

Document No: A634243

Report To: Audit and Risk Committee



Meeting Date: 4 October 2022

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

2.1 **Conflicts of Interest**

2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.

2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:

- ensure members are not affected by personal motives when they participate in local authority matters; and
- in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).

2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.

2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.

2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.

2.7 **Declarations of Interests and Conflicts**

2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests to declare. Some elected members may not have any, other elected members may have many.

2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.

- 2.10 These declarations should be clear as to whether there is just an “interest” with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a “conflict of interest” in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a “conflict of interest” at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

The Chairperson will invite Committee members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the Committee member must provide the following information relating to the Declaration:

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

| Elected Member Name: | | |
|--|------------------------|--|
| Item(s) of Business on the Order Paper | Reason for Declaration | Type of Conflict Financial Non-Financial Conflict of Roles Pre-Determination |
| Item No – | • | • |



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."
- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet "Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968" which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council's business where staff do not set out to provide

pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is "bias" or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where: -

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council's debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: "Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?" If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council's decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy 2018

4.1 The following are extracts from WDC's Procurement Policy:

WDC's procurement activities will be conducted in line with the core Procurement Principles and a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated WDC Policies and Strategies;
- **Openness** - all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
- **Integrity** - all WDC employees and/or authorises third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
- **Value for Money** – all procurement considers the costs and benefits over the life of the goods, services and/or works, and in doing so takes into consideration local procurement;
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
- **Lawfulness** - all procurement is within the law and meets WDC's legal and organisational obligations;
- **Accountability** - employees and/or authorised third parties and suppliers are accountable for their performance; and
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

Conflict of Interest and Declarations Policy 2018

WDC is required to identify, disclose, document and manage employees' conflicts of interest, and to ensure that decisions made on behalf of WDC and the community are fair and free of bias or perceived bias.

Note: the words "decision" and "decisions" should be taken to include recommendations and advice:

- (a) that might significantly influence decisions that will be made by other people; or
- (b) on development of strategies and policies that will guide future WDC decision making on service provision, purchasing, contracting or staff employment.

WDC recognises that the professional and personal interests of employees mean that conflicts of interest sometimes cannot be avoided, and can arise without necessarily establishing a fault. Conflict need not cause difficulties, and can be managed so that the best interests of WDC and its ratepayers, residents or customers are served.

DEFINITION OF CONFLICT OF INTEREST

A **conflict of interest** exists when an employee could be influenced or could be perceived as being influenced by a personal or private interest in **any transaction** while performing their WDC duties and/or responsibilities. A personal or private interest is an interest that may bring benefit to an employee as an individual, or to others associated with the employee i.e. spouse or family member, to whom the employee may later benefit.

A **transaction** includes, but is not limited to:

- (a) the exercise or performance of a function, duty, or power of WDC; or
- (b) an arrangement, agreement, or contract to which WDC is a party; or
- (c) a proposal that WDC enter into an arrangement, agreement, or contract; or
- (d) development of a strategy or policy that will guide future decision making on service provision, purchasing, contracting or staff employment; or
- (e) the consideration of or decision made by or at a meeting of Council or its committees and subcommittees.

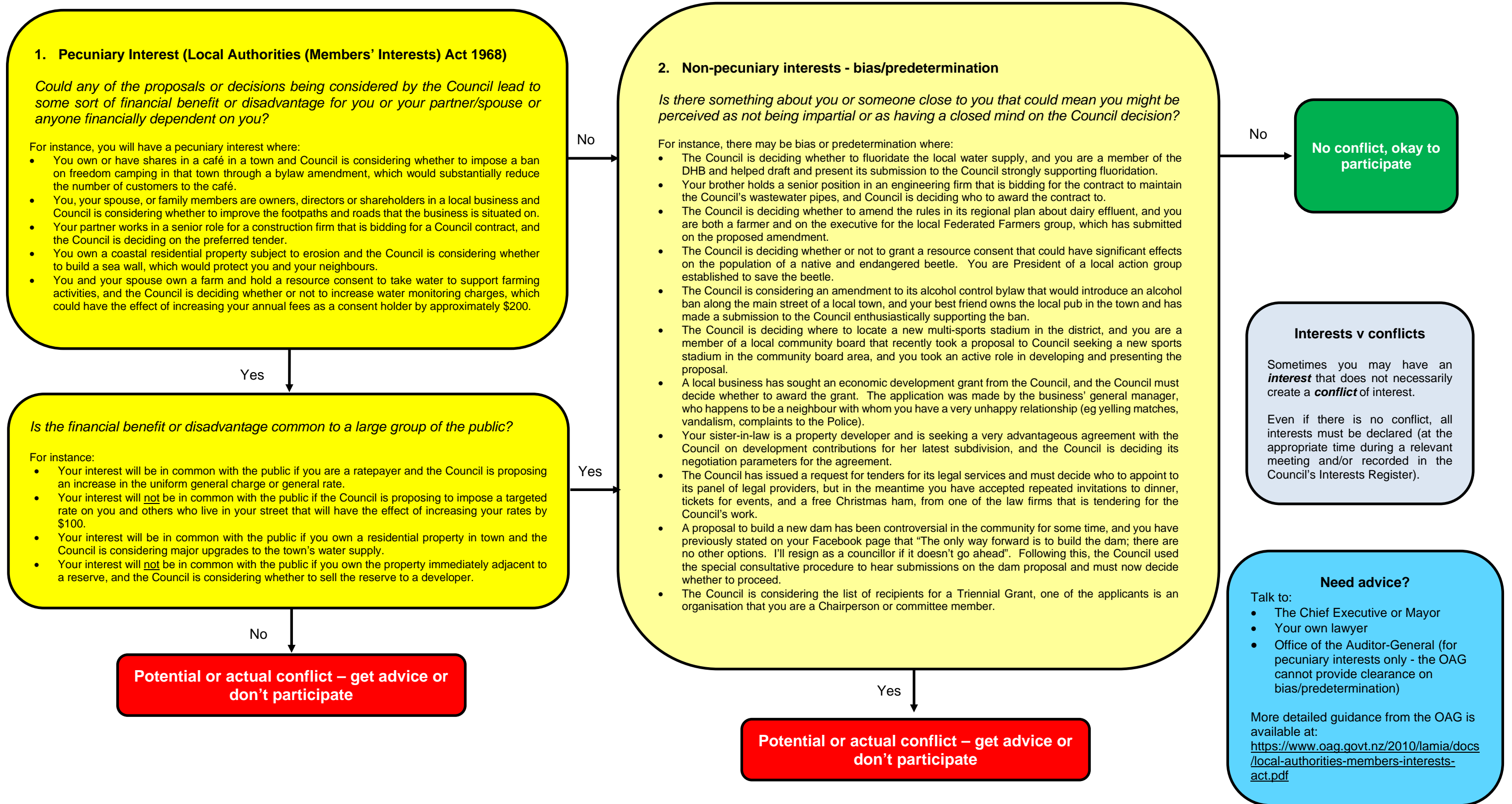
A Conflict of Interest may exist where the employee:

- will or may derive a benefit from the transaction – a financial, professional or personal benefit;
- has a financial interest in another party to a transaction;
- is a director, shareholder, officer or trustee of another party to the transaction, or is a person who will or may derive a financial benefit from the transaction;
- has an interest in another party tendering for work which WDC is considering; or
- is the partner, parent, child, spouse, sibling, or close friend of another party to the transaction, or a person who will or may derive a benefit from the transaction; or
- is an affected member or interested party in a proposal considered by Council.

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.



Remember: If in doubt, stay out!

Managing conflicts of interest

A conflict of interest is a situation where the responsibilities you have in your work for a public organisation are affected by an interest or relationship you have in your private life.

Having a conflict of interest does not necessarily mean you have done anything wrong. It all depends on how you manage it.

You need to ask yourself not just whether the interest or relationship means you are biased, but also whether someone looking in from the outside could have reasonable grounds to think you might be.

The "rules" for managing conflicts of interest in the public sector are generally stricter than in the private sector. If you work for a public organisation, the public needs to have confidence that any decisions you make:

- are made impartially and for the right reasons; and
- are not influenced by personal interests or ulterior motives.

Any decisions about conflicts of interest should take into account the core public service values:

- integrity;
- impartiality
- trustworthiness;
- respect; and
- responsiveness.



Tips for managing conflicts

- Make sure you know what rules apply to you, whether in your employment contract, contract for services, terms of appointment, or any internal policies of the entity you work for.
- Declare any interests you have that might pose a conflict. This shows you are being open. It will also help the entity you work for avoid putting you in a situation where a conflict might arise, or to manage a conflict if one arises.
- Follow any rules or guidance provided by the entity you work for when deciding how to manage a conflict.

- As a minimum, declare any conflicts you have as soon as you become aware of them, preferably in writing.
- Think about what else you might need to do to manage the conflict. Get advice if you need to. Talk to your manager, or if you are on a board, the chairperson.
- You need to consider ethics as well as legal rules. Just because it's not unlawful to participate, that does not necessarily mean it would be appropriate to participate.

If in doubt, stay out.



