D)	488	(325)	(594)
Funding balance ((A-B) + (C-D))	-	-	-

Payments to suppliers are \$649k higher than budgeted, primarily due to the cost of desludging the oxidation ponds. Capital expenditure is \$323k higher than budgeted. This is due to compliance changes in the 3 waters which has resulted in projects being brought forward, therefore budget phasing was underestimated. The two key projects impacting this are the Wairoa wastewater discharge resource consent application and the Inflow and Infiltration project, to separate storm water and wastewater networks. The above statement shows how these variances have been funded by both an increase in debt (\$240k) and a decrease in reserves (\$897k).

FUNDING IMPACT STATEMENT – WASTE MANAGEMENT

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	717	717	1,229
Subsidies and grants for operating purposes	-	-	-
Fees and charges	410	381	641
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,127	1,098	1,871
Applications of operating funding			
Payments to suppliers	791	753	1,299
Employee benefit expenses	-	-	-
Finance costs	-	13	23
Internal charges and overheads applied	24	21	36
Internal interest charged	117	131	224
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	933	917	1,583
Surplus (deficit) of operating funding (A - B)	194	180	288
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	235	375	570
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	235	375	570
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	235	375	570
- to replace existing assets	-	-	-
Increase (decrease) in reserves	194	180	288
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	430	555	858
Surplus (deficit) of capital funding (C-D)	(194)	(180)	(288)
Funding balance ((A-B) + (C-D))	-	-	-

Payments to suppliers are \$38k higher than budgeted. This is due to government levies being higher than those budgeted. Furthermore, landfill operations and monitoring costs are also higher than budgeted, as signing of new waste management agreement coincided with the 19/20 annual plan preparation. However this variance is more than compensated for by higher revenue, realised through improvements in weigh station controls.

FUNDING IMPACT STATEMENT – TRANSPORT

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	45	45	78
Targeted rates (other than a targeted rate for water supply)	2,511	2,511	4,304
Subsidies and grants for operating purposes	3,537	3,934	6,744
Fees and charges	18	18	49
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,112	6,508	11,176
Applications of operating funding			
Payments to suppliers	4,021	4,802	8,238
Employee benefit expenses	285	297	509
Finance costs	-	-	-
Internal charges and overheads applied	9	2	3
Internal interest charged	841	954	1,635
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	5,155	6,055	10,385
Surplus (deficit) of operating funding (A - B)	956	453	791
Sources of capital funding			
Subsidies and grants for capital expenditure	4,840	5,850	10,029
Development and financial contributions	-	-	-
Increase (decrease) in debt	14	165	426
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,854	6,015	10,455
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	108	493	1,105
- to replace existing assets	6,435	6,559	11,472
Increase (decrease) in reserves	(732)	(583)	(1,331)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	5,811	6,468	11,245
Surplus (deficit) of capital funding (C-D)	(956)	(453)	(791)
Funding balance ((A-B) + (C-D))	-	-	-

FUNDING IMPACT STATEMENT – COMMUNITY FACILITIES

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	558	558	957
Targeted rates (other than a targeted rate for water supply)	1,057	1,057	1,812
Subsidies and grants for operating purposes	108	49	60
Fees and charges	48	26	48
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,771	1,691	2,878
Applications of operating funding			
Payments to suppliers	891	835	1,420
Employee benefit expenses	188	185	317
Finance costs	-	-	-
Internal charges and overheads applied	78	14	23
Internal interest charged	158	174	299
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,315	1,208	2,061
Surplus (deficit) of operating funding (A - B)	455	482	817
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	68	67	142
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	68	67	142
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	124	82	112
- to replace existing assets	47	84	254
Increase (decrease) in reserves	353	383	593
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	524	549	960
Surplus (deficit) of capital funding (C-D)	(455)	(482)	(817)
Funding balance ((A-B) + (C-D))	-	-	-

Subsidy revenue is \$68k higher than budgeted which relates to a release of deferred grants received for Computers in homes (\$12k) along with higher than budgeted grants from Creative NZ (\$19k), the SPARC Rural Travel Grant (\$13k) and the Summer Reading Program (\$6k). As some grants are not received evenly throughout the year the timing of grant receipts can be difficult to predict.)

