



**I, Kitea Tipuna, Tumu Whakarae Chief Executive, hereby give notice that
an Ordinary Meeting of Council will be held on:**

Date: Tuesday, 7 September 2021
Time: 1.30pm
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Ordinary Council Meeting

7 September 2021

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.

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 27 July 2021

**MINUTES OF WAIROA DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 27 JULY 2021 AT 1.30PM**

PRESENT: His Worship the Mayor Craig Little, Cr Denise Eaglesome-Karekare, Cr Hine Flood (Deputy Mayor), Cr Danika Goldsack, Cr Jeremy Harker, Cr Melissa Kaimoana, Cr Chaans Tumataroa-Clarke

IN ATTENDANCE: **Kitea Tipuna** (Tumu Whakarae Chief Executive), **Kimberley Tuapawa** (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), **Gary Borg** (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), **Stephen Heath** (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), **Simon Mutohori** (Pouwhakarae-Whakamahere me te Waeture/Group Manager-Planning & Regulatory Services), **Theresa Thornton** (Maori Standing Committee member), **Luke Knight** (Kaiwhakahaere Rawa/Property Manager), **Courtney Hayward** (Kaiurungi Matua Kaupapa Here me te Mana Ārahi | Senior Policy and Governance Advisor), **Gay Waikawa** (Kaiurungi Mana Arahi Governance Officer)

1 KARAKIA

Karakia was given by Cr Tumataroa-Clarke

2 APOLOGIES FOR ABSENCE

None.

3 DECLARATIONS OF CONFLICT OF INTEREST

None.

4 CHAIRPERSON'S ANNOUNCEMENTS

His Worship the Mayor commented on the Local Government New Zealand Conference and the 3 Waters was the main discussion. LGNZ National Council has signed a Head of Agreement with the Government and His Worship the Mayor had signalled Wairoa's concerns.

Elected members also spoke on the amount of work that had been done for the Long Term Plan.

5 LATE ITEMS OF URGENT BUSINESS

None.

6 PUBLIC PARTICIPATION

None.

7 MINUTES OF THE PREVIOUS MEETING**RESOLUTION 2021/25**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Chaans Tumataroa-Clarke

That the minutes [and confidential minutes] of the Ordinary Meeting held on 15 June 2021 and the Extraordinary Meeting held on 30 June 2021 be confirmed.

CARRIED

The elected members reiterated Item 8.1 – Update to Fees and Charges stand by the resolution that was resolved and the cost of the service. His Worship the Mayor advised farmers can claim through tax 100% of the GST on all working dog costs but need to enquire whether farm workers are eligible for the claim.

8 GENERAL ITEMS**8.1 DRAFT WALKING & CYCLING STRATEGY****RESOLUTION 2021/26**

Moved: Cr Hine Flood

Seconded: Cr Danika Goldsack

That Council review and adopt the attached draft Walking & Cycling Strategy and proceed to a period of public consultation.

CARRIED

Elected members discussed:

- North Clyde.
- Propsed walkway from Taihoa marae to Takitimu marae.
- External funding.

8.2 APPOINTMENT OF ELECTORAL OFFICER**RESOLUTION 2021/27**

Moved: Cr Hine Flood

Seconded: Cr Melissa Kaimoana

That Council appoint Juanita Savage as the Electoral Officer pursuant to section 12(1) of the Local Electoral Act 2001.

CARRIED

8.3 REFORM INFORMATION SESSIONS**RESOLUTION 2021/28**

Moved: Cr Chaans Tumataroa-Clarke

Seconded: Cr Melissa Kaimoana

That Council hold information sessions with the community about the upcoming government reforms.

CARRIED

The Kaiurungi Matua Kaupapa Here me te Mana Arahi Senior Policy & Governance Advisor presented her report and reported on holding proposed information, caravan and drop in sessions.

Elected members discussed:

- Information to be made uncomplicated.
- Concerns regarding costs and privatisation.
- Different engagement styles.
- Hawke's Bay model.

9 RECEIPT OF MINUTES FROM COMMITTEES/ACTION SHEETS

Nil

10 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2021/29**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Melissa Kaimoana

That the public be excluded from the following parts of the proceedings of this meeting and include the Maori Standing Committee member, Theresa Thornton at 2.25pm

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
10.1 - Infrastructure Acceleration Fund	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to

	disadvantage, commercial activities	result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

RESOLUTION 2021/30

Moved: Cr Melissa Kaimoana

Seconded: Cr Chaans Tumataroa-Clarke

That Council moves out of Closed Council into Open Council at 2.43pm.

CARRIED

The Meeting closed at 2.44pm by Cr Tumataroa-Clarke.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 7 September 2021.

.....
CHAIRPERSON

8 GENERAL ITEMS

8.1 MAORI STANDING COMMITTEE REMUNERATION

Author: Duane Culshaw, Pouahurea Māori Māori Relationships Manager

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: Nil

1. PURPOSE

- 1.1 This report provides information for the Council to consider regarding remuneration for the Māori Standing Committee.

RECOMMENDATION

The Pouahurea Māori Māori Relationships Manager RECOMMENDS that Council receives this report.

The Pouahurea Māori Māori Relationships Manager RECOMMENDS that Council resolves to change the Māori Standing Committee sitting fee to a flat rate of \$300.00 per meeting attended.

The Pouahurea Māori Māori Relationships Manager RECOMMENDS that Council resolves to change the Māori Standing Committee Chairperson's sitting fee to a flat rate of \$400.00 per meeting attended.

The Pouahurea Māori Māori Relationships Manager RECOMMENDS that Council resolves to applying these new rates effective 18 March 2021.

The Pouahurea Māori Māori Relationships Manager RECOMMENDS that Council resolves to review the Māori Standing Committee remuneration triennially, benchmarked to percentage increases for Councillors and Mayoral salaries as set by the Remuneration Authority.

2. BACKGROUND

- 2.1 This report has been prepared by the Pouahurea Māori *Māori Relationships Manager* and the Kaikaute Pūtea *Financial Accountant*.
- 2.2 On Thursday, 28 January 2021, the Wairoa District Council Māori Standing Committee (MSC) held an induction workshop. During this workshop the Financial Accountant recommended that a workshop to discuss the change of remuneration be considered, due to compliance requirements within the Inland Revenue Department (IRD).
- 2.3 On Thursday, 18 March 2021, the MSC held a remuneration workshop, but no Council decisions were reached at this time. During this workshop the Financial Accountant explained the following:-
- 2.3.1. The current remuneration structure included a base sitting fee plus mileage reimbursement at IRD rates when attending a meeting away from home.
- 2.3.2. Mileage reimbursement for each member typically ranged from \$0.00 to \$290.00.

- 2.3.3. As meeting locations varied, this reimbursement amount was unpredictable and difficult to budget for, however, it does offer compensation to those travelling further afield.
- 2.3.4. The IRD recently underwent legislative changes to the methodology for mileage reimbursements and supporting documentation required for mileage claims, effectively making the current remuneration administratively burdensome.
- 2.4 It was recommended that a flat rate (no mileage reimbursement) would reduce the risk of non-compliance. Furthermore, it would reduce administrative costs, with the added benefit of simplifying budgeting. Those travelling further to attend meetings can still claim mileage against their taxable income and therefore are not unfairly penalised.



3. COUNCIL WORKSHOP

- 3.1 On Tuesday, 17 August 2021 a Council workshop was held to discuss the remuneration for the Māori Standing Committee. By way of discussion and in order to assess an appropriate rate, the Māori Relationships Manager and the Financial Accountant presented the following to be considered:-
 - 3.1.1 Other Councils were found to primarily pay a flat rate sitting fee (no mileage) that is higher than our (Wairoa District Council) current sitting fee.
 - 3.1.2 In the period 2014 to 2021 the Independent Remuneration Authority (the Government Authority which sets Elected Member salaries) increased the Wairoa District mayoral salary by 70% and elected members salaries by 76%.
 - 3.1.3 The MSC sitting fees were \$150 in 2014 and increased to \$200 in 2017. By applying a 76% increase to the \$150 sitting fee results in a new rate of \$263. A 76% increase to the \$200 sitting fee results in a new rate of \$351.
 - 3.1.4 It was recommended that a flat rate of \$300 for members and a flat rate of \$400 for the Chair be considered to recognise the increased level of work required in these roles. These rates are in the lower end of sitting fees paid by other Hawke's Bay Councils.
- 3.2 Predicted scheduled meeting attendances (reduced to eight meetings per year) at the proposed rates were reviewed against the total budget for the year and compared to previous years expenditure. The proposed rates resulted in a similar total cost to previous years and costs are forecast to be below the current year budget. There is also a buffer consistent with previous years to cover attendance at extra ordinary or unscheduled meetings.
- 3.3 It was further recommended that the MSC be back paid to the start of this process, being the date of the initial workshop, 18 March 2018.
- 3.4 These sitting fees have not been reviewed regularly or with external benchmarking. Regular reviews each triennial can be benchmarked to percentage increases in Councillor and Mayoral salaries, as set by the Independent Remuneration Authority.

4. MĀORI STANDING COMMITTEE

- 4.1 The Māori Standing Committee appreciates the guidance provided by the Finance and Corporate Support Department and support the consideration of a flat rate for sitting fees.