When you have to make a decision, ask yourself:

| | | |
|-------------------|---|---|
| FINANCIAL | <p>Do you stand to gain or lose financially from the decision?</p> <p>Does someone close to you – like an immediate family member – or a business you are involved with stand to gain or lose financially from the decision?</p> | <p>A situation does not need to involve cash changing hands to be considered a financial interest. A financial interest could, for example, relate to an effect on the value of property.</p> <p>A financial interest might be direct or indirect. In situations that someone close to you or a business you are involved with has a financial interest, you might be considered to share their interest.</p> <p>Financial interests are generally treated more strictly than other types of interest. If you have a financial conflict of interest, the law presumes you are biased. This is why you should automatically treat a financial conflict of interest seriously, even if it seems trivial to you.</p> <p>For some entities in the public sector, there are specific statutory requirements that apply to managing the financial conflicts of interest, which you need to be aware of.</p> |
| NON-FINANCIAL | <p>Is someone close to you or an organisation you are involved with likely to be affected by the decision you make?</p> <p>If so, is there a risk that you will be seen to be biased in your decision because of this relationship or association?</p> | <p>If you have a conflict of interest, but not one from which you stand to gain or lose financially, the law does not automatically assume you are biased.</p> <p>This does not necessarily mean a non-financial conflict is less serious than a financial conflict – but there is generally more room for judgement about whether it is acceptable for you to participate.</p> <p>Questions you need to think about include:</p> <ul style="list-style-type: none"> - How close is your relationship with this other person or organisation? - Will they be directly affected by the decision? - How seriously will they be affected? |
| CONFLICT OF ROLES | <p>Will a second organisation you have a role in (entity B) be affected by the decision you are making for the public organisation you work for (entity A)?</p> <p>If so:</p> <ul style="list-style-type: none"> • Is there a risk that you will be seen to be acting in the interests of entity B rather than entity A? • If you participate in this decision, is there a risk that you might breach obligations you owe to either entity – for example, a duty of loyalty or confidentiality? | <p>The issue with a conflict of roles is not so much whether you personally have a conflict, but whether the interests of the two organisations conflict.</p> <p>If you have a conflict of roles, you will need to consider whether it is appropriate for you to participate in the decision-making process "on both sides of the table". You will also need to think about whether you are going to be in a position to fulfil your obligations to both entities at the same time.</p> <p>If there is a risk that there might be conflicts at some point during the decision-making process, you should discuss your situation with both entities. This gives each an opportunity to consider the risks from their perspective and decide whether they are comfortable with you participating on both sides.</p> |
| PRE-DETERMINATION | <p>Is there anything you have previously done or said that might make people think you are not going to listen fairly to all the relevant information before you make your decision?</p> | <p>It is accepted that people working for public entities will have their own views on many matters, and, in many cases, might already have views on what the "right answer" to an issue is.</p> <p>You are not required to approach every decision as though you have given it no prior thought, or have no existing knowledge or opinion. However, you are required to keep an open mind, and you must be prepared to change or adjust your views if the evidence or arguments warrant it.</p> <p>That means you need to take care that what you do or say does not make it look like you have already made your decision before you have considered all the relevant information and evidence.</p> |



Where to read more

| FINANCIAL | NON-FINANCIAL | CONFLICT OF ROLES | PRE-DETERMINATION |
|--|--------------------------|----------------------|----------------------|
| Paragraphs 3.7-3.11 | Paragraphs 3.12-3.24 | Paragraphs 3.25-3.31 | Paragraphs 3.32-3.40 |
| Scenarios 3, 5 | Scenarios 1, 2, 3, 9, 11 | Scenarios 8, 10 | Scenarios 4, 7 |
| If you are an elected member of a local council, or a member of the governing body of any other entity to which the Local Authorities (Members' Interests) Act 1968 applies, please also read our Guide on that Act. | | | |

WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 16 AUGUST 2022 AT 10.00AM

PRESENT: Independent Chairperson Bruce Robertson
Councillor Phil Brodie
Councillor Allan Goddard
Councillor Janene New

IN ATTENDANCE: Chief Executive, Ben Smit
Manager – Governance Support, Michelle Higgle
General Manager – Business Support, Alister Duncan
General Manager – Community Services, Helen Beever
General Manager – Strategy and Environment, Alex Bell
General Manager – Infrastructure Services, Shyamal Ram
Manager – Strategy and Policy, Charmaine Ellery

1. Apologies

Resolution

The apologies from Mayor Robertson, Deputy Mayor Whitaker and Councillor Marshall be received and leave of absence granted.

B Robertson/Brodie Carried

2. Declaration of Member Conflicts of Interest

No declarations were made.

3. Confirmation of Minutes – 17 May 2022

Resolution

The Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 17 May 2022, including the Public Excluded minutes, be confirmed as a true and correct record.

Goddard/New Carried

4. Mastercard Expenditure Report (April – June 2022)

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via Waitomo District Council issued Corporate Mastercard.

The Manager – Governance Support answered Members questions.

Resolution

The Mastercard Expenditure Report for the period April to June 2022 be received.

B Robertson/New Carried

The General Manager – Community Services entered the meeting at 10.10am via Zoom
The General Manager – Strategy and Environment entered the meeting at 10.14am via Zoom

5. Civic Financial Services Ltd – Annual Report 2021

The Committee considered a business paper present for information the Annual Report for Civic Financial Services Limited for the year ended 31 December 2021.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Civic Financial Services Ltd Annual Report for the year ended 31 December 2021 be received.
- 2 The Civic Financial Services Ltd Annual Report for the year ended 31 December 2021 be received.

New/Goddard Carried

The General Manager – Infrastructure Services entered the meeting at 10.18am via Zoom
The General Manager – Community Services entered the meeting in person at 10.18am

6. Progress Report: Risk Management – Monitoring and Reporting

The Committee considered a business paper informing of progress in respect to the implementation of the Risk Management Framework.

The General Manager – Business Support and Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Progress Report: Risk Management – Monitoring and Reporting be received.

B Robertson/Brodie Carried

7. Progress Report: Health and Safety

The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance for the 2021/2022 year to date.

The General Manager – Community Services expanded verbally on the business paper and answered Members' questions.

The General Manager – Strategy and Environment entered the meeting in person at 10.36am
The Manager – Strategy and Policy entered the meeting in person at 10.37am

Resolution

The Progress Report: Health and Safety be received.

New/Goddard Carried

The General Manager – Community Services left the meeting in person at 10.42am.
The General Manager – Infrastructure Services entered the meeting in person at 10.43am.

8. Interim Report for Year Ended 30 June 2022

The Committee considered a business paper providing an interim report on Waitomo District Council's financial and non-financial activities for the year ended 30 June 2022.

The General Manager – Business Support, General Manager – Strategy and Environment and Chief Executive expanded verbally on the business paper and answered Members' questions.

The Committee noted that 50% of Council's debt will mature in 2022/2023 which is outside the guidelines contained in Council's Liability Management Policy (which provides for a maximum of 33% in any 12 month period), but agreed there is no need to make any amendments to the Policy. The Committee also noted the aim to have approximately 60% of Council's debt mature in 2024/2025 to coincide with the Three Waters Reform transition.

The Committee congratulated the staff in fully expending the first tranche of the Three Waters Reform funding under such tight timelines.

The Chairperson suggested that in future a section providing breakdown details of the Revised Annual Budget be included which will add to the Committee's understanding of what the changes are.

Resolution

- 1 The business paper on Interim Report for year ended 30 June 2022 be received.
- 2 A business paper be prepared for the next meeting of the Audit Risk and Finance Committee meeting on the reasons for not adhering to the guidance contained in Council's Liability Management Policy in respect to Council debt portfolio.

B Robertson/Goddard Carried

The General Manager – Strategy and Environment and Manager – Strategy and Policy left the meeting in person at 11.25am

9. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the fourth quarter of 2021/22.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report, WDC Resource Consents – Compliance Monitoring, be received.

B Robertson/Brodie Carried

10. Procurement Summary Schedule – Change in Reporting Requirements

The Committee considered a business paper presenting options for reporting on procurements made in accordance with the Waitomo District Council's Procurement Policy.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Procurement Summary Schedule – Change in Reporting Requirements be received.
- 2 The Audit Risk and Finance Committee approve that from the next meeting, the quarterly Procurement Summary Schedule (PSS) report provide details of procurements that result in a total contract award over \$200,000 + GST and that have been considered and approved by the Tenders Subcommittee, and/or where the supplier selection method has deviated from the Procurement Policy, the procurement value is above \$50,000 and a procurement exemption has been approved by the Chief Executive.

B Robertson/Brodie Carried

11. Progress Report: Procurement Summary Schedule (April to June 2022)

The Committee considered a business paper presenting a summary of the procurements made in the period April to June 2022 in accordance with Waitomo District Council's Procurement Policy.

The General Manager – Infrastructure Services and General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: Procurement Summary Schedule (April to June 2022) be received.

Goddard/Brodie Carried

12. Matters Raised by Mayor Robertson via Email

The Chairperson and Chief Executive briefed the Committee on a number of matters raised by Mayor Robertson via email in his absence.

Resolution

- 1 The email from Mayor Robertson to the Independent Chairperson and Chief Executive be received.
- 2 The Committee noted the verbal report made by the Chief Executive in response to matters raised by Mayor Robertson.
- 3 The Chief Executive be requested to develop any policies as necessary.
- 4 The Chief Executive brief the Mayor in response to the matters raised and share the email from Mayor Robertson with the remainder of the Committee.

B Robertson/Brodie Carried

There being no further business the meeting closed at 11.50am.

Dated this day of 2022.

JOHN ROBERTSON
DEPUTY CHAIRPERSON

Document No: A634245

Report To: Audit, Risk and Finance Committee



Meeting Date: 4 October 2022
Subject: Mastercard Expenditure Report
July/August 2022
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercard.

Commentary

2.1 Introduction

2.2 In today's technological climate, the use of credit cards is an everyday norm. The issue of WDC Corporate Mastercards is also deemed a prudent and sometimes necessary form of currency.

2.3 Many purchases can be made online with discounts not applicable through other purchasing avenues, necessitating the use of a credit card. In other circumstances the only purchase method available is online. Online purchases also significantly reduce staff time in making purchases.

2.4 From time to time WDC's Senior Management Team incur work related expenses where the use of a WDC corporate credit card is the most expedient method of payment. The use of corporate credit cards avoids time consuming processes for arranging pre-purchase cheques, petty cash or making payment personally and claiming back the expense after the fact.

2.5 Acknowledgement of Risk

2.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.

2.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has an implemented Credit Card Policy.