FUNDING IMPACT STATEMENT – LEADERSHIP & GOVERNANCE

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,969	1,969	3,376
Targeted rates (other than a targeted rate for water supply)	477	477	818
Subsidies and grants for operating purposes	56	-	-
Fees and charges	123	121	208
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	2,625	2,568	4,402
Applications of operating funding			
Payments to suppliers	554	472	776
Employee benefit expenses	469	537	934
Finance costs	9	3	4
Internal charges and overheads applied	7	2	3
Internal interest charged	916	950	1,630
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	1,955	1,963	3,347
Surplus (deficit) of operating funding (A - B)	670	604	1,055
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	128	6	6
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	128	6	6
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	138	11	11
- to replace existing assets	37	11	11
Increase (decrease) in reserves	623	588	1,040
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	798	610	1,061
Surplus (deficit) of capital funding (C-D)	(670)	(604)	(1,055)
Funding balance ((A-B) + (C-D))	-	-	-

The unbudgeted subsidy revenue relates to a grant received for additional freedom camping signage and patrols in the district which is reflected in higher operating expenditure.

FUNDING IMPACT STATEMENT – PLANNING AND REGULATORY

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	18	18	31
Targeted rates (other than a targeted rate for water supply)	789	789	1,352
Subsidies and grants for operating purposes	31	-	-
Fees and charges	350	346	452
Internal charges and overheads recovered	-	-	-
Internal interest income	-	-	-
Interest and dividends from Investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,188	1,154	1,837
Applications of operating funding			
Payments to suppliers	161	402	689
Employee benefit expenses	565	509	871
Finance costs	19	10	18
Internal charges and overheads applied	6	3	5
Internal interest charged	190	196	336
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	941	1,120	1,920
Surplus (deficit) of operating funding (A - B)	247	33	(83)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	10	17
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	10	17
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	73	36	62
- to replace existing assets	38	-	-
Increase (decrease) in reserves	136	6	(128)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	247	43	(65)
Surplus (deficit) of capital funding (C-D)	(247)	(33)	83
Funding balance ((A-B) + (C-D))	-	-	-

The favourable variance in payments to suppliers is due to the unspent budget for development of the District Plan.

FUNDING IMPACT STATEMENT – CORPORATE FUNCTIONS

For the period ended 31 January 2020

	Actual 31 Jan 2020 \$000	Annual Plan 31 Jan 2020 \$000	Annual Plan 30 June 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	168	168	288
Targeted rates (other than a targeted rate for water supply)	(696)	(696)	(1,193)
Subsidies and grants for operating purposes	-	-	-
Fees and charges	82	68	117
Internal charges and overheads recovered	2,350	2,985	5,119
Internal interest income	298	(98)	(169)
Interest and dividends from Investments	502	389	959
Local authorities fuel tax, fines, infringement fees, and other receipts	40	43	87
Total operating funding (A)	2,745	2,861	5,209
Applications of operating funding			
Payments to suppliers	1,201	1,080	1,786
Employee benefit expenses	1,771	1,911	3,273
Depreciation	-	-	-
Finance costs	101	25	249
Internal charges and overheads applied	15	37	64
Internal interest charged	(360)	71	122
Other operating funding applications	-	-	-
Total Applications of operating funding (B)	2,729	3,124	5,495
Surplus (deficit) of operating funding (A - B)	16	(264)	(287)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	35	258	437
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	35	258	437
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	98	197	271
- to replace existing assets	129	469	706
Increase (decrease) in reserves	(176)	(673)	(827)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	51	(6)	150
Surplus (deficit) of capital funding (C-D)	(16)	264	287
Funding balance ((A-B) + (C-D))	-	-	-

Internal interest was not credited to reserve accounts in January creating a variance that will be corrected in future months.

8.3 PROGRESS UPDATE ON DEVELOPMENT OF LONG TERM PLAN 2021 - 2031

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Combined Plan Long Term Plan 2021-2031 [↓](#)

1. PURPOSE

- 1.1 This report provides a progress update on the development of Council's Long Term Plan 2021 – 2031 (LTP). No decisions are required by Committee at this stage.
- 1.2 The Committee's Annual Work Plan includes a requirement for updates on the preparation and development of the LTP.

RECOMMENDATION

The Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience RECOMMENDS that the Committee receive the report.