Signatories

	
Author Duane Culshaw	Approved by Kitea Tipuna

8.2 EXEMPTION OF HBLASS LTD FROM CLASSIFICATION AS A COUNCIL CONTROLLED ORGANISATION

Author: Gary Borg, Pouwhakarae - Putea / Tautawhi Rangapu Group Manager Finance and Corporate Support

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: Nil

1. PURPOSE

- 1.1 The purpose of this report is to facilitate Council's review of the legal status of HB LASS Ltd, in the context of the Local Government Act 2002 (LGA)

RECOMMENDATION

The Pouwhakarae - Putea / Tautawhi Rangapu Group Manager Finance and Corporate Support RECOMMENDS that Council confirms the exemption of HB LASS Ltd from classification as a Council Controlled Organisation for the purposes of section 7(3) of the Local Government Act 2002.

2. BACKGROUND

- 2.1 HB LASS Ltd was established in 2012 for the purposes of providing a vehicle to give effect to Shared Service undertakings by the 5 Hawke's Bay councils (HB5C).
- 2.2 Each council owns an equal interest in the company.
- 2.3 In 2018 the councils recognised that a collaborative model was more appropriate and collectively agreed to render the company dormant, with continuing collaborations overseen by the CE Forum.
- 2.4 Since the company still exists, the decision to exempt it from the provisions of the LGA pertaining to a Council Controlled Organisation (CCO).

3. ENTER HEADING

- 3.1 [\[Type here\]](#)

4. ENTER HEADING

- 4.1 [\[Type here\]](#)

5. OPTIONS

- 5.1 The options identified are:
- a. Confirm the exemption from classification of HBLASS as a CCO.
 - b. Rescind the exemption
- 5.2 HB5C has continued its collaborative activities and delivered numerous outcomes including collaborative procurement, policy development and the Hawke's Bay review of 3 waters services. Option a will enable this to continue without the unnecessary burden of Statements of Intent, Performance Monitoring and the other requirements of Part 5 of the LGA.

- 5.3 The preferred option is *a) Confirm the exemption from classification of HBLASS as a CCO*, this contributes to the following community outcomes

Economic wellbeing	Social and Cultural Wellbeing	Environmental Wellbeing
1. A strong prosperous and thriving economy	6. Strong district leadership and a sense of belonging	9. An environment that is appreciated, protected and sustained for future generations

6. CORPORATE CONSIDERATIONS

What is the change?

- 6.1 This is a status quo decision.

Compliance with legislation and Council Policy

- 6.2 This matter observes the provisions of sections 6 and 7 of the LGA

- 6.2.1. In particular section 7(6) requires Council to review such a decision at a minimum of every 3 years.

What are the key benefits?

- 6.3 Avoiding unnecessary bureaucracy.

What is the cost?

- 6.4 Nil

What is the saving?

- 6.5 Nil – savings were realised when the company was rendered dormant in 2018.

Service delivery review

- 6.6 Not applicable

Māori Standing Committee

- 6.7 This matter has no particular cultural implications

7. SIGNIFICANCE

- 7.1 This matter is assessed as low significance

- 7.2 HB5C can collectively review this decision at any time, along with any proposal to reactivate the company.

8. RISK MANAGEMENT

- 8.1 In accordance with the Council's Risk Management Policy the inherent risks associated with this matter are:

Human	Financial	Regulatory
Low	Low	Low
Operations	Employees	Image & Reputation
Low	Low	Low

Who has been consulted?

No consultation is required for this item

Further Information**References (to or from other Committees)**


Finance Audit and Risk Committee, 3 April 2018 - Proposal to render HBLASS Ltd dormant
Council, 1 May 2018 - Proposal to render HBLASS Ltd dormant

Confirmation of statutory compliance

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

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

Signatories

 	
Author Gary Borg	Approved by Kitea Tipuna

8.3 AUDIT FEES 2020-2022

Author: Gary Borg, Chief Financial Officer

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: 1. Audit Fee Proposal 2020-2022 [↓](#)

1. PURPOSE

- 1.1 The purpose of this report is to seek Council approval of proposed audit fees for the Annual Reports for the years ending 30 June 2020, 2021 and 2022.

RECOMMENDATION

The Chief Financial Officer RECOMMENDS that Council approves the proposed Annual Report audit fees and disbursements of \$340,828 for the three years ending 30 June 2020-2022.

EXECUTIVE SUMMARY**2. BACKGROUND**

- 2.1 This matter is referred to Council because the financial commitment proposed exceeds officer delegation.
- 2.2 The Auditor-General appoints auditors to councils, typically for two terms of three years.
- 2.3 The fees are generally set by agreement for each term.
- 2.4 The proposal from Council's auditor is attached as **Appendix 1**. This explains the variations from the previous term, in the context of changes to the reporting environment and recent experience with Council and the sector.

3. OPTIONS

- 3.1 The options identified are:
- Approve the fees as proposed
 - Seek arbitration from the Auditor-General
- 3.2 Included in the proposal is an explanation of the delta between costs historically incurred versus those invoiced. The hours proposed appear to be a reasonable compromise between these points, reflecting the following:
- 3.2.1. Council has historically received a significant discount on its audit fees, recognising the economic pressures of a vast territory with a very small rating base. Every year this baseline has been demonstrated to be unrealistic necessitating an annual negotiation between the parties to share the cost of excess hours.
 - 3.2.2. An expectation that Council's financial and performance management and reporting processes will continue to improve, but there will always be residual risk to the process due to a dependency on a small team.
 - 3.2.3. Council's reporting environment has and will continue to become increasingly complex.

- 3.3 In 2020 the Auditor-General determined that audit fees should not increase by more than 1%, as a concession towards the economic backdrop of the Covid-19 lockdown. While this provided a financial benefit at the time it also made budgeting for future years somewhat speculative, compounded by delays in commencing the fee-setting process. Following negotiation Council's auditor has agreed to phase the increase in fees and the proposal provides for a \$15,000 discount against the recommended fee for 2021. Nevertheless, the amount proposed for 2021 is an increase of 20% on the fee charged for 2020 with the full re-baselining adjustment being an increase of 39%. The timing of the receipt of the proposal precludes any adjustment to the budget and over the period there will be a total adverse variance of \$77,000.
- 3.4 The auditor has provided analysis of fees charged to a sample of councils for 2020. It is evident from this that Wairoa has benefited from a substantial discount and even with the significant increases the proposed fees compare favourably.
- 3.5 The preferred option is to approve the fees as proposed, this contributes to the following community outcomes:

Economic wellbeing	Social and Cultural Wellbeing	Environmental Wellbeing
	6. Strong district leadership and a sense of belonging	

4. CONCLUSION

- 4.1 Council and its auditors have a shared obligation to ensure that public accountability is delivered in the most cost-effective manner possible.
- 4.2 This will be achieved through the continuous development of processes, systems and people.

5. CORPORATE CONSIDERATIONS

What is the change?

- 5.1 This matter represents a status quo position.

Compliance with legislation and Council Policy

- 5.2 s99 LGA requires a council's annual report to be audited.
- 5.3 As referenced in **Appendix 1**, the other statutory provisions are contained in the Public Audit Act 2001.

What are the key benefits?

- 5.4 Since an audit is a statutory requirement, and auditors are appointed by the OAG, this report considers the quantum of fees only.

What is the cost?

- 5.5 The proposed fee for the year ending 30 June 2021 is \$104,055 plus disbursements of \$10,000. This exceeds the budget in Year 1 of the Long-term Plan by \$25,655 and the 3-year total is \$340,828 compared to combined budgets of \$263,500. This variance will need to be funded through other operational savings. Ironically, additional investment

income and cost avoidances will be realised from the myriad projects supported by Government subsidies, one of the major increases in complexity referenced in the auditor's justification for the fee adjustment.

What is the saving?

- 5.6 It is noted that the auditor has allowed for year on year reduction in billable hours in anticipation of continuous improvement in Council's reporting capability. This equates to an offset of \$56,000 at the proposed rates.

Who has been consulted?

- 5.7 This matter is administrative and does not require consultation.

Service delivery review

- 5.8 This matter has no implications for levels of service or mode of service delivery.

Māori Standing Committee

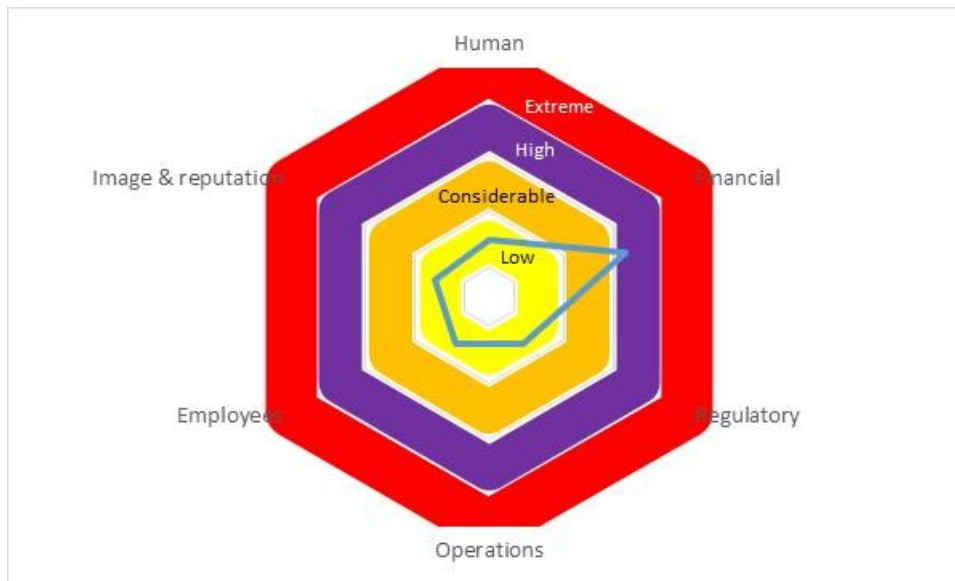
- 5.9 This matter is of an administrative nature and has no specific implications for Māori.