2.8 Policy

2.9 A copy of the **Credit Card Policy** is attached to and forms part of this business paper for information.

2.10 A summary of the Policy is as follows:

- Provides guidance on the use of a WDC Corporate Credit Card
- Limits approval of the issue of any credit card to the Chief Executive
- Requires a bi-annual review of both Cardholders and the Policy
- Details what is valid expenditure and what is not
- Makes an allowance for exceptional circumstances
- Requires all credit card purchases (both online and telephone) to reflect good security practice, to meet the criteria of WDC's Procurement Policy and comply with authorized Financial Delegations.
- Requires reimbursement of any unauthorized expenditure.
- Details the procedure for documenting monthly statements, monitoring by the Chief Executive and the approval (sign-off) of expenditure.
- Details card "limits" and the process for dealing with lost or stolen cards

2.11 **Presentation of Expenditure Details**

2.12 Copies of the monthly "Mastercard Statement Authorisation Forms" as explained in the Policy, will be presented to each Audit and Risk Committee Meeting.

2.13 Copies of the supporting invoices/receipts will not be included in any Agendas, however should a Committee Member wish to view any of this supporting information, that information can be made available by arrangement.

Suggested Resolution

The Mastercard Expenditure Report for the period July/August 2022 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: (1) Mastercard Authorisation Forms: July/August 2022
(2) Credit Card Policy (Doc A207793)



CONSOLIDATED STATEMENT

TAX INVOICE
GST NO. 93 259 688

RECEIVED

02 AUG 2022

WAITOMO DISTRICT
COUNCIL

27 July 2022

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI 3941

Westpac Cards Services
53 Galway Street
Auckland 1010
Phone: 0800 888 111
From overseas: +64 9 914 8026



Business Mastercard®

Account summary

Facility Number: **0030 1565 8499**
Total Cardholder Limit: **\$25,000.00**
Total Cardholder Net Balance: **\$4,481.70**
Total Interest and Fees: **\$0.00**

Statement period: **28/06/2022 to 27/07/2022**

Consolidated summary

| CARDHOLDER NAME | ACCOUNT NUMBER | LIMIT \$ | BALANCE \$ |
|-----------------|----------------|-----------------|-------------------|
| Ms M D Higgle | 0030 2936 5933 | 10,000 | 3,031.67 |
| Mrs H M Beever | 0030 3956 2081 | 5,000 | 1,244.50 |
| Mr A M Bell | 0030 6627 0319 | 5,000 | 0.00 |
| Mr S C Ram | 0030 6674 8769 | 5,000 | 205.53 |
| TOTALS | | \$25,000 | \$4,481.70 |

Direct Debit payment

We advise that \$4,481.70 will be directly charged to your account 03-0449-0070201-00 on 20 August 2022, please note this transaction for your records.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

Westpac Business Mastercard Conditions of Use and applicable fees apply. See westpac.co.nz/business/products-services/credit-cards/business-mastercard/ for details.

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Mastercard Statement Authorisation Form

Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 27 / 07 / 22

(1) **Creditor:** Navigo
Date: 6 July 2022
Amount: \$90.86 (\$80.00 AUD)
GL Code: 816 21 700
Expenditure: OrgPlus Desktop 100 (Software) Support Plan Annual Renewal - 06/07/2022 to 5/07/2033

(2) **Creditor:** Air New Zealand
Date: 6 July 2022
Amount: \$803.60
GL Code: 111 40 551
Expenditure: Airfares: Hamilton - Nelson Return - Mayoral TUIA Representative (Te Awhina Anderson) attendance at Tuia i Raro at Whakatu Marae, Nelson - Fri 7 29 July to Sun 31 July 2022

(3) **Creditor:** Rubbertree
Date: 15 July 2022
Amount: \$219.01
GL Code: 820 27 779
Expenditure: Full Set of Deep Dish Rubber Floor Mats for Mitsubishi Triton (Registration PFN107)

(4) **Creditor:** Air New Zealand
Date: 15 July 2022
Amount: \$659.60
GL Code: 111 42 700
Expenditure: Airfares: Auckland - Palmerston North Return - Mayor John Robertson - Attendance at LGNZ Annual Conference in Palmerston North (Tuesday 19th to Friday 22nd July 2022)

(5) **Creditor:** Bella Vista Palmerston North
Date: 23 July 2022
Amount: \$1,258.60 (\$629.30 - Mayor and \$629.30 - Chief Executive)
GL Code: 111 42 700
Expenditure: Accommodation (4 nights): Mayor and Chief Executive - Attendance at LGNZ Annual Conference in Palmerston North (Tuesday 19th to Friday 22nd July 2022)

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

**Signature of
 Manager – Governance Support**



Date: 18 August 2022

**Authorised by
 Chief Executive:**




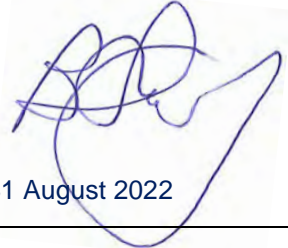
Date: 31 August 2022

**Authorised by
 Mayor:**



Date: 31 August 2022

File 1 - Page 16
Mastercard Statement Authorisation Form

| | |
|---|--|
| Name: Helen Beever | |
| Position: General Manager – Community Services | |
| Statement Date: 27 / 07 / 22 | |
| <hr/> | |
| (1) Creditor: | Immigration NZ |
| Date: | 4 July 2022 |
| Amount: | \$740.00 |
| GL Code: | 817 39 705 |
| Expenditure: | Immigration Accreditation Application |
| <hr/> | |
| (2) Creditor: | BP 2Go Te Kuiti |
| Date: | 5 July 2022 |
| Amount: | \$500.00 |
| GL Code: | 97 08 699 |
| Expenditure: | Petrol Vouchers – Purchased as requested by John Robertson for family affect by cyclone Dovi |
| <hr/> | |
| (3) Creditor: | Te Kuiti Central Post |
| Date: | 5 July 2022 |
| Amount: | \$4.50 |
| GL Code: | 97 08 699 |
| Expenditure: | Postage for Petrol Vouchers |
| <hr/> | |
| I certify that: | |
| 1 I have attached the necessary supplementary docket or receipt. | |
| 2 The account is payable. | |
| 3 The debt incurred is work related. | |
| 4 That any private component is identified and the amount has been reimbursed as follows: | |
| Signature of GM – Community Services: | Authorised by Chief Executive: |
|  |  |
| Date: 25 August 2022 | Date: 31 August 2022 |

File 1 - Page 17
Mastercard Statement Authorisation Form

| | |
|--|--|
| Name: Shyamal Ram | |
| Position: General Manager – Infrastructure Services | |
| Statement Date: 27 / 07 / 22 | |
| (1) Creditor: Hilton Lake Taupo | |
| Date: 14 July 2022 | |
| Amount: \$205.53 | |
| GL Code: 720 32 614 | |
| Expenditure: Accommodation: General Manager – Infrastructure Services – Attendance at Three Waters Reform (Entity B) Workshop in Taupo on Thursday 14 July 2022 | |
| I certify that: | |
| 1 I have attached the necessary supplementary docket or receipt. | |
| 2 The account is payable. | |
| 3 The debt incurred is work related. | |
| 4 That any private component is identified and the amount has been reimbursed as follows: | |
| Signature of GM – Infrastructure Services  | Authorised by Chief Executive:  |
| Date: 26 August 2022 | Date: 31 August 2022 |



RECEIVED

05 SEP 2022

WAITOMO DISTRICT COUNCIL

CONSOLIDATED STATEMENT

TAX INVOICE
GST NO. 93 259 688

28 August 2022

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI 3941

Westpac Cards Services
53 Galway Street
Auckland 1010
Phone: 0800 888 111
From overseas: +64 9 914 8026



Business Mastercard®

Account summary

Facility Number: 0030 1565 8499
Total Cardholder Limit: \$20,000.00
Total Cardholder Net Balance: \$3,697.78
Total Interest and Fees: \$0.00

Statement period: 28/07/2022 to 28/08/2022

Consolidated summary

| CARDHOLDER NAME | ACCOUNT NUMBER | LIMIT \$ | BALANCE \$ |
|-----------------|----------------|----------|------------|
| Ms M D Higgle | 0030 2936 5933 | 10,000 | 3,697.78 |
| Mrs H M Beever | 0030 3956 2081 | 5,000 | 0.00 |
| Mr S C Ram | 0030 6674 8769 | 5,000 | 0.00 |
| TOTALS | | \$20,000 | \$3,697.78 |

Direct Debit payment

We advise that \$3,697.78 will be directly charged to your account 03-0449-0070201-00 on 20 September 2022, please note this transaction for your records.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

Westpac Business Mastercard Conditions of Use and applicable fees apply. See westpac.co.nz/business/products-services/credit-cards/business-mastercard/ for details.

File 1 - Page 19

Mastercard Statement Authorisation Form

Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 28 / 08 / 22

(1) **Creditor:** Waka Kotahi NZ Transport Agency
Date: 17 August 2022
Amount: \$2,233.80 (breakdown below)

| | |
|--------------|--|
| Amount: | \$494.80 |
| GL Code: | 820 27 742 |
| Expenditure: | 10,000km Road User Charges for WDC Fleet Vehicle (Rego LHC172) Water Treatment Plant Operator |
| Amount: | \$494.80 |
| GL Code: | 820 27 776 |
| Expenditure: | 10,000km Road User Charges for WDC Fleet Vehicle (Rego NJS791) Building Control Officer |
| Amount: | \$494.80 |
| GL Code: | 820 27 765 |
| Expenditure: | 10,000km Road User Charges for WDC Fleet Vehicle (Rego KBU338) Building Control Officer |
| Amount: | \$249.80 |
| GL Code: | 820 27 751 |
| Expenditure: | 5,000km Road User Charges for WDC Fleet Vehicle (Rego LMZ559) Building Control Officer |
| Amount: | \$249.80 |
| GL Code: | 820 27 752 |
| Expenditure: | 5,000km Road User Charges for WDC Fleet Vehicle (Rego MGA224) Parks and Facilities Operator |
| Amount: | \$249.80 |
| GL Code: | 820 27 747 |
| Expenditure: | 5,000km of Road User Charges for WDC Fleet Vehicle (Rego LPS811) Network Engineer |




(2) **Creditor:** Bolton Hotel Wellington
Date: 18 August 2022
Amount: \$406.98
GL Code: 111 50 551
Expenditure: Accommodation (1 night): Chief Executive Ben Smit - Attendance at Third Reading of Maniapoto Settlement Claims Bill at Parliament on 15 September 2022

(3) **Creditor:** Air New Zealand
Date: 18 August 2022
Amount: \$357.60
GL Code: 111 50 551
Expenditure: Return Airfares: Chief Executive Ben Smit - Attendance at Third Reading of Maniapoto Settlement Claims Bill at Parliament on 15 September 2022

(4) Creditor: Air New Zealand
Date: 18 August 2022
Amount: \$449.60
GL Code: 111 40 551
Expenditure: Airfares: (Hamilton-Wellington-Rotorua) for Te Awhina Anderson (Mayor Robertson's Rangatahi for the Mayors Taskforce for Jobs Tuia Programme) to attend Final (3rd) reading of the Maniapoto Claims Settlement Bill in Wellington on Thursday 15 September 2022 and then attend the TUIA i Roto Wananga 3 in Rotorua from Friday 16 - Monday 19 September 2022.