2. BACKGROUND

- 2.1 Council is in the process of developing its Long Term Plan 2021 – 2031. This is a two-year project, which comprises 45 separate projects and 100 key tasks. It is managed by a project team of five, with input from key staff across the organisation. During 2020, the LTP's development will run concurrent to that of the Annual Plan 2020/21.
- 2.2 Council's success in delivering this LTP comes down to two key goals. These are 1) to develop a quality document, and 2) have it come in on time. In support of these goals, Council has a comprehensive project plan which is being managed to ensure that key milestones and deadlines are reached.
- 2.3 This progress update meets the purpose of local government as it supports the delivery of Council's LTP which will help meet the future needs of the community by providing a reference for future annual plans, funding decisions and service delivery.

3. WHAT'S BEEN DONE?

Since July 2019, Council completed the following LTP tasks:

- 3.1 Three project plans were developed. These included a broad plan providing an overarching view of all key stages, milestones and timeframes, a detailed plan providing information on each project component and its outputs, linked tasks and risks, and a combined project plan for the rollout of Council's three key documents: the LTP, Annual Plan 2020/21, and Annual Report 2020.
- 3.2 An LTP project team was organised and tasks assigned. Previous audit feedback were reviewed and recommendations made on how to manage the project effectively. Systems and resources were allocated accordingly.
- 3.3 The first draft of the infrastructure strategy was completed and reviewed. Project and content plans for the Annual Plan 2020/21 were developed and refined.

4. WHAT'S IN PROGRESS?

Since January 2020, Council has been working on the following:

- 4.1 An environmental scan, which outlines key issues that impact the LTP's development. A draft climate change research report, which explores this topic's key issues to help inform key parts of the LTP, including the infrastructure strategy and asset plans. A second draft of the infrastructure strategy, and first draft of asset management plans.
- 4.2 A review of Council's levels of service and performance measures to determine whether these are still relevant, fit for purpose and align to our strategic direction. A review of Council's annual resident's satisfaction survey to determine its relevance to our measures and reporting. A valuation of Council's infrastructural assets.
- 4.3 A review and first draft of Council's forecasting assumptions and risks underlying the financial estimates and forecasts. A review of Council's budgets, financial and rates models, which are yet to be workshopped with Council.

5. HOW ARE WE TRACKING?

- 5.1 Overall, the LTP project is tracking to schedule. Time sensitive tasks include the completion of budgets and financial model, alongside a decision from Council about whether it will formally consult on the Annual Plan 2020/21. This is based upon whether there is any significant or material difference to that stated in Year 3 of the LTP 2018-2028.
- 5.2 The decision to consult would trigger a block of work including development of a consultation document, and a period of engagement involving submissions, hearings and deliberations.

6. WHAT'S COMING UP?

- 6.1 During March and April 2020, Council will continue to work on the above projects. If Council decides to consult, an engagement strategy will be organised, a consultation document published and a process of formal engagement rolled out.
- 6.2 An economic and demographic growth report will be done to support projections and provide content about the district's future profile. Linked to the LTP's development, Council will hold a workshop to determine its strategic direction and discuss its community outcomes.
- 6.3 A review of Council's assets management plans will be undertaken, and a review of its seven groups of activities will be done. Meanwhile, Council will work on the development of its Annual Plan 2020/21.

Further Information

Further information is available in Council's LTP 2018-2028 and Annual Plan 2019/20, which can be found on Council's website: www.wairoadc.govt.nz and from Council's Main Office.

References (to or from other Committees)

Finance, Audit and Risk Committee. 2 July, 2019. Project Plan for Development of Long Term Plan 2021-2031.

Finance, Audit and Risk Committee. 17 September, 2019. Detailed Project Plan for the Development of the Long Term Plan 2021-2031.

Signatories

	
Author Kimberley Tuapawa	Approved by Steven May

Long Term Plan: Date Completed 30 June 2021 | Annual Plan: Date Completed 30 June 2020 | Annual Report: Date Completed 30 October 2020

Item 8.3- Appendix 1

Item 8.3- Appendix 1

8.4 FAR WORK PLAN

Author: Steven May, Tumu Whakarae Chief Executive Officer

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. FAR Committee Work Plan [↓](#)



1. PURPOSE

This report provides information for Committee on the FARC Annual Work Plan. 1.2 Attached is the FARC Annual Work Plan from the FAR Committee meeting held on Tuesday, 17 September 2020.