6. SIGNIFICANCE

- 6.1 In accordance with Council's Significance and Engagement Policy this matter is assessed as being of low significance.

7. RISK MANAGEMENT

- 7.1 In accordance with the Council's Risk Management Policy the inherent risks associated with this matter are:



References (to or from other Committees)



This is an operational matter that is presented to Council every 3 years.

Confirmation of statutory compliance

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

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

Signatories

	
Author Gary Borg	Approved by Kitea Tipuna



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9 August 2021

Ref.: 60433692

Kitea Tipuna
Chief Executive
Wairoa District Council
Coronation Square, Queen Street
Wairoa 4108

Copy: Director Auditor Appointments
Office of the Auditor-General
PO Box 3928, Wellington

Dear Kitea

Proposal to conduct the audit of Wairoa District Council and subsidiaries on behalf of the Auditor-General for the 2020, 2021 and 2022 financial years

1 Introduction

The Auditor-General has proposed to appoint myself, Stuart Mutch, and David Borrie (for the year ended 30 June 2022) to carry out the audit of your organisation for the 30 June 2020, 30 June 2021 and 30 June 2022 financial years.

In early 2020, as a result of the uncertainty generated by the Covid-19 lockdown and prior to the submission of our letter of proposal to Council, the Auditor-General agreed with Local Government New Zealand that he would instruct all audit teams without a signed letter of proposal, at that time, to complete the audits with a small capped increase in fees of 1% for the year ended 30 June 2020. We subsequently completed our 30 June 2020 audit and charged a fee reflective of a 1% uplift on our 2019 fee in line with the Auditor-General expectations. No adjustments to our fees were made in consideration of scope changes as a result of matters such as Councils valuation cycle and increased funding streams from central government, or any reflection of actual underlying cost changes.

Following this departure from normal procedures, as required by the Office of the Auditor-General (OAG), I now set out below information relating to the audit for the three financial years ending 30 June 2020 (retrospectively), 30 June 2021 and 30 June 2022. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;

A member firm of Ernst & Young Global Limited



- our proposed fees for the audit for the financial years ending 30 June 2020, 30 June 2021 and 30 June 2022 and reasons for any change;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

2 Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that “the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited”.

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 Entities covered by this proposal

This proposal covers the audit of the following entity:

- Wairoa District Council.

We note that Quality Rooding Services (Wairoa) Limited (QRS) is a 100% owned and controlled subsidiary of Wairoa District Council. A separate letter of proposal has been provided to, and agreed with, the Board of QRS. The fees in relation to the completion of the QRS audit are not included within this proposal. However, the time required to audit the consolidation of QRS into the Wairoa District Council group financial statements is included in this fee proposal. This includes consideration in relation to the appropriate elimination of all inter-entity trading and other adjustments required to obtain assurance that the QRS financial statements prepared in compliance with NZ IFRS, are amended for consolidation purposes for recognition



and measurement purposes in accordance with public sector standards applied by Wairoa District Council.

4 Key members of the audit team

Appointed Auditor 2020 and 2021	Stuart Mutch
Appointed Auditor 2022	David Borrie
Quality Control Reviewer	Grant Taylor
Audit Manager	Shabib Shahul

I will be required to complete my period as appointed auditor following the conclusion of the 30 June 2021 audit of Wairoa District Council. We propose that David Borrie take responsibility for the audit of the Council at that time. David is a current appointed auditor in the local government sector (undertaking the audits of Gisborne District Council, Central Hawkes Bay District Council and Kapiti District Council) and has over 13 years of experience in auditing local authorities in New Zealand.

5 Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2019 budget	2019 actual (*)	2020 Plan (**)	2021	2022
Appointed Auditor	40	62	52	50	50
Second Partner	0	7	7	7	7
Audit Manager	60	109	80	80	80
Other CA qualified staff	145	355	335	295	285
Non CA qualified staff	250	370	320	320	320
Other specialists (Technical Accounting and IT)	10	15	7	7	7
Total audit hours	505	918	801	759	749

(*) NOTE - actual hours have been adjusted to eliminate any hours that were due to auditor inefficiencies. The actual hours that remain are the reasonable hours that were attributable to the audit in that year.



(**) NOTE – We completed our audit of Council's 2020 annual report requiring 1,040 hours. This uplift compared to plan was a result of a number of factors including:

- Increased complexities in relation to the revaluation of infrastructure;
- Increased work focused on a significant uplift in capital expenditure by council and related central government income streams;
- Inefficiencies caused due to the delay in provision of certain information in auditable form; and
- Inefficiencies in our audit approach due to increased remote working.

We have not recovered any additional cost for the completion of the 2020 audit.

During the course of the last three years we have incurred significantly more time completing the audit of Wairoa District Council than had been envisaged. In 2018 and 2019 this required the recovery of costs over and above the budgeted level in each year. The historic budget was set on a best case scenario, on the basis that Council significantly improve their reporting cycle and did not increase in complexity. However, hindsight has reflected that these gains have not been achieved and that the historically budgeted level of hours is not achievable for an audit of the nature of Wairoa District Council.

In 2019 the hours incurred were significantly higher than originally budgeted in the 2017-2019 letter of proposal. The key reasons for this included:

- Significant delays in the provision of financial statements for audit;
- The provision of multiple versions of the general ledger;
- An inability by staff to be able to fully support or explain certain balance sheet positions adopted;
- The growth of the Council group requiring Tier 1 financial reporting standards to be complied with for reporting purposes;
- Regular unavailability of key staff involved in preparing the financial statements to support the completion of the audit;
- Significant concerns in relation to the management of capital work in progress by management giving rise to extended audit procedures to validate the extent of the errors that were identifiable, including additional stratification of our testing beyond normal expectations;
- The increasing complexity of the sector and expectations in relation to financial and non-financial reporting in the sector.
- Ongoing dialogue in relation to ratepayer enquiries and complaints including the request by Council to correspond directly with Council's lawyers on certain matters; and



- Challenges in the collation and provision of adequate levels of evidence to support service performance reported.

Councils response to this in 2020 showed improvements and looking forward we expect Council to be able to mitigate some of these historical concerns and factors. However, given the limited resources available to Council, its ongoing programme of complex projects and its significant exposure to key person risk, we expect a number of these factors will remain in place during the course of the proposal period.

5.1 Reasons for changes in audit hours

The major reasons for the changes in hours for your organisation's audit are:

Reasons for increased or decreased audit hours compared to previous period <u>budgeted</u> hours:	2020	2021	2022
Changes to the applicable financial reporting standards which result in additional audit work. The 2017-2019 proposal was on the basis that Wairoa DC remained as a Tier 2 Public entity for reporting purposes. This is no longer the case.	20	0	0
Council have been successful in being awarded numerous Provincial Growth Fund and Department of Internal Affairs contracts worth over \$20m. These contracts give rise to significant capital works and revenue recognition accounting issues. We expect these to endure through the course of this proposal period.	50	38	0
Inherent complexity of the organisation and an inability to achieve the significant efficiencies in the financial statement close process upon which the previous proposal was based. The complexities are increasing with significant projects in the three water activities taking place over the course of this proposal. (Refer to Note A)	106	0	0
Ongoing poor delivery of information by the organisation. We continue to receive material that can not be clearly explained or lacks a clear logical path to connect substantive evidence, financial reporting standards and the general ledger.	80	-40	-10
Impact of Valuation cycle for Land Transport and Three Waters	40	-40	0



Reasons for increased or decreased audit hours compared to previous period <u>budgeted</u> hours:	2020	2021	2022
Total increase (decrease) in audit hours	296	-42	-10

Note A: Uplift in the baseline level of hours required to complete the audit.

In setting our historic 2017-2019 audit fee we optimistically sought to reflect an audit cost for Council that was economically viable for Council, that assumed simple year on year operations and increased strength and performance in Councils finance team. The position taken assumed that Council would improve its annual reporting processes and make everything available for audit in a more timely manner.

What we have witnessed during the 2017-2019 period has been three things:

- An increased level of capability within Council, which has increased our ability to interact effectively with Council. However, due to the small capacity of the team and the complexity of the reporting obligations of Council, there has been regular delays in the provision of information in an auditable state and the quality of elements of the financial and non-financial information has presented ongoing challenges.
- An increasing level of complexity in what Council is doing. Council has had significant levels of investment in infrastructure over recent years. Much of this has been funded by central government. This has had a significant impact in 2019 and 2020 on the level of audit effort and focus and is expected to continue to do so.
- An increasingly complex reporting environment. In basic terms the number of hours historically budgeted to complete the audit have not been practical given the complexities of the local government reporting environment. In each year we have had to have discussions in relation to audit hour and cost overruns. In each year we have had only very partial cost recovery.