(5) Creditor: Waka Kotahi NZ Transport Agency
Date: 19 August 2022
Amount: \$249.80
GL Code: 820 27 772
Expenditure: 5,000km of Road User Charges for WDC Fleet Vehicle (Rego NHZ59) Programme Lead - Roading

I certify that:
 1 I have attached the necessary supplementary docket or receipt.
 2 The account is payable.
 3 The debt incurred is work related.
 4 That any private component is identified and the amount has been reimbursed as follows:

| | | |
|--|--|---|
| <p>Signature of Manager – Governance Support</p>  <p>Date: 8 September 2022</p> | <p>Authorised by Chief Executive:</p>  <p>Date: 20/9/22</p> | <p>Authorised by Mayor:</p>  <p>Date: 21/09/22</p> |
|--|--|---|



Credit Card Policy

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1.0 Policy Background

1.1 This policy is intended to provide guidance on the use of Corporate Credit Cards.

2.0 Eligibility for Credit Cards

2.1 This policy authorises the issue of credit cards to:

- Members of the Executive Management Team
- The Manager – Governance Support
- The Mayor

3.0 Issuance of Additional Cards

3.1 The Chief Executive may approve the issue of additional cards to staff where that is appropriate. Before authorising the issuing of additional cards the Chief Executive must be satisfied that they are strictly necessary and will provide administrative efficiencies.

3.2 In approving the issue of a card, the Chief Executive will also confirm the approved credit limit. The credit limit will be set based on the minimum amount necessary to enable the cardholder to undertake their Council duties.

4.0 Maintenance and Review of Card Holder List

4.1 The Human Resources Officer shall maintain a central register (Doc#A207787) of all cardholders and a review of the register will be undertaken in conjunction with the bi-annual Policy review, or as otherwise required, to ensure that those staff currently holding cards should still do so. This frequency of review is seen as adequate, given the unlikelihood of a staff member moving from a position where they were entitled to hold a credit card to one where they are not entitled to do so.

5.0 Procedure for Issuing Cards

5.1 Upon approval from the Chief Executive, the Human Resources Officer will arrange for the issue of a corporate credit card via the General Manager – Business Support.

6.0 Valid expenditure

6.1 Corporate Credit cards are to be used:

- solely for the payment of business-related expenditure;
- subject to the limits in the appropriate annual operating expenditure budget; and
- in accordance with the Procurement Policy and Delegations Register.

6.2 Credit cards shall **not** be used for the following purposes:

- Personal purchases;
- Cash advances or cash reimbursement;
- Payment for any work attracting PAYE tax;
- Court costs or fines, tax payments, personal services or any other inappropriate spending.

6.3 Exceptional Circumstances

There may be circumstances that lend themselves to an exception to the above - e.g. emergencies where cash advances are required. In these cases an explanation is to be

provided to the Chief Executive, or in the case of the Chief Executive, the Mayor, within two days of the expenditure being incurred and the expenditure is to be fully reimbursed to WDC prior to the monthly credit card payment being due.

6.4 Internet Purchases

Purchasing over the internet (using a Credit card) is authorised but the purchase transaction process must reflect good internet security practice. Good security practice involves ensuring the internet site is secure and purchasing only from established reputable companies. Where internet purchases are made, the cardholder is required to keep a copy of any online order forms completed when purchasing, and any purchasing over the internet needs to be consistent with WDC's normal purchasing procedures.

6.5 Telephone Purchases

Purchasing over the telephone (using a Credit card) is authorised but the purchase transaction process must reflect good telephone security practice. Good security practice involves ensuring the purchase is via an established and reputable company. Where telephone purchases are made, the cardholder is required to keep a manual record of the transaction. Purchasing over the telephone needs to be consistent with WDC's normal purchasing procedures.

7.0 Liability for Inappropriate Expenditure

- 7.1 WDC will not be liable for any unauthorised transactions incurred by the cardholder. In all cases the cardholder will be liable for the reimbursement to WDC of any inappropriate or unauthorised expenditure charged to the credit/purchasing card. Inappropriate expenditure is deemed to be that specified in this policy.

8.0 Procedure When More Than One Cardholder is Present

- 8.1 Where more than one cardholder is present (for example, at a staff function), it is expected that the most senior staff member will use their card for the payment of expenses incurred.

9.0 Documentation to Accompany Monthly Statements

- 9.1 Each Cardholder must complete a "Mastercard Statement Authorisation Form" (Doc# 317041) for every monthly credit card statement.
- 9.2 All credit card transactions in excess of \$20.00 in value must be supported by original documentation (tax invoices and/or receipts) to corroborate transactions.
- 9.3 For credit card transactions less than \$20.00 in value, the preference is to include supporting documentation, however this is not mandatory.
- 9.4 For transactions less than \$20.00 in value which do not have supporting documentation, or where a transaction is in excess of \$20.00 in value and supporting documentation is not available or has been lost by the cardholder, a note explaining the nature of the transaction and verifying that the expenditure incurred was valid and work-related must be included on the Mastercard Statement Authorisation Form.
- 9.5 For all entertainment and travel transactions, the business reason and other parties (if any) must be recorded along with the purpose of the meeting. This is to ensure that all transactions can be appropriately reviewed by the Authoriser, and to allow WDC to claim back the GST content of qualifying purchases. GST invoices (where relevant) shall be attached to the card statement prior to review by the Authoriser.

10.0 Monitoring

- 10.1 Credit card use is monitored monthly by the Chief Executive. The approval process must be structured in accordance with the following clause 11.0 'Approval of Expenditure'.
- 10.2 Credit card use is also monitored by the Audit, Risk and Finance Committee.

11.0 Approval of Expenditure

11.1 An approval hierarchy for monthly credit card statement approval, based on a "one-up" procedure where possible, has been defined as part of this policy as follows:

- 1 Executive Management Team statements must be approved by the Chief Executive.
- 2 The Chief Executive's statements must be approved jointly by the Mayor and Manager – Governance Support.
- 3 The Mayor's statements must be approved jointly by the Manager - Governance Support and Chief Executive.
- 4 The Manager – Governance Support's statements must be approved jointly by the Mayor and Chief Executive.

Note: The OAG guidance on sensitive expenditure states that it is essential that there should be no reciprocal arrangement for approving sensitive expenditure – therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.

11.2 The Manager - Governance Support and the Chief Executive will jointly approve the Mayor's statements (i.e. with the Mayor there can be no true "one-up procedure" and by having a joint authorisation any "reciprocal" arrangement is removed).

11.3 The Manager - Governance Support is also in the position of knowing the Mayor's daily activities/whereabouts and will know what claims are appropriate on his Mastercard.

11.4 The Manager - Governance Support's statements will be jointly approved by both the Chief Executive and Mayor as from time to time there are purchases made on behalf of both the Mayor and Chief Executive on the Manager - Governance Support's credit card (i.e. Airfares, Accommodation, etc.)

11.2 Items will be coded by the Cardholder for posting in the accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.

11.3 The approval hierarchy will be as follows:

| Expenditure incurred by | Statements approved by |
|------------------------------|---|
| Mayor | Chief Executive and Manager - Governance Support |
| Chief Executive | Mayor (or Deputy Mayor in the Mayor's absence) and Manager - Governance Support |
| Manager - Governance Support | Mayor and Chief Executive |
| Executive Management Team | Chief Executive |

12.0 Card Limits

12.1 Unless otherwise determined by the Chief Executive, the credit limit of cards shall be as follows:

- Chief Executive \$10,000
- Mayor \$5,000
- Executive Team Members \$5,000
- Manager - Governance Support to CE \$10,000

13.0 Procedure for the Surrender of Cards

- 13.1 All cards will be surrendered by the cardholder on termination of their employment with Council. The credit card is to be returned to the Human Resources Officer in the first instance who will then pass the card on to the General Manager – Business Support for cancellation. This cancellation should be processed to the card issuer within 5 working days of the employee leaving Council and the card destroyed. All final wage/salary payments will be approved upon return of the credit card.

14.0 Lost or Stolen Cards

- 14.1 The cardholder is responsible for immediately reporting a card that is lost or stolen to the Westpac Bank Credit Cards division of the Westpac Bank. The hotline telephone number **0800 888 111** is given to each cardholder when uplifting the card. If a card is lost or stolen outside New Zealand, it must be reported to the nearest VISA member bank or by ringing **+64 09 914 8026 collect**.
- 14.2 Written confirmation of what happened when the card was lost or stolen must be provided to Westpac Bank within a reasonable timeframe. Full details (where, when, how) must be included, as the bank may need to relay these details to police.
- 14.3 Replacement of a lost or stolen card is to be arranged through the Human Resources Officer.

15.0 Breach of Policy

- 15.1 Any breach of this policy will be considered to be serious misconduct. When there is reason to believe that violation of policy or law has occurred disciplinary action may be taken. For repeat offenders, or where the breach of policy is significantly serious, the card will be automatically cancelled and formal disciplinary action taken.