RECOMMENDATION

The Tumu Whakarae Chief Executive Officer RECOMMENDS that Committee receive the report.

Signatories

	
Author Steven May	Approved by Steven May

FARC ANNUAL WORK PLAN

#	Date Entered	Action to be taken	Responsible	To be completed by	Closed/Open
1.	2 April 20-19	Adopt FAR work plan/TOR as per 26 Feb 2019 FAR Committee minutes - standing agenda item for work plan	Steven May	16 July 2019	Ongoing Open
2.	2 April 2019	- establish an outstanding report to management register with a regular update.		16 July 2019	Open
3.	14 May 2019	Interim Summary from EY on Annual Report process and FY18/19 close off. Liaise with Stuart Mutch to request summary.	Gary Borg/Stuart Mutch	16 July 2019	Ongoing
4.	14 May 2019	Full draft Annual report NLT 10 Sept 2019 to be reviewed by FAR before submitting to Auditors	Gary Borg/Steven May	17 Sept 2019 – adjust to 30 Sept 2019	Open
5.	14 May 2019	Contract Management Review	Stephen Heath	17 Sept 2019	Open
6.	14 May 2019	Draft Financial Statements including summary reserves	Gary Borg	17 Sept 2019 draft to 30 Sept 2019	Open
7.	2 July 2019	Interim report on risk against Council risk policy	CEO	17 Sept 2019	Open
8.	2 July 2019	Update on Long Term Plan 2021-2031 (Project Review)	Kimberley Tuapawa	17 Sept 2019	Open
9.	6 Aug 2019	Reconciliation of reserves	Gary Borg	10 Dec 2019	Open

8.5 UPDATE ON RISK MANAGEMENT

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Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: Nil

1. PURPOSE

- 1.1 This report provides information for Committee on progress with risk management activities. No decisions are required by Committee at this stage.
- 1.2 The provision of this information is integral to the Committee fulfilling its Terms of Reference.

RECOMMENDATION

The Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager Finance and Corporate Support RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 The nature of Council's diverse activities and its external interactions expose it to myriad risks. The Committee supports the protection of Council and its stakeholders with oversight of its risk management practices.
- 2.2 Council adopted its Risk Management Policy in December 2017 and its risk management protocols have been continually evolving since.
- 2.3 In collaboration with the Hawke's Bay group of councils an internal auditor was appointed in 2017.
- 2.4 Since 2018, decision reports to Council have include an assessment of risk, with reference to the policy. This continues to develop.

3. INTERNAL AUDIT

- 3.1 After completing a review of its risk management framework in April 2018, the Committee identified priority areas to be examined:

3.1.1. Contract Management

An audit was undertaken in 2019 and the resultant actions continue to be incorporated into practice. The report was presented to the Committee at its meeting on 17 September 2019. Many of the observations related to practices observed but not documented, and areas for development in formal structures to ensure consistency. Consequently, a follow up review is anticipated.

3.1.2. Procurement

Although considered separate from contract management, the process described in 3.1.1 highlighted an opportunity to take an end to end approach. A draft procurement manual, incorporating policy and strategy, was developed in November 2019. This is pending implementation, noting that a Director of

Regional Strategic Procurement has recently been appointed by the Hawke's Bay group.

3.1.3. **Cyber Security**

An audit was conducted in December 2019. The report is currently under review and will be available for presentation at the Committee's next meeting.

- 3.2 In addition, a data analytics exercise is currently being performed on Council's financial management system, to provide assurance on data integrity and systemic controls.

4. OTHER MATTERS

- 4.1 Certain specific areas are reported to the Committee in their own right, such as Health and Safety.
- 4.2 Council's capacity to incorporate large scale projects that require contributions from all areas is regularly challenged. Project management has been a focus, illustrated by the paper 'Update on Development of Long Term Plan 2021-31' that is included in this agenda.

Further Information



[List any websites or papers where people interested could read more on this topic]

Council's Risk Management Policy can be accessed on Council's website:

<https://www.wairoadc.govt.nz/assets/Document-Library/Policies/Risk-Management-Policy20171205.pdf>

References (to or from other Committees)

Signatories

	
<p>Author Gary Borg</p>	<p>Approved by Steven May</p>