We have increased the number of hours required to complete the audit to take into consideration the true reflection of the scale and complexity of the audit of Wairoa District Council. It has also sought to take into consideration our experience with the quality of information provided. We acknowledge that things are improving, and hence we haven't reflected the true cost of the historic lack of quality in the financial information provided to us. In addition, we have reflected that we expect ongoing improvement in 2021 and 2022.

6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:



Structure of audit fees	2019 budget fees	2019 actual fees charged (*)	2020	2021	2022
	\$	\$	\$	\$	\$
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	78,680	88,680	79,467	95,055	110,256
OAG Audit Standards and Quality Support charge	6,350	6,350	7,050	9,000	10,000
Total audit fee (excluding disbursements)	85,030	95,030	86,517	104,055	120,256
Estimated Disbursements	10,000	10,000	10,000	10,000	10,000
Total billable audit fees and charges	95,030	105,030	96,517	114,055	130,256
GST	14,254	15,755	14,478	17,108	19,538
Total (including GST)	109,284	120,785	110,995	131,163	149,794

*** Note** – 2019 actual audit fees charged were \$88,680, compared to our 2019 audit costs of \$133,000 (based on a reduced hourly rate when applied at the number of effective hours incurred). This is unsustainable. We have shown in table 5 and the paragraph below that table where the additional audit effort was required, and any expected effect on the audit hours required in future years.

Over time we expect that the audit fee charged will more fairly reflect our actual costs of performing the audit. As a consequence of the agreement reached between the OAG and the sector we capped our audit fee increase for 2020 at 1%. However, it is not sustainable for this fee restraint to continue as it does not reflect economic reality and the audit work required to complete a local authority audit.

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.



6.1 Reasons for changes in audit fees

In table 5.1 we showed the factors that have resulted in a change of audit hours. The cost impacts of those changes are shown in the table below. We acknowledge the fee increases that we have proposed to bring the fee to an appropriate and economic level. To diminish the impact of this on Council, in addition to the lack of fee increase in 2020 due to the decision made centrally we have determined it appropriate to recognise the fee uplift over the course of 2021 and 2022 rather than recognise the full amount in 2021.

Reasons for increased or decreased audit fees compared to previous period <u>budgeted</u> fees.	2020 \$	2021 \$	2022 \$
Predicted staff salary cost movements	-	-	1,651
Changes to financial reporting standards which result in additional audit work. The 2017-2019 proposal was on the basis that Wairoa DC remained as a Tier 2 Public entity for reporting purposes. This is no longer the case.	2,900	-	-
Council have been successful in being awarded numerous Provincial Growth Fund contracts worth over \$20m. These contracts give rise to significant capital works and revenue recognition accounting issues. We expect these to endure through the course of this contract.	7,250	2,610	-
Inherent complexity of the organisation and an inability to achieve the significant efficiencies in the financial statement close process upon which the previous proposal was based. The complexities are increasing with significant projects in the Three Water activities taking place over the course of this proposal.	15,370	5,800	-
Ongoing poor delivery of information by the organisation. We continue to receive material that can not be clearly explained or lacks a clear logical path to connect substantive evidence, financial reporting standards and the general ledger.	11,600	(5,800)	(1,450)



Reasons for increased or decreased audit fees compared to previous period <u>budgeted</u> fees.	2020 \$	2021 \$	2022 \$
Impact of Valuation cycle for Land Transport and Three Waters	5,800	(5,800)	-
Discount (Stepped Removal of Discount) related to Office of the Auditor-General agreement with sector to cap fee increases in 2020 to 1% above that agreed for 2019	(42,133)	18,778	15,000
Total increase (decrease) in audit fees	787	15,588	15,201

7 Assumptions relating to our audit fee

You are responsible for the production of your financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- You will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit. Historically this has been an area of weakness with significant feedback being required on the integrity of draft financial statements.
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).
- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1 and 6.1).
- There are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above.



- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.

8 What the OAG Audit Standards and Quality Support charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support charge) to be funded by public entities.

The OAG Audit Standards and Quality Support charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.



10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Stuart Mutch', is written over a horizontal line.

Stuart Mutch
Ernst & Young

I accept the audit fees for the audit of the three financial years as stated above.

Full name: _____ Position: _____

Authorised signature: _____ Date: _____

Entity name: _____

**Actions to take when agreement has been reached:**

- 1 Make a copy of this signed proposal and keep it for your file.
- 2 Send the original to: *Stuart Mutch*
Partner, Ernst & Young
Stuart.mutch@nz.ey.com

PO Box 490
Wellington 6011

8.4 TUAI POWER WAGON**Author:** Makere Jones, Executive Assistant**Authoriser:** Kitea Tipuna, Tumu Whakarae Chief Executive**Appendices:** 1. Letter and Wairoa Star Article [↓](#)**1. PURPOSE**

1.1 adjacent to the lighthouse.

RECOMMENDATION

The Executive Assistant RECOMMENDS that Council:

- (a) Receive the letter; and
- (b) Refer to the Matangirau Reserves Board and the Maori Standing Committee for their consideration.


2. BACKGROUND

2.1 Messrs Ken Ross, Dave Withers, Jim Heron, Rob and Nolan Cram and Bruce Taylor approached the Mayor to seek approval to relocate the Wagon to the Wairoa River Bank. (See Appendix 1).

3. OPTIONS

- 3.1 The options identified are:
- a. Remains at its current location in Tuai
 - b. Relocate to an agreed suitable location in Wairoa
 - c. Relocate adjacent to the Wairoa Lighthouse

Signatories

	
Author Makere Jones	Approved by Kitea Tipuna

J M Heron
Box 113
Wairoa
jheron@xtra.co.nz



2nd August 2021

His Worship the Mayor
Wairoa District Council
Queen St
Wairoa

RE Tuai Power Wagon

Dear Craig

I refer to the meeting between Ken Ross, Dave Withers, and myself with you on the 26th May 2021 concerning the future placement of the "Wagon" when you indicated that the green by the Light House suggested by us would be a ideal place to set up a permanent display of it.

We would now appreciate it if you could please put this suggestion to Council to get their approval of this project and this site before we proceed further.

Once approval is given we would then arrange for plans to be drawn up for the envisaged shelter, ascertain the costs involved , then proceed to obtain the necessary funding to complete the job. The matter would then be put before Council for final approval.

A copy of the Wairoa Star article dated 6th May showing the history of the Wagon is attached for your information.

Thank you for your help
Kind Regards

Jim

A handwritten signature in blue ink, appearing to be "Jim", written over the printed name.

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The Wairoa
star

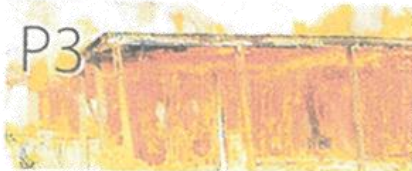
Te Whetu Wairoa

NCP
PANEL & PAINT

24/7
Salvage & Breakdowns

Phone 06 838 7736
Email ncpp@xtra.co.nz
Carroll Street, Wairoa

Thursday, May 6, 2021



'An amazing piece of construction'

A GRAND relic of Wairoa and Waikaremoana transport history is looking for a permanent home.

A group of Wairoa residents hope the community will support a project to help build a shelter for the century-old wagon and maybe even reunite it with a turbine it once transported to the Tuai Power Scheme nearly 100 years ago.

Ohuka farmer Ken Ross said imagine if they were able to put the original turbine for that power scheme on the historic wagon in a community display protected by a shelter.

"Wairoa was probably one of the first places to have power generated by that newly commissioned power scheme when it opened in 1929.

"Ohuka did not get power until 1953."

The wagon is thought to be one of six built in Christchurch by P & D Duncan Ltd. The location of a second wagon is not known and this is the only surviving wagon in near working order.

It retains its solid ironbark steel wheels and Australian hardwood deck and is still in reasonable shape considering the loads it has carried, and its outdoor life.

Weighing nearly ten tons, it carried the turbines and generator and other heavy machinery needed for the construction of the Tuai power station in the early 1920s.

It was pulled by a traction engine weighing 16 tons, enabling it to carry loads weighing over 50 tons up the lake road. Because of this huge weight, SH38 had to be repaired before each cartage



Taking a break from cleaning the hefty historic wagon are, from left, Bruce Taylor, Rob Cram, Dave Withers, Nolan Cram and Ken Ross.

of the heavy machinery began. Each trip took between 16 and 18 hours on a good day, but a particularly troublesome load took three days.

When the power scheme was finished, the wagon was used at the Riddiford logging site to carry logs to the mills in the area and posts and battens from Foot's mill, Piripaua near Whakareanga, Tuai. It even acted as a bridge for a time, perhaps after the late Charlie Riddiford and his son Wayne used it for their logging operation.

In 1974 Dave Withers from Runkituri, along with Friends of Te Urewera, pulled the wagon out of the Aniwanui Valley and it was displayed for many years near the old museum at Aniwanui, with a display board.