16.0 Policy Review

- 16.1 The Human Resources Advisor is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed and revised where necessary every two years.

17.0 Staff Contact

Human Resource Advisor

18.0 Policy Review Date

Next Review: August 2022 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date: 6 August 2020

Document: A634225

Report To: Audit, Risk and Finance Committee



Date: 4 October 2022
Subject: Progress Report: Health and Safety
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Waitomo District Council's (WDC) health and safety performance during the 2022/23 Quarter One.

Background

- 2.1 Elected Members are provided quarterly progress reports to provide visibility of health and safety performance and various key performance indicators.
- 2.2 This report has been structured to align with the SafePlus programme developed by WorkSafe NZ, ACC and MBIE in 2017. The programme is voluntary and aims to support organisations wanting to improve their health and safety culture and exceed minimum compliance requirements.

Commentary

3.1 LEADERSHIP COMMITMENT

- 3.2 Under the Health and Safety at Work Act 2015, "Officers" are required to exercise due diligence to provide them with a level of assurance that health and safety is being effectively managed. Due diligence requires the need for "Officers" to keep up to date with health and safety matters and information; ensure critical risks are effectively controlled; ensure health and safety is adequately resourced; ensure appropriate monitoring and reviews are conducted to provide assurance and verify that health and safety matters are being appropriately addressed.
- 3.3 Identified improvements and actions due for completion during the year include:
 - 3.3.1 Approved Fire Evacuation Schemes in place for Treatment Plants where the quantities of hazardous substances meet the threshold – in progress (delayed due to hazardous substances compliance requirements needing to be addressed prior to applying for the fire evacuation scheme).
 - 3.3.2 Development and roll-out of Tomo, the new Health and Safety software system.
 - 3.3.3 Complete health and safety assessments across WDC's quarry network – remains in progress due to staff changes.
 - 3.3.4 Support and encourage a continued increase in site safety inspections and near miss recording – ongoing.
- 3.4 The Annual Plan for 2022/23 (refer attachment 1) was approved by the Senior Management Team in June 2022. The Key Performance Indicators below provide an indication of how Council is tracking against the set objectives

| KPI | Target | Status |
|--------------------------------------|---------------------------|---|
| Site Inspections | 5 per month |  |
| Workplace Inspections | 1 quarterly |  |
| Managers H&S Conversations | 5 per month (1 per group) |  |
| Health and Safety Committee Meetings | 1 per month |  |
| Near Miss Reporting | 10% increase |  |

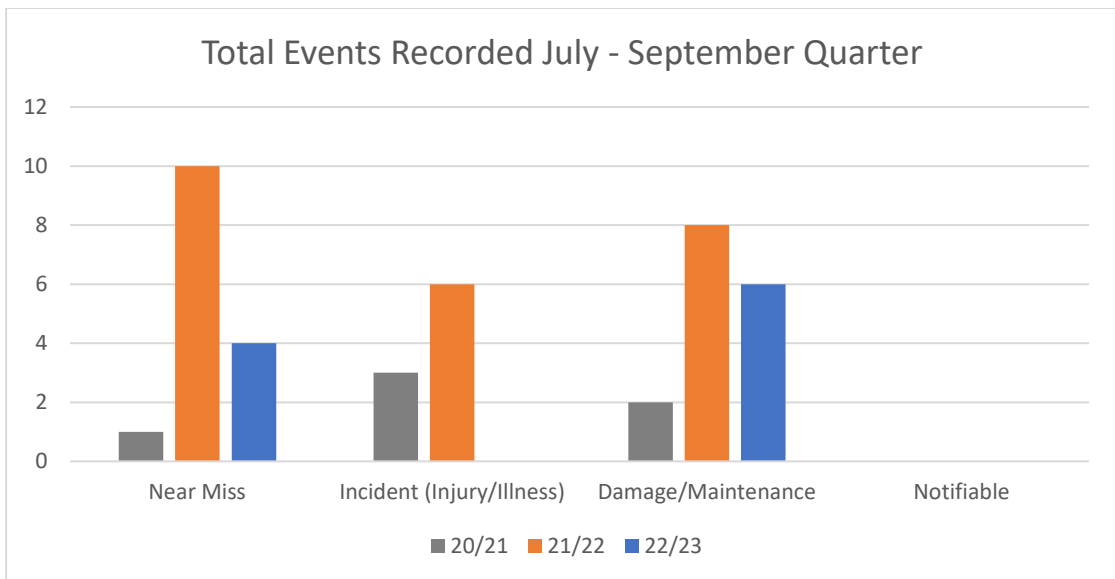
Red light = target not reached – management focus required

Yellow light = target almost reached – maintain management focus

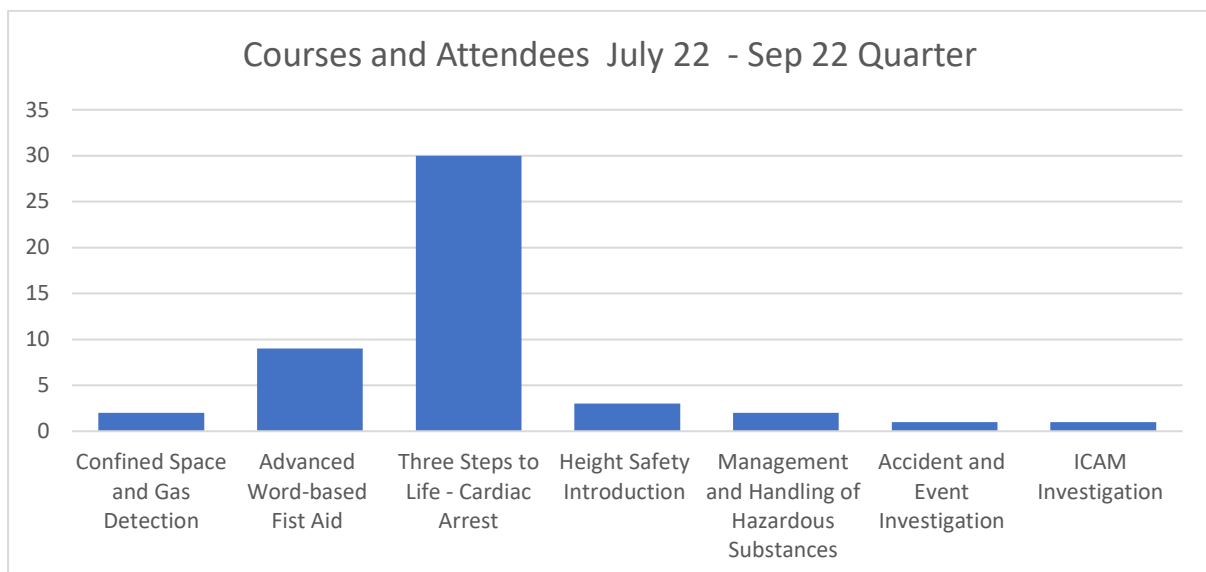
Green light = target achieved or exceeded

- 3.5 Implementation of a new health and safety software system commenced in July 2022, with a gradual rollout planned for all activities as development allows. One of the Infrastructure Services Teams is currently piloting online forms and processes as they are developed. The pilot began in August. The system will support up to date and accurate data capturing, be easier for field staff to record events through a web-based portal available offline, assign and track actions through to completion and enable more effective trend analysis.
- 3.6 SafePlus offers a Government-endorsed model of what 'good' health and safety practices and performance look like, to support any organisation in understanding their current practices – and initiating positive and ongoing change. It was designed with input from New Zealand industry and tested with over 90 businesses.
- 3.7 Conducting an organisational self-assessment is one of our Health and Safety Annual Plan objectives. Preparation has begun in setting up the online assessment tool for management and staff to be emailed a link to complete. Results will be discussed with the Senior Management Team and shared with the Health and Safety Committee to identify improvement opportunities.
- 3.8 WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**
- 3.9 WDC continues to maintain an active Health and Safety Committee. The Committee consists of elected Health and Safety Representatives (HSR's) from Business Support, Community Services, Infrastructure Services (x2), Strategy and Environment, a senior management representative, Health and Safety Administrator and WDC's external Health and Safety Advisor.
- 3.10 A special election was held in September 2022, with a new HSR for the Business Support Group confirmed. This was due to the previous representative leaving WDC employment.
- 3.11 The Health and Safety Committee meetings are scheduled to occur monthly. These meetings are minuted, with actions recorded in the Health and Safety Action Plan to monitor progress and close off.

- 3.12 The Health and Safety Committee meeting held in July and August 2022 were well attended, with the September meeting postponed by one week due to conflicting schedules for several attendees.
- 3.13 Staff engagement and consultation is utilized to gather worker feedback regarding the development of documentation and forms for Tomo. HSR's and relevant staff are being engaged to trial and review the forms loaded onto Tomo and provide input/feedback for consideration. This is a beneficial process in getting buy-in from staff who are required to implement the process. Positive feedback has been received.
- 3.14 There has been a drop in event reporting with ten events being reported this quarter compared to 24 for the same period last year.
- 3.15 Reporting will continue to be encouraged throughout the Tomo training sessions, enabling WDC to identify preventative actions rather than corrective actions following an injury or damage.



- 3.16 A range of formal training courses have been attended this quarter to ensure compliance is maintained and to provide tools and education to staff.
- 3.17 30 staff participated in the Three steps to Life – Cardiac Arrest training provided by St John.



3.18 The Health and Safety Administrator has begun health and safety professional development, with a focus on investigations. This will support the intent to better understand root causes to prevent reoccurrences.

3.19 RISK MANAGEMENT

3.20 Asbestos testing was conducted in the WDC office building in August 2022. Samples were taken from several materials on the interior and exterior. Laboratory results show no asbestos was detected.

3.21 The top five risks that have previously been identified by the Senior Management Team remain unchanged:

1 **Working Alone** – Lone worker devices are in place and monitored to provide staff with security/support all hours. Vehicle monitoring devices (Smartrak) are installed in vehicles to provide vehicle location (in cell network coverage areas only).

2 **Contractor Management** – The SHE Pre-Qualification used by WDC - contractor's health and safety processes, evidence and insurances are evaluated and approved before carrying out physical works gives WDC an assurance that contractors are managing health and safety. The completion of site safety inspections remains a focus area.

3 **Confined Spaces** - Training is current. A Job Safety Analysis and permit system has been set up for staff to use when planning a confined space entry. Site safety inspections are required during this activity to ensure safe work practices and procedures are being followed.

4 **Aggressive Behaviour** – Training for customer facing roles occurred in mid-2021 and will be re-scheduled to take place again in the coming months. Lone worker devices are available to all front facing staff to use as necessary. Any aggressive behaviour is recorded as a near miss and investigated.

5 **Driving and Vehicle Usage** – Driver training has been delivered to those staff who drive off-road and for those who tow trailers. Smartrak is installed in all vehicles to monitor vehicle locations as needed.

3.22 Automatic External Defibrillators (AEDs) have been procured for WDC's administration building, I-SITE and Library with the aim to aid the survival chance of cardiac emergency within the community.

3.23 A wellbeing programme has been developed. Each month there is a topic promoted to encourage physical health and mental wellbeing. The programme includes national health campaigns.

3.24 WDC fully supported and encouraged Māori language week, with posters displayed showing translations for common workplace phrases and a quiz. Karakia were also distributed to staff throughout the week.

3.25 The COVID-19 Health and Safety Plan is no longer in effect, as a response to the Government's and MoH announcement in early September to remove the Covid-19 Protection Framework.

Continuous Improvement - Looking forward

4.1 Approved Fire Evacuation Schemes are in place for Treatment Plants where the quantities of hazardous substances meet the threshold.

4.2 Development, implementation and rollout of new Health and Safety software system – Tomo.

4.3 Complete health and safety assessments across WDC's quarry network.

- 4.4 Support and encourage a continued increase in safety inspections and near miss recording.
- 4.5 Implementation of the Health and Safety Annual Plan 2022/2023 with objectives and key performance indicators actively tracked.

Suggested Resolution

The Progress Report: Health and Safety be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

28 September 2022

Attachment:

1. Health and Safety Annual Plan 2022/2023

HEALTH AND SAFETY ANNUAL PLAN 2022/23

VISION: Encouraging health and safety leadership and participation to support a vibrant organisation

The Senior Management Team (SMT) are committed to providing a safe and healthy work environment. As part of this commitment SMT will lead health and safety by ensuring the delivery of this plan

OUR COMMITMENT – we will

- | | |
|--|---|
| <ul style="list-style-type: none"> • Provide a safe and healthy work environment | <ul style="list-style-type: none"> • Demonstrate commitment and create a positive culture |
| <ul style="list-style-type: none"> • Ensure all hazards/risks are effectively managed | <ul style="list-style-type: none"> • Be held accountable for health and safety organisational wide |
| <ul style="list-style-type: none"> • Recognise behavioural and safety excellence | <ul style="list-style-type: none"> • Provide a safe environment for our customers and community |

GOALS – we will

- | | |
|--|---|
| <ul style="list-style-type: none"> • Ensure our people go home safe and well everyday | <ul style="list-style-type: none"> • Ensure management demonstrate their commitment |
| <ul style="list-style-type: none"> • Have systems and processes in place that meet legislative requirements | <ul style="list-style-type: none"> • Ensure hazards are identified and risks are managed effectively |
| <ul style="list-style-type: none"> • Empower our people to actively participate in health and safety | <ul style="list-style-type: none"> • Consult with our people on health and safety matters |

OBJECTIVES – we will

- | | |
|---|---|
| <ul style="list-style-type: none"> • Identify improvement opportunities | <ul style="list-style-type: none"> • Encourage management to engage in health and safety conversations |
| <ul style="list-style-type: none"> • Monitor health and safety performance onsite and in the workplace | <ul style="list-style-type: none"> • Promote an active and healthy lifestyle |

MEASURES – we will

- | | |
|--|---|
| <ul style="list-style-type: none"> • Conduct a SafePlus self-assessment | <ul style="list-style-type: none"> • Record management health and safety conversations |
| <ul style="list-style-type: none"> • Complete annual workplace inspections and monthly worksite inspections | <ul style="list-style-type: none"> • Develop and implement a wellbeing programme |

Document No: A633917

Report To: **Audit, Risk and Finance Committee**



Meeting Date: 4 October 2022

Subject: **Progress Report: Risk Management – Monitoring and Reporting**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform the Audit, Risk and Finance Committee of progress in respect to the implementation of the Risk Management Framework (RMF).

Background

- 2.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 2.2 A review of the RMF commenced in December 2020, with further workshops in 2021 resulting in the nine strategic risks being identified and risk assessments being completed for these strategic risks.
- 2.3 The nine strategic risks are:
1. Health Safety and Wellbeing
 2. Cyber Security
 3. Climate Change and Adaption
 4. Significant Internal and External Disruptions
 5. Programme and Project Delivery
 6. Theft Fraud and Corruption
 7. Fit for Purpose Assets
 8. Three Waters Infrastructure
 9. Financial
- 2.4 Two further strategic risks were identified:
1. Stakeholder Relationships
 2. District Vibrancy / Growth
- 2.5 The next steps identified at the August 2021 workshop are:
- An in-depth analysis/review of each of the strategic risks
 - Development of Corporate Risk Registers
 - Development of Project Risk Registers
- 2.6 The Risk Management Framework and Guideline and the Strategic Risk Register were adopted by Council at the Council meeting held on 26 October 2021 and the Strategic Risk Work Plan was endorsed.

Commentary

3.1 Strategic Risk Review

- 3.2 The schedule for the in-depth analysis/review of the strategic risks is as follows:

| Strategic Risk In-Depth Analysis / Review | February 2022 | April 2022 | May 2022 | August 2022 | October 2022 |
|--|---------------|------------|----------|-------------|--------------|
| SR01 – Health, Safety and Wellbeing | ✓ | | | | |
| SR02 – Cyber Security | ✓ | | | | |
| SR03 – Climate Change and Adaptation | ✓ | | | | |
| SR04 – Significant Internal and External Disruptions | | | ✓ | | |
| SR05 – Programme and Project Delivery | | ✓ | | | |
| SR06 – Theft, Fraud and Corruption | | ✓ | | | |
| SR07 – Fit for Purpose Assets | | | ✓ | | |
| SR08 – Three Waters Infrastructure | | | | ✓ | |
| SR09 – Financial | | ✓ | | | |
| SR10 – Stakeholder Relationships | | | | | ✓ |
| SR11 – District Vibrancy / Growth | | | | | ✓ |

3.3 At workshops in February, April, May and August 2022 the Committee completed an in-depth analysis of Health, Safety and Wellbeing, Cyber Security, Climate Change and Adaptation, Programme and Project Delivery, Theft Fraud, Corruption and Financial, Significant Internal and External Disruptions, Fit for Purpose Assets and Three Waters Infrastructure.

3.4 The Workshop Reader for strategic risks – Stakeholder Relationships and District Vibrancy / Growth has been distributed for a workshop following the Committee Meeting today.

3.5 Cyber Security

3.6 Progress on the Cyber Security mitigation actions are progressing well with the following being achieved this quarter:

- 1st and 2nd modules of Phriendly phishing security awareness training are still open for staff and contractors. 66 users\staff have completed the SCAM201.
- Procurement of immutable backup solution - Veeam cloud connect and vGRID has been selected, waiting for delivery of the product.
- The development of IT acceptance Policies is in the final stages.
- Mobile device management deployment has kicked off. Microsoft Intune has been implemented. Two android mobile devices have been enrolled in intunes as the test group, waiting for feedback from these users prior to implementing across all remaining phones.
- Full documentation for the implementation of DR and Failover is completed. Regular testing exercises will take place once a year with the first one to begin in the next 2 weeks – has been delayed due to resourcing issues.
- Researching tools that can report details on patching – working closing with WDC IT service provider to finalise the product.
- Procurement of Securden PAM (Privileged Access Management) solution has been completed. Securden provides 3 different solutions,
 - i. PAM Solution - Implementation In progress
 - ii. Password Vault – Implementation completed- Ongoing management
 - iii. Remote access – Implementation In progress

| |
|-----------------------------|
| Suggested Resolution |
|-----------------------------|

The business paper on Progress Report: Risk Management – Monitoring and Reporting be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

| | |
|---|---|
| Document No: A633268 | |
| Report To: | Audit, Risk and Finance Committee |
|  | <p>Meeting Date: 04 October 2022</p> <p>Subject: Progress Report: WDC Resource Consents – Compliance Monitoring</p> <p>Type: Information Only</p> |

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on compliance reporting against Resource Consent conditions required for the first quarter of 2022/23

Risk Considerations

- 2.1 This is a progress report only, and as such no risks have been identified regarding the information contained in this business paper.