Early last year Rob and Nolan Cram, Wayne Riddiford with Russell Torr Transport and Wairoa Freight helped bring the wagon to Wairoa. Sean O'Sullivan winched it on to a truck with the help of Ross Hedley and Craig Cotter. The wagon devotees said it was

a historic community treasure and they would love to see it placed by the lighthouse where it could be appreciated.

Some of the freight that came up would have been from the coasters unloading at Waikokopu and perhaps Wairoa and then on to Tuai via this wagon.

"Pipes may have been loaded on it too," Nolan Cram was impressed with its condition, amazed that the wheels still turned with no squealing.

"The bearings are still working. It is an amazing piece of construction and has carted tonnes of generators, turbines and transformers in its time.

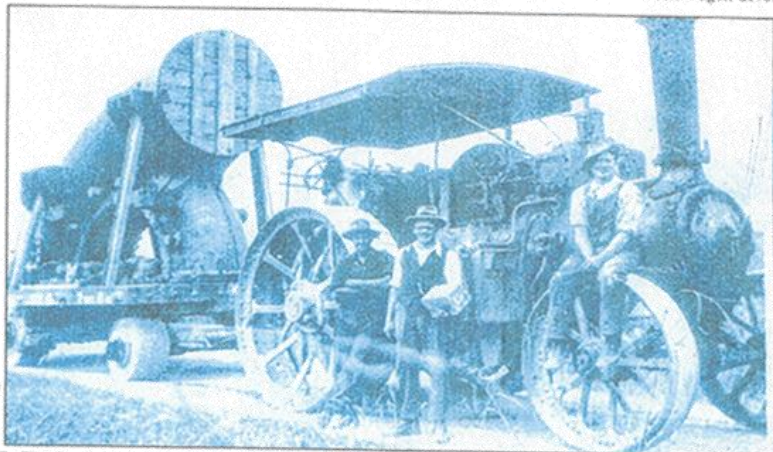
"We would welcome any help whether it is a donation of time, materials for the shelter or other koha."

If you wish to support the project contact Dave Withers 837 3858 or Ken Ross 838 6714 or Nolan Cram 0275701122.

The Tuai Power Scheme also has quite a history. The Waikaremoana hydroelectric power development consists of three power stations fed from Lake Waikaremoana. The Tuai, Piripaua and Kaitawa power stations were completed between 1929 and 1948.

The scheme was an early government project in the North Island, second only to Mangahao in Horowhenua.

The traction engine performed a vital role earlier last century, replacing bullocks and horses, only to be replaced in turn by the internal combustion engine of modern transport.



The journey up the lake road for the wagon and traction engine to supply Tuai power scheme essentials during the 1920's meant numerous roading repairs before each trip.

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8.5 DOCUMENTS SEALED FOR THE PERIOD 26 MAY 2020 TO 6 AUGUST 2021

Author: Makere Jones, Executive Assistant

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: Nil

1. PURPOSE

- 1.1 This report provides information for Council on documents sealed for the period from 26 May 2020 to 6 August 2021

RECOMMENDATION

The Chief Executive RECOMMENDS that Council receive the report.

2. DOCUMENTS

- 2.1 26/05/2020 – 19/05 – Pavement Marking
- 2.2 12/06/2020 – 19/01 – Maintenance & Operation of Mahia Reserves
- 2.3 12/06/2020 – 19/02 – Maintenance & Operation of Wairoa and Frasertown Cemeteries
- 2.4 20/07/2020 – 20/03 – Drop-out Repair Mahia East Coast Road RP 4.1
- 2.5 20/07/2020 – 20/07 – WDC Shovel Ready
- 2.6 30/07/2020 – 20/04 – Infrastructure Professional Services
- 2.7 17/08/2020 – 20/06 – PGF Bridge Strengthening Package 1
- 2.8 29/09/2020 – Memorandum of Agreement – Kinikini Road Legalisation
- 2.9 02/10/2020 – Funding Agreement – Three Waters Services Reforms
- 2.10 13/10/2020 – Funding Agreement – Responsible Camping 2020/21 Season
- 2.11 11/01/2021 – 20/08 – PGF Bridge Strengthening Package 2
- 2.12 02/03/2021 – 20/10 – Sewer Pipework CCTV Wairoa
- 2.13 14/04/2021 – 20/09 – PGF Strengthening Package 3
- 2.14 24/06/2021 – 21/01 – PGF Bridge Strengthening Package 4
- 2.15 06/08/2021 – 21/03 – Opoutama WWTP Upgrades

Further Information

None.



Background Papers

None.

References (to or from other Committees)

None.

Signatories

	
Author Makere Jones	Approved by Kitea Tipuna

8.6 CHIEF EXECUTIVE'S REPORT - OPERATIONS UPDATE

Author: Kitea Tipuna, Tumu Whakarae Chief Executive

Authoriser: Kitea Tipuna, Tumu Whakarae Chief Executive

Appendices: 1. Information and Customer Experience Report [↓](#)
2. Regulatory Report [↓](#)

1. PURPOSE

1.1 This report provides information on Council's recent operational activities. No decisions are required by Council at this stage.

RECOMMENDATION

The Tumu Whakarae Chief Executive RECOMMENDS that Council receive this report.

EXECUTIVE SUMMARY

This report provides a high-level outline of operational activities across Council. It should be noted that some of these activities are also reported through to the Māori Standing Committee, the Finance, Audit and Risk Committee, the Infrastructure Committee and the Economic Development Committee.

1. COVID LEVEL 4 LOCKDOWN – DELTA VARIANT OUTBREAK

At the time of writing this report, New Zealand went into Covid Level 4 lockdown due to a Delta variant outbreak in Auckland. The Prime Minister announced the lockdown on August 17 but did not declare a national state of emergency.

Council's business continuity plans were activated with an immediate notification to all staff to prepare for level 4 restrictions and remote work. All non-essential services were suspended, and all other essential services were activated according to business continuity planning protocols. The effect of having Covid level 4 business continuity plans in place has meant a speedy transition for staff and essential services to be operationalised and implemented.

The Wairoa District Council also stood up a reduced Incident Management Team (IMT) to monitor the situation, with Juanita Savage at local incident controller. SIMs functions activated in the Wairoa IMT included Response Manager (Denal Meihana), Health and Safety (Kevin Stephenson), Welfare (Rubyanne Edwards), Intelligence (Leanne Warner) and Public Information (Gizela Tahuri).

Ongoing public information through Council's Facebook page has been the main form of communications to the community. Regular communications with non-government organisations and social service agencies, the police, iwi and other regional leaders has again demonstrated a whole of community approach to how Wairoa responds to events like a Covid level 4 lockdown and ensuring our community is supported.

The implementation of alert level 3 is pending at the writing of this report and this is probably the most complex level to implement. Council's alert level 3 business continuity plans are

ready to be activated with a 'return to work / return to office' plan also ready to be activated as we come further down the alert levels.

Some important changes have occurred as a result of this Delta variant outbreak. Mandatory record keeping is being introduced which means businesses will need to ensure people keep a record when they visit, either by scanning QR codes with the COVID-19 Tracer App or making a manual record. Masks will become part of the new normal at various alert levels. You must legally wear a face covering if you are a customer or an employee involving customer contact at a business or service operating at alert level 3. This will be particularly for Council contractors like Smart Environmental who operate the Wairoa landfill.

Generally – there has been a relative calm during this lockdown. Wairoa has been here before and it was great to see the community ready to mobilise if necessary.

This lockdown has demonstrated the value of Council's business continuity planning and I wish to commend the leadership of the Senior Leadership Team and all staff in implementing level 4 and level 3 business continuity plans. As part of ongoing improvement, Council staff have been asked to respond to an all staff survey exploring remote work and well-being so that the Senior Leadership Team can better understand the impacts of the lockdown and implement any improvements to our business continuity plans based on the feedback provided by staff.

2. OPERATIONAL REPORTING



The Chief Executive's operational report provided (attached) outlines operational reports from the various departments that are not provided through other Council Committees. In particular, Regulatory and Planning and Information and Customer Experience. It should be noted that these reports are retrospective and can be particularly dated given the current situation with the current lockdown, but are provided to elected members as an overview of those activities that do not currently have visibility through other Council Committee reporting.

Confirmation of statutory compliance

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

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

Signatories

	
Author Kitea Tipuna	Approved by Kitea Tipuna

CHIEF EXECUTIVE'S REPORT

Date	July and August 2021
From	Kimberley Tuapawa
Purpose	ICE Department update

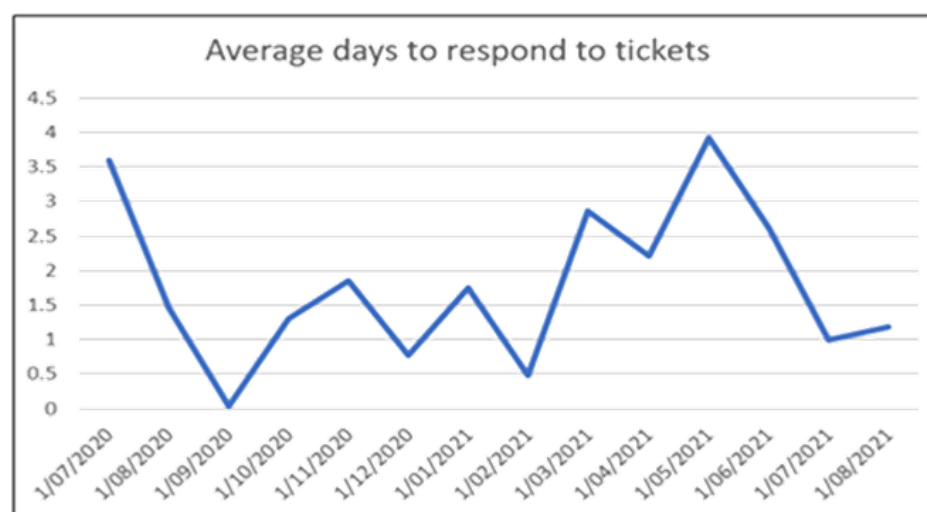
Information Services

Total email phishing and email malware blocked	July and August: 2198
Highest number of malware received	July 29: 15 attacks
Highest number of spam received	August 19: 100 attacks
Highest number of phishing email received	August 17: 111 attacks
Total emails received to organisation	152,539
Total emails let through	95,919
Helpdesk tickets lodged	July and August: 279

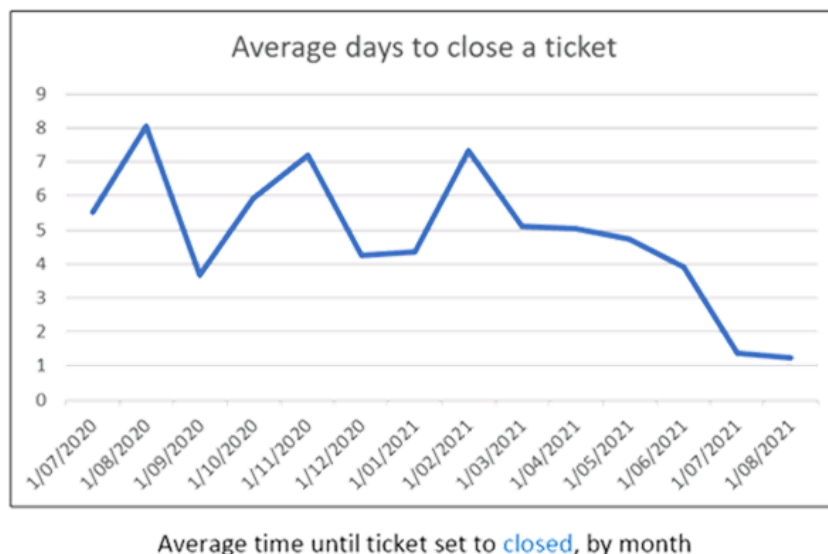
- **Cloud transitioning and support through lockdown:** Through the lockdown, the IT team have set up about 70 staff with IT equipment to enable them to work from home with everything they need. We're seeing the value of having transitioned to the Cloud and having set in place BCPs to support the operation of IT across our organisation in a way that supports our staff to continue their BAU. This smooth transition has been due to the rollout of several major Cloud-based systems including MagiQ, Microsoft Teams and OneDrive, and has been supported by server upgrades and purchases of laptops, monitors and mobiles. We're now refining our processes to ensure everyone has the machines and system access they require. Considerable work has been done by the IT team over the past year to get us to this point.
- **Remote support issues:** Some issues identified relate to two-factor authentication. It is recommended that all new staff trial working from home for a day, to ensure the process works for them. Working remotely has highlighted the need for an electronic document records management system, which would remove the need for access to the network through a virtual private connection and streamline access to all documentation.
- **MagiQ management:** Over the past month, we've been working closely with MagiQ management and technicians to resolve a number of software issues following Cloud implementation. An issues register has been used as a central 'source of truth' for problem resolution. Many of the issues have now been resolved, either through patches, updates, fixes or specific technical work. During August, the MagiQ team came onsite to spend time with staff to better understand the problems, and positive feedback was received. Once all issues have been resolved and we're back onsite, a programme of training will be organised for staff.
- **Cloud calling:** Ongoing projects include post-implementation work for the new calling solution. Performance is nearly at 100% with no identifiable issues experienced during

lockdown. All staff including the CS team have been able to work remotely with no noticeable reduction in service. The team is currently gauging the demand for follow-up MS Teams training, and is offering to provide one-on-one refresher courses for staff needing support.

- **Equipment upgrades:** The newly installed SANs, service and backup tapes are working well with gains in processing speeds and reliability. We're confident that over time, Cloud migrations will address the risks that come with having to maintain onsite equipment.
- **Security and upgrades:** Various security measures, including locks and window barriers have been added to the server room to improve physical security and reduce impacts of any accidents from contracting staff. A full re-cabling of the service room and decommissioning of the old PABX will be completed once we're back onsite.
- **Testing and maintenance:** Replacement server UPS' have been ordered following power cut and battery issues, and will arrive for install after lockdown is lifted. Regular UPS testing and maintenance will help address failure issues.
- **Mobile fleet:** Upcoming tasks include the rollout of Microsoft Intunes for staff mobile phones, which will improve security of mobile fleet. This work will involve the recall of all Council mobiles over a two-day period where all devices will be fully rebuilt and locked down. Auditing of mobile applications will continue in advance of the rollout.
- **Performance of IT Helpdesk at helpdesk@wairoadc.govt.nz:** The helpdesk is the system that has been setup to enable staff to receive IT support. It provides an efficient way of prioritising and resolving events. 279 tickets were lodged in July-August



Average time until initial ticket [response](#), by month

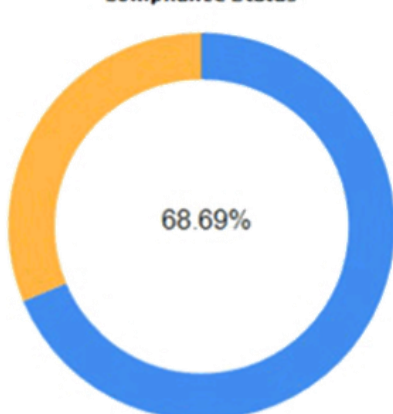


Cybersecurity

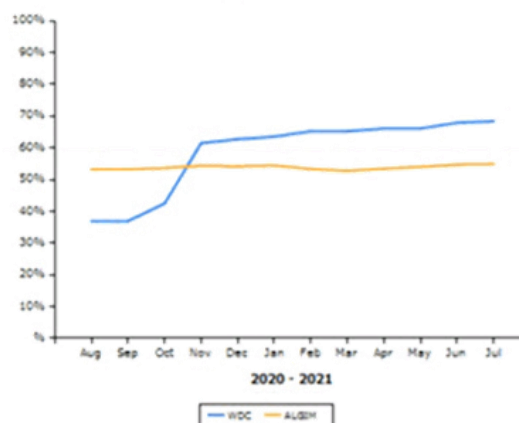
Cybersecurity is a big issue globally and something Council takes seriously as per the projects that have been have rolled out below.

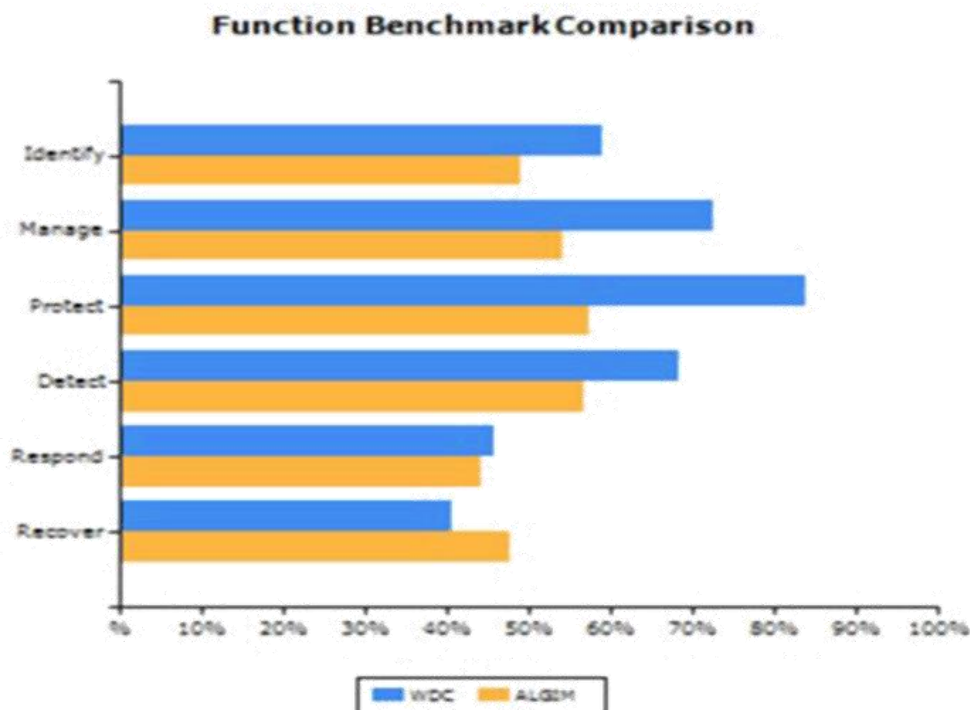
- **Staff cybersecurity training:** We are seeing the effects of eCOVID, an electronic pandemic created and propagated by darkweb criminals wishing who attempt to infiltrate large organisations like Hospitals and Local Government. Over the next 12 months, the IS team are looking to run training for staff that focusses on Online Security and Privacy Awareness.
- **Cybersecurity and privacy project:** There is an increase of 4.54% (from 64.15% to 68.69%) in Council's ALGIM local government program compliance status. 281 cybersecurity and privacy policies and controls have been deployed into our cybersecurity framework and more than 110 of these have been deployed since March 2020. This has resulted in a 40% increase in Councils Security framework compliance status.