Commentary

- 3.1 Waitomo District Council (WDC) is required to report on resource consent compliance to Waikato Regional Council (WRC) in accordance with the conditions that regulate the various resource consents held by WDC.
- 3.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents.

| RESOURCE CONSENT | REPORT DUE |
|--|----------------------------------|
| Monthly | |
| No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take) | Monthly |
| No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge) | Monthly |
| No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 65, 66 | <i>Not yet commenced</i> |
| Quarterly | |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 to 19 (Discharge) Condition 30 | December, March, June, September |
| No. 140685 - Te Kuiti Landfill, William Street Conditions 65 and 66 | <i>Not yet commenced</i> |

| RESOURCE CONSENT | REPORT DUE |
|---|--|
| No. 101753 - Te Kuiti Landfill, William Street Condition 11 (<i>Within 2 months of sampling</i>) | February, May, August, November |
| Six Monthly | |
| No. 133317 - Te Kuiti Water Treatment Plant Condition | January/July |
| No. 118813 - Benneydale Wastewater Treatment Plant Condition 16 - 23 | January/July |
| No. 117945 - Benneydale Water Treatment Plant (Backwash) Condition 3 | April/October |
| No. 107477 - Piopio Water Treatment Plant Conditions 6, 7, 8 & 9 | May/November |
| No. 107478 - Piopio Water Treatment Plant Conditions 10, 15 & 16 | May/November |
| No. 140685 - Te Kuiti Landfill, William Street Conditions 62, 63 (<i>Within 2 months of sampling</i>) | <i>Not yet commenced</i> |
| Annual | |
| No. 118813 - Benneydale Wastewater Treatment Plant Condition 26 | 31 March |
| No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10 | Monitoring Ceased by mutual agreement with WRC (11/2017) |
| No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6 | 31 May |
| No. 105054 - Te Kuiti Stormwater Condition 6 | 31 May |
| No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take) | 1 June |
| No. 113544 - Mokau Water Treatment Plant (Water Take) | July |
| No. 113545 - Mokau Water Treatment Plant (Backwash) | July |
| No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71. | <i>Not yet commenced</i> |
| No. 101753 - Te Kuiti Landfill, William Street Annual Report Condition 4 Independent Peer Reviewer | May |

| RESOURCE CONSENT | REPORT DUE |
|---|--|
| No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7 | 1 December |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge) | September |
| No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill | November |
| No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5 No. 103194 - Conditions 2 and 3 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| No. 103198 - Aria Closed Landfill Conditions 2 and 4 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| Biennial | |
| No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Review Operations and Management) | September 2014, 2016, 2018, etc. |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24 (Review Operations Management Plan) | June 2015 (<i>and every two years after</i>) |
| No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Review Management Plan Review) | from 2010 every two years |
| Other | |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (Complete Passage/Migration Barrier Assessment within 3 years of commencement date) | Within 3 years: 18 December 2017 Completed: 1 July 2020 |

3.3 The following Resource Consent Compliance Reports have been made to WRC during the second and fourth quarter of 2021/22:

1. **AUTH116844.01.01 – Maniaiti/Benneydale Water Treatment Plant
Condition 9 (Surface Water Take)
Report Due: Monthly**

| | |
|-----------------------------|--|
| Activity Description | Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapehi Stream for Benneydale water supply purposes. |
| Reporting Period: | July 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A623314 |

| | |
|---------------------------|-------------|
| Reporting Period: | August 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A629458 |

2. **AUTH117290.01.01 – Piopio Wastewater Treatment Plant
Condition 26 (Discharge)
Report Due: Monthly**

| | |
|-----------------------------|--|
| Activity Description | Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River. |
| Reporting Period: | July 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A623321 |

| | |
|---------------------------|-------------|
| Reporting Period: | August 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A629844 |

3. **AUTH112639.01.01 – Te Kuiti Wastewater Treatment Plant
Conditions 7, 17 and 30
Report Due: Quarterly**

| | |
|-----------------------------|---|
| Activity Description | To discharge treated wastewater to the Mangaokewa Stream from the Te Kuiti Wastewater Treatment Plant |
| Reporting Period: | April 2022 – June 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A619615 |

4. **AUTH118813.01.01 – Maniaiti / Benneydale Wastewater Treatment Plant Discharge**
Conditions 7, 9, 16, 21 and 23
Report Due: Six Monthly

| | |
|-----------------------------|--|
| Activity Description | Discharge up to 85 cubic metres per day of treated municipal wastewater on to land and on seasonal basis or discharge to the Mangapehi Stream. |
| Reporting Period: | January 2022 – June 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A617362 |

5. **AUTH120048.01.01 – Te Kuiti Wastewater Treatment Plant Condition 6 (Discharge to land via seepage)**
Report Due: Biennial

| | |
|-----------------------------|---|
| Activity Description | To discharge treated wastewater (via seepage) to land and groundwater from activities associated with the Te Kuiti wastewater treatment plant |
| Reporting Period: | January 2021 – July 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A626388 |

6. **AUTH112639.01.01 – Te Kuiti Wastewater Treatment Plant Condition 24 (Operation and Management Plan)**
Report Due: Biennial

| | |
|---------------------------|-----------------------------|
| Reporting Period: | January 2020 – January 2022 |
| Compliance Status: | Compliant |
| WDC Reference: | A621223 |

Suggested Resolution

The Progress Report, WDC Resource Consents – Compliance Monitoring, be received.



ANDREAS SENGER
ACTING GENERAL MANAGER – INFRASTRUCTURE SERVICES

21 September 2022

Document No: A633617

Report To: Audit, Risk and Finance Committee



Meeting Date: 4 October 2022

Subject: **Progress Report: Procurement Summary Schedule (July 2022 – September 2022)**

Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present to the Committee a summary of the procurements made in the period 1 July 2022 to 21 September 2022 in accordance with Waitomo District Council's Procurement Policy.

Background

- 2.1 Waitomo District Council's (WDC) Procurement Register (Register) provides a formal "one stop" reference to record WDC's procurement decisions.
- 2.2 The Register, at an operational level, provides a summary of the procurement decisions together with the associated financial components.
- 2.3 The Register provides procurement information including:
- Procurement Description
 - Type of Contract: Physical Works, or Professional services, or goods and services
 - Term of contract
 - Procurement Selection process adopted: All of Government (AOG), Syndicated, Tender, Quote or Direct Appointment
 - Reason for exemption (if applicable)
 - Number of tenders/quotes received
 - Tender/quote range
 - Evaluation method
 - Awarded contract value
 - Contractor/supplier
- 2.4 The Register provides key financial information for each procurement including:
- Total cumulative value
 - Price range of Tenders/Quotes received
- 2.5 The keeping of records is part of an overall Risk Management Framework and assists in the early identification of risks.
- 2.6 All procurement documents such as the quotes, tender responses, notices to tenderers and related correspondence are held in the relevant physical contract folder, captured electronically, and the detail added to the Register.

Commentary

- 3.1 WDC's Procurement Policy (the Policy) was last reviewed and adopted with amendments by Council on 31 May 2022.
- 3.2 Changes made to the Policy include amending policy thresholds and procurement requirements

- 3.3 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in adopted 10 Year Plans and Annual Plans.

Procurement Summary Schedule

- 4.1 The attached Procurement Summary Schedule (PSS) report provide details of procurements that result in a total contract award over \$200,000 + GST, and/or where the supplier selection method has deviated from the Procurement Policy, and a procurement exemption has been approved by the Chief Executive.

4.2 **Exemption Reason**

- 4.3 The Audit, Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.

- 4.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

Procurement Exemption

The supplier selection method and process for the relevant threshold should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. **Monopoly or limited supplier situation:** *Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or*
2. **Proprietary technology:** *Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or*
3. **High Risk Activities:** *The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or*
4. **Unique business proposition:** *Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or*
5. **Existing contract:** *If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.*

The key requirement is the direct appointment represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instances a procurement exemption must be signed off by the Chief Executive.

Suggested Resolution

The Progress Report: Procurement Summary Schedule (July 2022 to September 2022) be received.



ANDREAS SENGER

ACTING GENERAL MANAGER – INFRASTRUCTURE SERVICES

Attachment: Procurement Summary Schedule (Doc A633616 / Sheet 2022_Q3)

| Contract / Order No. | Contract Title / Procurement Description | Type of Contract (Physical Works, Professional Services or Goods and Services) | Term of Contract | One-off or Ongoing Supply | Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment) | Exemption Reason | No. of Tenders / Quotes Received | Tender / Quote Range (GST exclusive) | Evaluation Method | Awarded Contract Value (Total cumulative) | Awarded To | Meeting Date | GM |
|----------------------|---|--|------------------|---------------------------|---|--|----------------------------------|--------------------------------------|-------------------|---|--|--------------|-------------------------|
| 500/21/069 | Lawrence and Seddon Street Pavement Rehabilitation | Physical Works | 1 Year | One-off | Tender | N/A | 2 | \$464,679.00 - \$828,553.35 | LPC | \$464,679 | Schick Civil Construction Ltd | 26/08/22 | Infrastructure Services |
| 500/21/070 | Project Management - Mokau Toilet/Te Kuiti Reticulation Renewals | Professional Services | 1 Year | Ongoing | Direct Appointment | Unique business proposition and benefits and cost of competition | N/A | N/A | N/A | \$110,625 | Neuflow Ltd | N/A | Infrastructure Services |
| 500/22/014 | Water and Wastewater Operator Services - David Brown | Services | 1 Year | One-off | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$100,000 | David Brown | N/A | Infrastructure Services |
| 500/22/019 | Infrastructure-Specialist Project Management and Support Services 2022/23 | Professional Services | 1 Year | Ongoing | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$180,000 | GS Boyle and Associates | N/A | Infrastructure Services |
| 500/22/021 | Mokau WTP - Control System Upgrade | Goods and Services | 1 Year | One-off | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$78,800 | Control Box Ltd | N/A | Infrastructure Services |
| 500/22/025A | 3 Waters Management | Professional Services | 1 Year | One-off | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$42,000 | Morris & Shailer Ltd | 500/22/028 | Infrastructure Services |
| 500/22/025B | 3 Waters Transition | Professional Services | 1 Year | One-off | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$130,000 | Morris & Shailer Ltd | N/A | Infrastructure Services |
| 500/22/028 | Mayors Taskforce For Jobs 2022/23 | Professional Services | 1 Year | One-off | Direct Appointment | Limited supplier situation | N/A | N/A | N/A | \$200,000 | Waitomo Christian Fellowship Trust Board | N/A | Community Services |

Document No: A633484

Report To: Audit, Risk and Finance Committee



Meeting Date: 4 October 2022

Subject: Draft Annual Report 2021/22 – Recommendation to Council

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2021/22 for consideration and, subject to amendment, recommendation to Council for adoption.