ALGIM Local Government Programme Compliance Status



Framework Compliance Status Over Time





Geographical Information Systems (GIS)

- **Rural Aerial Imagery:** The updated rural aerial imagery from the last HBRC contract has been added to the system core base layers.
- **Intramaps and MagiQ:** Integration of our internal system and MagiQ Cloud has been achieved, and the system is functioning well.
- The planned move to a single GIS platform is progressing well, with development work on the open source GIS core being partnered with Otorohanga District Council.

Corporate Services

- Following completion of the Long Term Plan 2021-2031, all documents including the LTP and associated Activity Management Plans have been available on our website. To increase accessibility options, both sets of documents are available to view in a double-page or a single-page format.
- For quick access to the LTP, click the **Annual & Long Term Plan** hotspot on the homepage. For full access to both the LTP and the AMPs, select the **Menu** option at top-left on the homepage, then click **Documents & Forms**, and then filter by **Plans**.
- A small print run of the LTP and AMPs documents will soon be available, should anyone require a hardcopy, however we encourage people to view the online version if possible. A strategy for distributing copies to key stakeholders has been arranged.

Customer Services

Phone calls received for July	961 (61 calls average per CSO)
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- **Cloud transitioning:** The value of having transitioned our organisation to the Cloud across has been significant for the CS team, especially now we've moved in to lockdown. Last year we had to operate onsite from the Library, but this year our team can manage all calls and communications from home. This is a major step forward in our operations, and a big thumbs up to the IT and CS teams for their work in this space.
- Recruitment for the CS Team is now complete, and is now staffed at 4.5 FTE.
- **Signout Board:** The CS team led a discussion into the preferences for staff use of MagiQ's signout board vs Teams. The decision was to use the Signout board as its use was seen as being more 'deliberate', and not just a flow on of information from Outlook's calendar. MagiQ's signout board enables the CS team, who manage all calls, to see at first glance who is available. All staff have the responsibility to update their whereabouts, and this supports the CS team to direct calls appropriately. The team are monitoring usage, and at this stage 80% of staff are updating their status.
- **Security Contracts Cabinet:** The CS team recently completed a project to re-organise and update the security contracts cabinet. Around 40 additional contracts were listed and archived. Updates were made to agreements, licences, deeds of lease, and property leases, alongside litigation files which were organised into a separate cabinet. Instructions around the use of the cabinet have been issued to SLT to ensure that the right processes are being followed for sending contracts through and managing storage. These processes are likely to extend or change once an eDRMS becomes operable.
- **After hours manual:** A significant update of the Afterhours Manual was conducted, this included updating the 'all staff list'.
- **Phone call volumes:** The last week of July saw a record 961 phone calls. Most of the time only 3 CSO's were logged on the phones, so this was an average of 64 phone calls per CSO. Spark have been engaged to help in generating weekly and monthly reports.
- **Knowledge Base:** An ongoing project has been planning for the transition to a new Knowledge Base. A number of platforms were considered, and Confluence was the clear winner with as a more robust system with greater functionality. Full migration to Confluence was completed two weeks ago, with all content transitioned across with the team engaged on it. The Knowledge Base is a structured database of information about Council's activities and services that enables staff to have quick access to information in an easy-to-access format, and thereby supporting the consistent provision of information to customers. It also enables our department to document processes in a more comprehensive manner, in line with the whole-of-organisation's approach to document 'how we do things'. Confluence has also been used to add pages which specify CS processes during COVID.
- **Mail processing:** The team are liaising with Napier City Council on methods for improving mail processing. Our methods have been in use for 10-20 years, so we'll be looking to improve here.

Archives

Inquiries for August	2 internal, 3 external, 3 visiting researchers
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- **Inquiries:** During August the archives has managed a number of reference enquires. These have come from both internal and external users. Interest and use remains high with the map collection with four reference enquiries requiring access to this media. Three of the map enquiries have dealt with whanau related land issues whilst the fourth to supply a selection of maps to a schoolteacher preparing for a class project. Further research has also been undertaken, for Vision Projects, on the history of the Locke Street Winter's Building. Internally, a successful search was undertaken to locate an Opoutama cultural report.
- **Maps:** Fulfilling reference requests has required the copying of a number maps. Prior to scanning, maps have required flattening, if not repair, before being placed through the map scanner. Maps are also flattened in a press, for at least seven days, before scanning. Scanned maps are then stored in the digital archives. During the month approximately fifty maps are been prepared for scanning; some of which to answer reference enquiries.
- **Archival material:** Processing of other archival material has been curtailed due to the three weeks absence of the archives assistant. The COVID-19 lockdown has also prevented the commencement of a new project to arrange and describe a large series of engineering files dating from the 1920s to the 1960s. During the lockdown period work is being undertaken on writing a guide to the map, plan, architectural drawing and aerial photograph collections. More research is also being undertaking for a biography on George Burton the first chairman of the Wairoa District Council. Also, work has progressed on producing a leaflet to promote the WDC Archives.
- Up until 20 August archives has received 2 internal enquiries, 3 external enquiries and 3 external visiting researchers

Library

Visitors for July	3898
Items issued	3695
Winter Warmers programme completions	71

- **Programmes:** Lots of programmes were held at the Library during July, including Embroidery group, Mama and Tots group, Baby massage class, Candle making for adults, Rocket story-time, and the Adult Reading Programme.
- **More programmes:** Other programmes running include the STEAM initiative, coding classes in the Hub and Wairoa Community Centre Holiday Program, movie times and educational games.
- **Winter Warmers:** Our Library Team hosted the Winter Warmers Finale party on 5 August, a celebration of the efforts that 71 of our tamariki made to complete the reading programme. The Winter Warmers programme is run every year and aims to help children build literacy and enjoy reading. At the end of the 4-week stint, their achievements are celebrated with awards and prizes, and lots of baking by the team. Kylie and Kim presented the awards and Hanif was one of the judges. It was lovely to see many of our Council parents there, celebrating the achievements of the kids. Feedback from community at this event was very positive.

- The first Library Puzzle was completed, being well supported by our elderly patrons. Some came in every day to work on it.
- Staff are planning 2-4 months in advance of events to ensure we're ahead of the game and ready to promote the programmes and met demand.



Digital Hub

Visitors for July	320
Total number of visitors	2590
Signups to Skinny Jump Broadband for July	18
Signups to Skinny Jump Broadband Modems issued to date	137
Course participants	7
Coding class participants	16

- **Day to day Hub activities** this month have mainly consisted of helping various people with a wide range of activities including helping people with CV's, online applications, helping people accessing emails or printing from their own devices that they bring in and helping people in general when they don't know how to use the computer.

- Positive feedback on the courses being offered has been received from participants. They felt more confident using their devices because of the information covered throughout the sessions.
- Throughout the holidays we were running 2-hour coding classes which saw us build and program the robots purchased last month, which our tamariki enjoyed. During the holidays the Wairoa Community Centre Holiday Program and the Raupunga Holiday Program used the Hub as part of their activities, with the RHP doing a 2-hour coding session. The coding classes after school are continuing on Mondays and Fridays with a total of 16 participants this term.

Library Archives Redevelopment

- Following the EOI process for the Library Archives architects, we have four short-listed candidates, very high-calibre ones. We unanimously endorsed shortlisted candidates and they have been invited to participate in the Request for Proposals stage for the Library Archive redevelopment.
- Each of the EOIs were advised of the outcome and the final Request for Proposal document written and published for the successful firms. RFP timelines are being revised due to lockdown.
- The communications plan by Vision Projects is being revised and more information will be shared with the general public through some targeted articles explaining where the project is at.
- Some of the attendees at the mana whenua engagement meeting have requested additional information and resources which have been provided and Vision Projects will continue to grow the mana whenua and community engagement as the project continues.

General department

- The department joined together in August to celebrate two special achievements, the 40-year work anniversary of Russell McCracken, and Doctoral graduation for Dr. Hanif Deylami. Congratulations to both on the achievement of these impressive milestones.
- Russell has dedicated four decades to serving Council, and is well known for his knowledge and expertise across a range of functions including Engineering, Finance and Information Services. He began his Council career in 1981 as an Engineering Cadet for the County. After 13 years he took up the position of Policy and Planning Engineer, and then six years later in 2001 extended his skillset into the GIS area.
- In recent years, this role has extended into the management of Information Services and Cybersecurity, which is a critical area for Council. Over the years, Russell has managed the delivery of various engineering and information-technology initiatives that continue to deliver real value to our organisation and district.
- During August, Hanif was officially awarded a Doctor of Philosophy (PhD) in Information Technology and Information Systems. With Cybersecurity being a key focus for Council, we are fortunate to have someone with Hanif's level of expertise in this area.



REGULATORY DEPARTMENT REPORTS

Due 10th of each month

MONTH: June 2021 – July 2021

1. PLANNING & REGULATORY SUMMARY

GENERAL:

- 100% of statutory timeframes were met across all regulatory departments.
- Planning received a monthly record of enquires for 2021. (301)
- BCO Team lead advises that due to increased processing workloads nationwide our ability to outsource consents is severely restricted, while we are currently managing workloads it is anticipated that with the proposed sub-divisions in the pipeline this will not be achievable.
- WDC BCA is currently the only BCA in the HB District regularly meeting statutory timeframes with some BCA's also recording 2-week inspection waits.
- Currently 20 local businesses now have trade waste management plans in place. Due to a global shortage a local engineering firm is now manufacturing grease traps to supply our local businesses.
- We are currently managing a reoccurring issue with a local scrap metal merchant
- EHO team currently under resourced. Negotiating with Food Verification contractors to clear the backlog of food premises requiring inspections.
- Compliance team reports that dog registrations numbers are up on previous years & the new Compliance/Finance/CS registration process is working well.

STAFFING:

- EHO Glynn O'Rourke has left WDC.
- A former Wairoa local & fully qualified EHO will be onsite to assist in a months' time.



2. QUALITY ASSURANCE & SYSTEMS MANAGEMENT

Projects	Status
Audit of current dog registration process and implementation of new processes.	Completed and under review
Audit of approx 13,000 property WDC property files and updating file naming conventions.	In progress
Development of public property files sharing portal and automated LIM process.	On hold requires completion of above WDC property file audits and IT support
Oversight of MagiQ/AlphaOne future integration process.	On hold to be run in conjunction with MagiQ cloud migration
Conduct internal regulatory departmental audits as required.	On hold due to insufficient staffing levels
Development of guidance documents for all regulatory departments.	In progress & ongoing
Analysis of all regulatory department processes and development of system process improvements.	In progress as time allows
Audit of regulatory IT requirements.	Completed and forwarded to IT
Audit of WDC mis-matched property records and working with various WDC departments to rectify and reduce risk to WDC.	On hold due to insufficient staffing levels
Audit and update of regulatory website information, application forms and information sheets.	On hold due to insufficient staffing levels
Training of new staff in WDC processes and regulatory requirements.	Ongoing
Implementation of the new MagiQ Cloud WDC subdivision (S/D) process & tidy up of historical S/D issues	In progress



3. BUILDING CONTROL

Building Consents	June	July
Consents received	20	21
Consents granted	17	15
Residential consents received	13	11
Total value of new building consent/work (received)	\$1,149,043.00	2,349,800.00
Proportion of building consents processed within statutory timeframes	100%	100%
Proportion of CCC's issued within statutory timeframes	100%	100%
Building consent exemptions issued	6	0
Inspections undertaken	34	51
Property Information		
LIM's received	6	9
Proportion of LIM's issued within statutory timeframes	100%	100%

Building Control & Property Information Summary

Building consents received and granted have remained steady for the month of July. Inspections increased for the month of July.

The BCA retains the capability to outsource consents if required to the Alpha1 cluster group who utilise the same processing software which will keep costs consistent as if they were processed in house. Due to staff shortages and increased workloads across the country Westland, South Waikato, Napier, and Buller are not available currently.

With the unavailability of other BCAs to assist with processing and increasing workloads it is anticipated that there is the possibility that consents may not meet their statutory timeframes.

For the month of July, the BCA has met the statutory timeframes for the issuing BCs and CCCs.

After a meeting with other BCAs from Gisborne, Hastings, and Central HB it was discovered that this is similar across the region, with one BCA being reduced to an average stat day of 29 and a 2-week inspection booking wait due to their increased workloads.

All LIM's were processed within the required 10 working days.



4. PLANNING & RESOURCE MANAGEMENT PLANNING & RESOURCE MANAGEMENT

Resource Consents	June	July
Consent applications received	10	3
Ancillary applications received (COC, Sec 223, 224, 221 etc)	9	4
Ancillary applications granted (COC, Sec 223, 224, 221 etc)	1	7
Decisions notified	7	3
Proportion of consents processed within statutory timeframes	86%	100%
Proportion of ancillary applications processed within statutory applications	100%	100%
Onsite visits/inspections undertaken	9	5
RMA breaches recorded	3	2
Infringements issued	1	
Pre application meetings (In person)	26	20

June to July comparison summary:

- The number of resource consent applications received, and decisions notified decreased.
- The number of ancillary applications received decreased however the number granted increased due to further information required and requested.
- The number of onsite visits decreased.
- All ancillary applications were processed within statutory timeframes.
- All resource consents are being processed in house.
- The number of pre-application meetings decreased.
- The number of queries were x 301 the highest number of queries received in 2021.



5. ENVIRONMENTAL HEALTH

3.1 Liquor Licensing

	June	July
New licences Issued (managers/club/on/off)	0	0
Renewals issued (managers/club/on/off)	1	8
Special licences applied for	0	2
Proportion of licences issued within statutory timeframes	100%	100%

3.2 Food licensing

	June	July
Health licences Issued	0	Nil Data provided
Food Control Registration / NPs New	0	Nil Data provided
Food Control Plan Re Registration	4	Nil Data provided
Food Premises Visited for compliance	9	Nil Data provided
Proportion of licences issued within statutory timeframes	N/A	Nil Data provided
Warnings Issued for compliance	0	Nil Data provided
Infringements issued	0	Nil Data provided
Water samples completed Council / Private	15	11/7
Non-compliant water samples Council / Private	0	0/1

3.3 Noise Control

	June	July
Call outs received	Nil Data provided	8
Premises Visited	Nil Data provided	8
Warnings Issued/Items Seized	Nil Data provided	2
Infringements issued	Nil Data provided	0

The EHO team are currently reviewing the policies and procedures for the EHO department and are updating these as required. A review of the current EHO systems is also underway to ascertain shortfalls and investigate systems to streamline processes.

Training development programs for all EHO members are in progress.



6. COMPLIANCE

4.1 Dog Control

	June	July
Call outs received	63	68
Impounded	21	13
Warnings issued	4	4
Infringements issued	4	2
Pending court cases	0	0
Dogs destroyed	7	11

4.2 Stock Control

	June	July
Call outs received (farm animals)	12	16
Impounded farm animals	0	0
Warning issued on stray farm animals	0	6
Infringements issued	0	0
Pending court cases	0	0
Animals destroyed	0	0

4.3 Freedom Camping

	June	July
Number of Patrols	N/A	N/A
Warnings issued	N/A	N/A
Infringements issued	N/A	N/A
Pending court cases	N/A	N/A

4.4 Trade Waste Compliance Management

	June	July
Premises Inspected	13	11
Consents Issued	0	1
Trade Waste Management Plans Initiated	0	1
Abandoned Vehicles Removed	217	34

TRADE WASTE

A local supplier B3 services Ltd have come up with a good price to make Grease Traps here in Wairoa for our local shops.

Wairoa DC has 2 Trade Waste management system plans in place.



A stocktake of local businesses in the Wairoa District that has or should have trade waste collection facilities is underway. Currently 20 local businesses now have trade waste management plans in action.

As WDC has no existing trade waste management policy or supporting documents these are in progress.

Car retrieval numbers were down over this period due to accessibility issues after rain falls.

COMPLIANCE

A greater number of dog owners within the month of July have registered their dogs early. Online applications have been active, Compliance have been working towards modifying a better systematic way of processing for the New Registrations in July within the Council and making it more efficient throughout the departments and the community.

July Objective:

Magi Cloud configuration, compliance and other departments working together to ensure that registration processes are more efficient with more inhouse correspondence via email then administration.

Menacing Dogs 49 Classified in the community.

Dog owners taking the opportunity to Neuter or Spey their dogs with the Free Fred Lewis Foundation Certificates, surgery is done in Wairoa and is free which encourages owners more.

A higher number of calls for dogs this month with the winter season for roaming barking rushing and welfare, people in the community more aware to contact us for these matters. Working with other agencies dealing with welfare issues. Compliance officers also being proactive with owners out in the community and doing property checks to impound dogs from owners who repetitively disregard owner responsibility.

Advertising through media and online to push the message out and educate people about their responsibilities of being a responsible dog owner is ongoing.

Rural dog owners have been more active in registering their dogs early, managers and shepherds more active with ensuring their farm registrations have been completed for their accountants.

A higher callout for stock, there have been more call outs afterhours for stock jumping boundary lines for feed along state highways, feed is low this time of the season and become a danger for people traveling, there have been 4 owners who have been issued warnings for boundary fences along highways.

9 RECEIPT OF MINUTES FROM COMMITTEES/ACTION SHEETS

Nil

10 PUBLIC EXCLUDED ITEMS**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

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
10.1 - Delegation to spend Tourism Infrastructure Funding	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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
10.2 - Resolution for disposal of council owned asset - Lot 1 DP 7275	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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
10.3 - Resolution for disposal of council owned asset - Lot 2 DP 4298	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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
10.4 - Resolution for disposal of council owned asset - Lot 2 DP 3790	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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
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