Background

- 2.1 The Draft Annual Report 2021/22 (Draft AR) shows the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2022.
- 2.2 The Audit, Risk and Finance Committee (ARFC) received an Unaudited Progress Report (PR) for the year ended 30 June 2022 at the 16 August 2022 meeting. Subsequent to the PR presented in August 2022, the asset revaluations for most asset classes have been finalised resulting in a significant uplift in asset values, along with the loss on valuation of the investment in Inframax Construction Limited (ICL).

Commentary

3.1 Audit Progress

- 3.2 As the audit is still in progress at the time of writing this business paper, the Draft AR is still subject to change.

- 3.3 The Group figures relating to ICL are subject to change until their audit is completed and their Annual Report approved by the ICL Board.

3.4 Draft 2021-22 Annual Report Highlights

3.5 Non-Financial Performance

- 3.6 The Service Performance section provides detailed information on the performance measures and targets for each of the significant activities. The performance summary provides the overall results while more detailed information is provided within each activities section.

- 3.7 Of the 59 key performance indicators measured, 49 (83%) were achieved and 8 (14%) were not achieved and 2 (3%) had no data available.

- 3.8 The measures not achieved were:

- All agendas publicly available two working days or more, one agenda was delayed.
- Youth Council undertakes two youth related projects per year, not resumed since pandemic restrictions impacting schooling.
- Building consents are processed in a timely fashion, 3% were delayed with staff on prolonged sick leave and impact of pandemic restrictions.
- LIMs are processed within statutory timeframe, 2 applications were delayed.

- The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system, complaints in Piopio mainly due to septic tank issues.
- Water quality complies with the drinking water standards for (b) protozoa, due to data loss >1 minute (technical non-compliance)
- We provide an efficient and effective water supply, Mokau water loss high due to aging pipework.
- The percentage of Waitomo District's sealed local road network that is resurfaced each year, 1% below target due to higher than average road width.

3.9 The measures with no data were:

- Percentage of users that are satisfied with the rural transfer service stations. This is a new measure that we will capture baseline data for with the next residents survey.
- We provide an efficient and effective water supply, Maniaiti/Benneydale water loss recording was incorrect due to a faulty flow meter.

3.10 **Financial Reporting and Prudence Benchmarks**

3.11 Financial reporting and prudence benchmarks are measured annually to enable an assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

3.12 These measures are made up of mandatory measures set by regulation and also council specific measures set in the Finance Strategy.

3.13 All measures were successfully achieved and well within the limits set.

3.14 **Financial Performance**

3.15 For the financial year, we report a net surplus of \$7.4 million against a budgeted surplus of \$2.9 million.

3.16 Revenue was \$8.5 million more than budget. Subsidies and grants revenue was \$3.5 million above forecast as additional subsidy was recognised for construction of the stadium, additional subsidy to fully fund the Three Waters Reform Stimulus Programme and the Mayors Taskforce for Jobs funding to support sustainable employment outcomes. Fees and charges and income from construction services revenue was \$4.5 million above forecast for construction revenue for the stadium which was not included in the forecast.

3.17 Operating expenditure was \$4.1 million above forecast. Other expenditure included \$4.5 million of construction expenditure for the stadium which was not included in the forecast. Depreciation expenditure was also above forecast due to revaluation of assets which increased the value of these assets and the corresponding depreciation expense. Employee benefit expenses and finance costs were both below forecast.

3.18 Total other comprehensive revenue and expense of \$105.0 million has been recognised for the year. This includes \$105.7 million for revaluation of property, plant, and equipment and \$1.7 million for gains from cash flow hedges. The loss of the revaluation of the investment in Inframax Construction Ltd of \$2.4 million is also recognised.

3.19 Total equity was \$129.5 million more than forecast. This was due mostly to the increase in the revaluation reserve which was \$121.8 million more than forecast as most asset classes were revalued at 30 June 2022, resulting in a significant uplift in asset values.

3.20 Other reserves were \$4.7 million more than budget. Council created reserves were \$4 million more than budget as depreciation reserves and activity surpluses were more than forecast. The cashflow hedging reserve was also more than budget due to a gain on cashflow hedges.

3.21 Borrowings at 30 June 2022 were \$28.2 million, which was significantly lower than the forecast target in the 2021-31 10YP of \$39.5 million. This was a reduction in total borrowings of \$6 million from 30 June 2021.

3.22 Further explanations of variations to budget can be found in Note 35 of the Draft AR.

3.23 **Group Performance**

3.24 At 30 June 2022, total equity for the Group was \$477.1 million, an increase of \$115.1 million from the prior year.

3.25 The Group's after tax surplus is \$6.1 million.

3.26 ICL reported a net loss after tax of \$0.8 million for the year ended 30 June 2022. This was due to increased expenditure for direct contract costs, employee benefit expense and the impairment of assets. Despite challenging operating conditions, revenue was above forecast. The equity of the company however reduced to \$11.6 million with a decrease in the equity ratio to 57%.

3.27 **Capital Expenditure**

3.28 Total capital expenditure for the year ended 30 June 2022 was \$13.3 million against a budget of \$10.3 million.

3.29 Included in the actual spend was additional expenditure for the Three Waters Reform Stimulus Programme, recognition of the service concession asset for the right of use of the stadium, the purchase of carbon credits and also projects that were deferred to 2021/22 year from the previous financial year.

3.30 Some projects, that were not completed during the year, have been deferred to the 2022/23 year (projects totalling \$5.5 million). Delays in these projects occurred due to internal resourcing, the ongoing issues with global supply chains on availability of supplies and contractor availability.

3.31 Some of the major projects completed were:

- Construction commenced on King Country Indoor Sports and Recreation Centre.
- Upgrade of the effluent field in preparation for Mokau public toilets.
- Completion of the Te Ara Tika pedestrian overbridge project and amenity areas.
- Backflow installation project in Te Kuiti, Mokau and Piopio completed.
- Backup generators installed at water and wastewater treatment plants.
- Mokau water treatment plant sand filter and UV upgrade completed; commission is now underway.
- Resurfaced 27km of sealed roads.
- Unsealed roads received 54km of rehabilitation and 95km were re-metalled.
- Waimiha Road pavement rehabilitation completed.
- A total of 1,311m of new footpaths were constructed during the year.

Analysis of Options

- 4.1 ARFC has the option of recommending the adoption of the Annual Report to Council or requesting further information/changes from its staff and auditors.
- 4.2 The usual date that Council must adopt the Annual Report is 31 October 2022. However, due to the COVID-19 Pandemic, this date has been extended to 31 December 2022, similar to last year.
- 4.3 It is recommended that the Annual Report be adopted at the 6 October 2022 Council meeting.

Considerations

5.1 **Risk**

- 5.2 There is a risk that some revenue included in the financial statements is subsequently not converted to cash. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk. Debtors and other receivables are actively monitored and reviewed. The risk is also mitigated by the recognition of a provision for doubtful debt at 30 June 2022.
- 5.3 There is a risk that the accounting estimates and judgments used when performing valuations over assets may not reflect the assets actual condition or, the useful lives do not reflect the actual consumption of benefits of the asset. To minimise this risk, infrastructural asset valuations have been determined in reference to industry guidelines and adjusted for local conditions. Asset inspections, deterioration and condition modeling are also carried out as part of asset management planning.
- 5.4 In the financial statements, we have assumed a value of \$6.412 million. There is a risk that the accounting estimates and judgements used in the valuation of the investment in ICL may result in the actual value of the investment being different than the fair value reflected in the Annual Report. In deriving the valuation of the investment at 30 June 2022, the valuers at that time noted that it was not possible to assess with any certainty the implications of COVID-19 on the Company's financial performance or the economy as a whole and that the Valuer's advice was subject to significant caveats and caution due to the uncertainty that exists for businesses including access to capital, supply chain disruption, demand for products and services and the extent and duration of measures implemented by the Government and various authorities to contain and/or prevent the spread of COVID-19.
- 5.5 There is a risk that some financial assets may become impaired, but that the impairment amount is unknown. This will cause an over statement of carrying value of the asset in this report, that would subsequently need to be corrected in a later report.

5.6 **Consistency with Existing Plans and Policies**

- 5.7 This Draft AR measures our performance against year one of the 2021-2031 Ten Year Plan, and nothing in this Draft AR is inconsistent with existing plans and policies.

5.8 **Significance and Community Views**

- 5.9 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2021/2022.
- 6.2 A copy of the Draft Annual Report 2021/22 is enclosed separately and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on Draft Annual Report 2021/22 – Recommendation to Council be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2021/2022, subject to any amendments agreed at this meeting and any further changes required as a result of completing the audit.
- 3 Any matters of significance which may arise relating to the Draft Annual Report 2021/22 between this meeting and the Council meeting on 6 October 2022 be referred to the Independent Chairperson.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT



ALEX BELL
GENERAL MANAGER - STRATEGY AND ENVIRONMENT

28 September 2022

Separate Enclosure: Draft Annual Report 2021/22

Document No: A664244

Report To: **Audit, Risk and Finance Committee**



Meeting Date: 4 October 2022

Subject: **Motion to Exclude the Public for the Consideration of Council Business**

Purpose

- 1.1 The purpose of this business paper is to enable consideration as to whether or not the public should be excluded from the consideration of Council business.

- 1.2 The Committee may choose whether or not to consider any of the items in the public or public excluded portion of the meeting.

Commentary

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.

- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 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(1) for the passing of this resolution |
|--|---|--|
| 1. Valuation of Investment in Inframax Construction Limited at 30 June 2022 | Section 7(2)(c)(1) (c) 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 — (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; | Section 48(1)(d) – That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies. |

| General Subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|--|---|
| 2. Inframax Construction Limited: Financial Statements - 2021/2022 Financial Year | <p>Section 7(2)(c)(1)</p> <p>(c) 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 —</p> <p>(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;</p> | <p>Section 48(1)(d) –</p> <p>That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.</p> |

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

| Staff Member | Reason for Remaining in Attendance |
|------------------------------------|------------------------------------|
| Chief Executive | Council CEO |
| Manager – Governance Support | Committee Secretary |
| General Manager – Business Support | Portfolio Holder |

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT