

Document No: A447325

Report To: Audit and Risk Committee



Meeting Date: 7 October 2019

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may create a 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

Mayor Hanna will invite elected 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 elected member must provide the following information relating to the Declaration:

Name:	
Item of Business on the Agenda:	
Reason for Declaration:	
Is this Declaration – <ul style="list-style-type: none">• Interest Only• Conflict of Interest	



MICHELLE HIGGIE
EXECUTIVE ASSISTANT

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 – 23 February 2013

4.1 The following is an extract from the Procurement Policy:

2.1.11 Conflicts of Interest

WDC procurement process will be conducted with a spirit of probity demonstrating:

- *integrity;*
- *honesty;*
- *transparency;*
- *openness;*
- *independence;*
- *good faith; and*
- *service to the public.*

A conflict of interest occurs where:

A member's or official's duties or responsibilities to Council could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- *holding another public office;*
- *being an employee, advisor, director, or partner of another business or organisation;*
- *pursuing a business opportunity;*
- *being a member of a club, society, or association;*
- *having a professional or legal obligation to someone else (such as being a trustee);*
- *owning a beneficial interest in a trust;*
- *owning or occupying a piece of land;*
- *owning shares or some other investment or asset;*
- *having received a gift, hospitality, or other benefit from someone;*⁹
- *owing a debt to someone;*
- *holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue ; or*
- *being a relative or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of Council*

A relative or close friend includes:

- *For matters covered by the Local Authorities (Members' Interests) Act 1968, the interests of a spouse, civil union partner, or de facto partner must be considered.*
- *Generally, the interests of any relative who lives with the member or official (or where one is otherwise dependent on the other) must be treated as being effectively the same as an interest of the member or official.*
- *For other relatives, it will depend on the closeness of the relationship, but it will usually be wise not to participate if relatives are seriously affected*
- *Where Council's decision or activity affects an organisation that a relative or friend works for, it is legitimate to take into account the nature of their position or whether they would be personally affected by the decision.*

Examples of potential conflicts of interest include:

- *conducting business on behalf of Council with a relative's company;*
- *owning shares in (or working for) particular types of organisation that have dealings with (or that are in competition with) Council;*

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- *deliberating on a public consultation process where the member or official has made a personal submission (or from making submissions at all, in areas that directly relate to the entity's work);*
- *accepting gifts in connection with their official role; or*
- *influencing or participating in a decision to award grants or contracts where the member or official is connected to a person or organisation that submitted an application or tender.*

All elected members, WDC staff or advisers involved in a procurement process are required to declare any other interests or duties that may affect, or could be perceived to affect, their impartiality. WDC will then decide the steps necessary to manage the conflict, having regard to any relevant statutory requirements. WDC will maintain a register of declarations of conflicts of interest that records any conflicts of interest and how they will be managed.

An annual update of the register will be coordinated and maintained by the Executive Office.

Under no circumstances will a procurement process allow as an outcome of that process a circumstance where Council elected members, WDC staff or advisers to receive preferential treatment.

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.

1. Pecuniary Interest (Local Authorities (Members' Interests) Act 1968)

Could any of the proposals or decisions being considered by the Council lead to some sort of financial benefit or disadvantage for you or your partner/spouse or anyone financially dependent on you?

For instance, you will have a pecuniary interest where:

- You own or have shares in a café in a town and Council is considering whether to impose a ban on freedom camping in that town through a bylaw amendment, which would substantially reduce the number of customers to the café.
- You, your spouse, or family members are owners, directors or shareholders in a local business and Council is considering whether to improve the footpaths and roads that the business is situated on.
- Your partner works in a senior role for a construction firm that is bidding for a Council contract, and the Council is deciding on the preferred tender.
- You own a coastal residential property subject to erosion and the Council is considering whether to build a sea wall, which would protect you and your neighbours.
- You and your spouse own a farm and hold a resource consent to take water to support farming activities, and the Council is deciding whether or not to increase water monitoring charges, which could have the effect of increasing your annual fees as a consent holder by approximately \$200.

Yes

No

Is the financial benefit or disadvantage common to a large group of the public?

For instance:

- Your interest will be in common with the public if you are a ratepayer and the Council is proposing an increase in the uniform general charge or general rate.
- Your interest will not be in common with the public if the Council is proposing to impose a targeted rate on you and others who live in your street that will have the effect of increasing your rates by \$100.
- Your interest will be in common with the public if you own a residential property in town and the Council is considering major upgrades to the town's water supply.
- Your interest will not be in common with the public if you own the property immediately adjacent to a reserve, and the Council is considering whether to sell the reserve to a developer.

No

Yes

Potential or actual conflict – get advice or don't participate

2. Non-pecuniary interests - bias/predetermination

Is there something about you or someone close to you that could mean you might be perceived as not being impartial or as having a closed mind on the Council decision?

For instance, there may be bias or predetermination where:

- The Council is deciding whether to fluoridate the local water supply, and you are a member of the DHB and helped draft and present its submission to the Council strongly supporting fluoridation.
- Your brother holds a senior position in an engineering firm that is bidding for the contract to maintain the Council's wastewater pipes, and Council is deciding who to award the contract to.
- The Council is deciding whether to amend the rules in its regional plan about dairy effluent, and you are both a farmer and on the executive for the local Federated Farmers group, which has submitted on the proposed amendment.
- The Council is deciding whether or not to grant a resource consent that could have significant effects on the population of a native and endangered beetle. You are President of a local action group established to save the beetle.
- The Council is considering an amendment to its alcohol control bylaw that would introduce an alcohol ban along the main street of a local town, and your best friend owns the local pub in the town and has made a submission to the Council enthusiastically supporting the ban.
- The Council is deciding where to locate a new multi-sports stadium in the district, and you are a member of a local community board that recently took a proposal to Council seeking a new sports stadium in the community board area, and you took an active role in developing and presenting the proposal.
- A local business has sought an economic development grant from the Council, and the Council must decide whether to award the grant. The application was made by the business' general manager, who happens to be a neighbour with whom you have a very unhappy relationship (eg yelling matches, vandalism, complaints to the Police).
- Your sister-in-law is a property developer and is seeking a very advantageous agreement with the Council on development contributions for her latest subdivision, and the Council is deciding its negotiation parameters for the agreement.
- The Council has issued a request for tenders for its legal services and must decide who to appoint to its panel of legal providers, but in the meantime you have accepted repeated invitations to dinner, tickets for events, and a free Christmas ham, from one of the law firms that is tendering for the Council's work.
- A proposal to build a new dam has been controversial in the community for some time, and you have previously stated on your Facebook page that "The only way forward is to build the dam; there are no other options. I'll resign as a councillor if it doesn't go ahead". Following this, the Council used the special consultative procedure to hear submissions on the dam proposal and must now decide whether to proceed.
- The Council is considering the list of recipients for a Triennial Grant, one of the applicants is an organisation that you are a Chairperson or committee member.

Yes

No

Potential or actual conflict – get advice or don't participate

No conflict, okay to participate

Interests v conflicts

Sometimes you may have an **interest** that does not necessarily create a **conflict** of interest.

Even if there is no conflict, all interests must be declared (at the appropriate time during a relevant meeting and/or recorded in the Council's Interests Register).

Need advice?

Talk to:

- The Chief Executive or Mayor
- Your own lawyer
- Office of the Auditor-General (for pecuniary interests only - the OAG cannot provide clearance on bias/predetermination)

More detailed guidance from the OAG is available at:
<https://www.oag.govt.nz/2010/lamia/docs/local-authorities-members-interests-act.pdf>

Remember: If in doubt, stay out!

WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 13 AUGUST 2019 AT 9.00AM

PRESENT: Mayor Brian Hanna, Deputy Mayor Guy Whitaker, Members Phil Brodie, Allan Goddard, Janene New and Sue Smith

IN ATTENDANCE: Chief Executive, Manager – Governance Support, Acting Group Manager – Corporate Services (for part only), Acting General Manager – Infrastructure Services (for part only), General Manager – Strategy and Environment (for part only) and Group Manager – Community Services (for part only)

1. Apologies

Resolution

The apology from Independent Member Bruce Robertson be received and leave of absence granted.

Goddard/New Carried

2. Declarations of Member Conflicts of Interest

No declarations of conflicts of interests were made.

The Mayor, Deputy Mayor and Cr New noted their membership on the Waitomo Sister City Committee as Council appointed representatives.

3. Confirmation of Minutes – 14 May 2019

Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 14 May 2019, including the Public Excluded minutes, be confirmed as a true and correct record.

Whitaker/New Carried

4. Mastercard Expenditure Report (April to June 2019)

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercards.

Cr New noted the requirement of Credit Card holders to comply with Bank credit card terms and conditions.

Resolution

The Mastercard Expenditure Report for the period April to June 2019 be received.

Goddard/Brodie Carried

5. Progress Report: Risk Management Framework – Implementation Plan and Monitoring

The Committee considered a progress report on Risk Management Implementation and Monitoring Plan to support the Risk Management Framework agreed by Audit and Risk Committee and adopted by the Council on 28 May 2019.

The Chief Executive expanded verbally on the business paper and answered Members' questions.

The Acting Group Manager – Corporate Services and Acting General Manager – Infrastructure Services entered the meeting at 9.31am.

Resolution

The Progress Report: Risk Management Framework – Implementation Plan and Monitoring be received.

Whitaker/Smith Carried

The General Manager – Strategy and Environment entered the meeting at 9.37am.

6. Unaudited Interim Financial Report for year ended 30 June 2019
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The Committee considered a business paper presenting an unaudited interim financial report for the year ended 30 June 2019.

The Acting Group Manager – Corporate Services expanded verbally on the business paper and answered Members' questions.

The Mayor acknowledged and thanked the Acting Group Manager – Corporate Services and requested that Council's appreciation and congratulations on a great overall result be passed on to the Corporate Services Group.

Resolution

The business paper on Unaudited Interim Financial Report for year ended 30 June 2019 be received.

Whitaker/New Carried

The Acting Group Manager – Corporate Services and Acting General Manager – Infrastructure Services left the meeting at 9.57am.

7. Waitomo Sister City Committee – Review of the Waitomo Sister City Relationship Delivery

The Committee considered a business paper providing a brief on the delay in implementing the change of service delivery for the Waitomo Sister City Relationship.

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

Resolution

- 1 The business paper on Waitomo Sister City Committee – Review of the Waitomo Sister City Relationship Delivery be received.
- 2 The Audit and Risk Committee note the delay in the establishment of the Waitomo Sister City Incorporated Society.

Smith/New Carried

8. Progress Report: Civil Defence and Emergency Management

The Committee considered a progress report on current activities within the Civil Defence and Emergency Management portfolio.

The Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: Civil Defence and Emergency Management be received.

Goddard/New Carried

9. Progress Report: WDC Resource Consent – Compliance Monitoring

The Committee considered a business paper providing a progress report on compliance reporting against Resource Consent conditions.

The Chief Executive expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: Resource Consent – Compliance Monitoring be received.

Brodie/Whitaker Carried

10. Motion to Exclude the Public for the consideration of:

The Committee considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by

resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

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

- 2 The Committee agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making:
 - Chief Executive
 - Manager – Governance Support
 - General Manager – Strategy and Environment
 - Acting General Manager – Infrastructure Assets

- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Progress Report: Risk Management – Procurement/Contract Schedule (May 2019 to July 2019)	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Progress Report: Health and Safety	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)
3. Elected Members Interests	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)
4. Progress Report: Carter Holt Harvey (CHH) Litigation	7(2)(g) maintain legal professional privilege;	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

Whitaker/Goddard Carried

11. Elected Members' Interests

The Committee considered a business paper informing of the Office of the Auditor-General investigation and findings relation to a technical breach of Section 6 of the Local Authorities (Members' Interests) Act 1968 in the public excluded portion of the meeting.

Resolution

- 1 The business paper on Elected Members' Interests be received.
- 2 The Chief Executive communicate to the Office of the Auditor-General that the Audit and Risk Committee has considered this technical breach and notes the processes put in place to mitigate any further breaches.
- 3 The business paper on Elected Members' Interests, including the Audit and Risk Committee's resolutions, become part of the public record of this meeting.

Brodie/Goddard

Carried

There being no further business the meeting closed at 10.53am

Dated this day of 2019.

BRIAN HANNA
MAYOR

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Document No: A447329

Report To: Audit and Risk Committee



Meeting Date: 7 October 2019

Subject: **Mastercard Expenditure Report
July/August 2019**

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 Only copies of the actual signed Authorisation Form will be included. 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.

2.14 Attached for the Committee's information are copies of signed Authorisation Forms for the period April to June 2019.

2.15 **Mastercard Identity Theft – May 2019**

2.16 As highlighted in the May and June Authorisation Forms, on 15 May 2019, Westpac's Credit Card Fraud Monitoring System picked up unusual transactions on the Group Manager – Infrastructure Services Mastercard. Westpac immediately put a block on the Mastercard until they were able to verify those transactions.

2.17 The Group Manager – Infrastructure Services, after receiving notification from Westpac by both text and email, contacted Westpac's Credit Card division and was advised that the Mastercard had been used on 15 May 2019 for online gambling transactions between 10am and 2pm. The Group Manager – Infrastructure Services requested that Westpac retain a block on the Mastercard.

2.18 Westpac's Fraud Investigations (Financial Crime Management) initiated an investigation, which confirmed identity theft of the Mastercard, and lodged a dispute with the Merchant (Bayton). As a result, the Merchant reversed all funds and Westpac confirmed that the claim was processed and a full refund made on 31 May 2019.

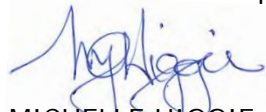
2.19 **Mastercard Cancellations**

2.20 With the resignations of both the Group Manager – Corporate Services (Vibhuti Chopra) and the Group Manager – Infrastructure Services (Kobus du Toit) the Mastercards issued to each of them have been cancelled.

2.21 Mastercards will be issued to the new General Managers upon their commencing employment with WDC.

Suggested Resolution

The Mastercard Expenditure Report for the period July/August 2019 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: Credit Card Policy (Doc A207793)

Mastercard Statement Authorisation Forms for:

- July 2019
- August 2019



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 Executive Assistant to the Mayor and Chief Executive
- 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# 284155) 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 Group Manager - Corporate Services.

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'.

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 Executive Assistant.
- 3 The Mayor's statements must be approved jointly by the Executive Assistant and Chief Executive.
- 4 The Executive Assistant'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 Executive Assistant 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 Executive Assistant to the Mayor and Chief Executive 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 Executive Assistant'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 Executive Assistant'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 Executive Assistant
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Executive Assistant
Executive Assistant	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
- Executive Assistant to CE \$5,000

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 Group Manager – Corporate Services 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: February 2020 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date:

16 February 2018



01 AUG 2019

A 439195



MasterCard BusinessCard

WAITOMO DISTRICT COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
28/07/19	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	1495.99
\$5000	✓ MR A B HANNA	0000 0030 2936 5529	559.30
\$5000	✓ MS M D HIGGIE	0000 0030 2936 5933	3829.80
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	256.00
\$5000	✓ MR S J DU TOIT	0000 0030 5022 0312	850.00-
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	5291.09

WE ADVISE THAT \$6,141.09 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT 030449 0070201 00 DN 20/08/19, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES DN 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.



Name:	Chris Ryan	
Position:	Chief Executive	
Statement Date:	28 / 07 / 19	
(1) Creditor:	Hamilton Airport	
Date:	5 July 2019	
Amount:	\$6.00	
GL Code:	111 42 712	
Expenditure:	Parking - Mayor and Chief Executive attendance at Waitomo Hotel Project Meeting at Hamilton Airport Conference Centre	
(2) Creditor:	Waste Management (NZ)	
Date:	6 July 2019	
Amount:	\$35.40	
GL Code:	97 087 02	
Expenditure:	Private Expenditure - Reimbursed by Chief Executive on 10 July 2019	
(3) Creditor:	Hutt & City Taxis	
Date:	6 July 2019 <i>attached</i>	
Amount:	\$35.40	
GL Code:	111 42 700	
Expenditure:	Taxi Fare – CEO's attendance at LGNZ 2019 AGM and Annual Conference. Wellington Airport to Wellington CBD.	
(4) Creditor:	Wellington Combined Taxis	
Date:	8 July 2019	
Amount:	\$38.30	
GL Code:	111 42 700	
Expenditure:	Taxi Fare – CEO's attendance at LGNZ 2019 AGM and Annual Conference. Wellington CBD to Wellington Airport.	
(5) Creditor:	Hamilton International Airport	
Date:	8 July 2019	
Amount:	\$40.00	
GL Code:	111 42 700	
Expenditure:	Taxi Fare – CEO's attendance at LGNZ 2019 AGM and Annual Conference. Wellington CBD to Wellington Airport.	
(6) Creditor:	Shed 5 Restaurant & Bar	
Date:	7 July 2019	
Amount:	\$480.50	
GL Code:	111 42 700	
Expenditure:	Dinner (5 Attendees: WDC Mayor, Andrea Hanna, WDC Chief Executive, Chairperson of Franklin Board Auckland Council and Group Manager from Upper Hutt City Council)	
	Note: The beverage portion of this invoice (\$151.00) has been reimbursed to WDC by the Mayor (\$96.00) and the Chief Executive (\$55.00)	
(7) Creditor:	Rydges Wellington	
Date:	8 July 2019	
Amount:	\$704.00	
GL Code:	111 42 700	
Expenditure:	Accommodation and Meals – CEO's attendance at LGNZ 2019 AGM and Annual Conference.	

(8) Creditor: Air New Zealand
 Date: 8 July 2019
 Amount: \$50.00
 GL Code: 111 42 700
 Expenditure: Change of Flight Date and Time (the Chief Executive was required to return early)

(9) Creditor: BP2Go Onewa
 Date: 15 July 2019
 Amount: \$66.26
 GL Code: 820 27 734
 Expenditure: Fuel for WDC Hyundai Santa Fe (Rego KBM454)

No receipt asked for/obtained




(10) Creditor: BP2Go Te Kuiti
 Date: 19 July 2019
 Amount: \$40.93
 GL Code: 820 27 734
 Expenditure: Fuel for WDC Hyundai Santa Fe (Rego KBM454)

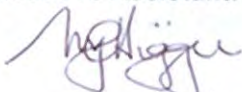


No receipt asked for/obtained

(11) Creditor: Wilson Parking (Hamilton)
 Date: 22 July 2019
 Amount: \$14.60
 GL Code: 820 27 734
 Expenditure: Parking - Chief Executive attendance at Waikato Plan Leadership Committee meeting at Waikato Regional Council Offices (Hamilton)

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 Chief Executive:  Date:	Authorised by Mayor:  Date: 19/8/19	Authorised by Executive Assistant:  Date: 14/8/19
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Name:	Brian Hanna	
Position:	Mayor	
Statement Date:	28 / 07 / 19	
(1) Creditor:	BP2Go Te Kuiti	
Date:	3 July 2019	
Amount:	\$200.00	
GL Code:	111 40 550	
<input checked="" type="checkbox"/> Expenditure:	Petrol Vouchers for the Mayor's Tuia Rangatahi (Luke Moss) to travel to the Rotorua Tuia Hui on 5-7 July 2019 and to the Auckland Tuia Hui on 31 October to 3 November 2019 using his own personal motor vehicle.	
(2) Creditor:	Kiwi Cabs	
Date:	8 July 2019	
<input checked="" type="checkbox"/> Amount:	\$39.30	
GL Code:	111 42 712	
Expenditure:	Taxi Fare – Mayor's attendance at LGNZ 2019 AGM and Annual Conference	
(3) Creditor:	Corporate Cabs	
Date:	10 July 2019	
Amount:	\$44.00	
<input checked="" type="checkbox"/> GL Code:	111 42 712	
Expenditure:	Taxi Fare – Mayor's attendance at LGNZ 2019 AGM and Annual Conference	
(4) Creditor:	Air New Zealand	
Date:	24 July 2019	
Amount:	\$276.00	
<input checked="" type="checkbox"/> GL Code:	111 40 550	
Expenditure:	Return Flights (Hamilton to Wellington) for the Mayor's Tuia Rangatahi (Luke Moss) to attend the Tuia Wellington Wananga on 5-9 September 2019.	
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 Mayor:	Authorised by Executive Assistant:	Authorised by Chief Executive:
		
Date: 6/8/19	Date: 6/8/19	Date: 28/8/19

Name:	Michelle Higgle	
Position:	Executive Assistant	
Statement Date:	28 / 07 / 19	
(1) Creditor:	NZ Transport Agency	
Date:	3 July 2019	
Amount:	\$13.60	
GL Code:	820 27 734	
Expenditure:	Hyundai Santa Fe (Rego KBM454) - Toll Road Charges (9 June and 28 June 2019)	
(2) Creditor:	NZ Transport Agency	
Date:	12 July 2019	
Amount:	\$1,444.80	
GL Code:	820 27 761	
Expenditure:	20,000km Road User Charges for 2015 Mitsubishi Triton (RegoJHR356)	
(3) Creditor:	Air New Zealand (Koru Club)	
Date:	3 July 2019	
Amount:	\$629.00	
GL Code:	811 33 530	
Expenditure:	Annual Membership Renewal - Chief Executive	
(4) Creditor:	NZ Transport Agency	
Date:	24 July 2019	
Amount:	\$1,444.80	
GL Code:	820 27 766	
Expenditure:	20,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU339)	
(5) Creditor:	NZ Transport Agency	
Date:	24 July 2019	
Amount:	\$76.80	
GL Code:	820 27 718	
Expenditure:	1,000km Road User Charges for 2013 Holden Colorado (Rego GUS512)	
(6) Creditor:	NZ Transport Agency	
Date:	25 July 2019	
Amount:	\$220.80	
GL Code:	820 27 734	
Expenditure:	3,000km Road User Charges for 2016 Hyundai Santa Fe (Rego KBM454)	
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 Executive Assistant:	Authorised by Chief Executive:	Authorised by Mayor:
		
Date: 5/8/19	Date: 7/8/19	Date: 8/8/19

File 1 - Page 28
Mastercard Statement Authorisation Form



Name: **Helen Beever**
Position: **Group Manager – Community Services**
Statement Date: **28 / 07 / 19**

(1) Creditor: **Air NZ**
Date: **22 July 2019**
Amount: **\$256.00**
GL Code: **817 38 700**
Expenditure: **Return flights to ALGIM Conference in Christchurch for WDC's Manager - Customer Services (Kat Brown-Merrin)**

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 – Customer Services:

Date: **5/8/2019**

Authorised by
Chief Executive:

Date: **7/8/19**

Mastercard Statement Authorisation Form

Name:	Kobus du Toit
Position:	Group Manager – Infrastructure Services
Statement Date:	28 / 07 / 19

(1) Creditor:	
Date:	
Amount:	No Transactions this Period. This Mastercard now cancelled.
GL Code:	
Expenditure:	

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:	Date:

Mastercard Statement Authorisation Form



Name: Terrena Kelly	
Position: General Manager – Strategy and Environment	
Statement Date: 28 / 07 / 19	
(1) Creditor:	
Date:	
Amount: No Transactions this Period	
GL Code:	
Expenditure:	
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 – Environmental Services:	Authorised by Chief Executive:
Date:	Date:

9444075

02 AUG 2019

WAITOMO DISTRICT COUNCIL



MasterCard BusinessCard

53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/08/19	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****


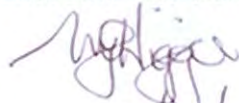

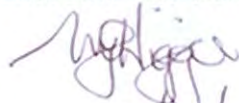

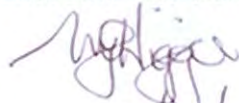
LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	58.00
\$5000	✓ MR A B HANNA	0000 0030 2936 5529	0.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	2564.59
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	180.00
	✓ MR S J DU TOIT	0000 0030 5022 0312	0.00
\$5000	✓ MISS T D KELLY	0000 0030 5326 1230	566.50
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	3369.09

WE ADVISE THAT \$3,369.09 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/09/19, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.



Mastercard Statement Authorisation Form



Name: Chris Ryan			
Position: Chief Executive			
Statement Date: 27 / 08 / 19			
(1) Creditor:	Sabor Café		
Date:	2 August 2019		
Amount:	\$32.50		
GL Code:	811 20 700		
Expenditure:	Lunch between Employment Interviews held at Te Awamutu (Chief Executive and General Manager – Community Services)		
(2) Creditor:	Red Kitchen		
Date:	9 August 2019		
Amount:	\$25.50		
GL Code:	811 20 700		
Expenditure:	Coffee Meeting: Chief Executive, Acting General Manager – Infrastructure Services and Tony Whale (employed as General Manager – Infrastructure Services starting with WDC on 21 October 2019)		
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 Chief Executive:	<table border="1"> <tr> <td> Authorised by Mayor:  Date: 23/9/19 </td> <td> Authorised by Executive Assistant:  Date: 6/9/19 </td> </tr> </table>	Authorised by Mayor:  Date: 23/9/19	Authorised by Executive Assistant:  Date: 6/9/19
Authorised by Mayor:  Date: 23/9/19	Authorised by Executive Assistant:  Date: 6/9/19		
Date: 6/9/19			

Name: Brian Hanna		
Position: Mayor		
Statement Date: 27 / 08 / 19		
(1) Creditor:		
Date:		
Amount: No Transactions this Period		
GL Code:		
Expenditure:		
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 Mayor:	Authorised by Executive Assistant:	Authorised by Chief Executive:
Date:	Date:	Date:

Name:	Michelle Higgie	
Position:	Executive Assistant	
Statement Date:	27 / 08 / 19	
(1) Creditor:	Braxton Car Lights	
Date:	31 July 2019	
Amount:	\$362.25	
GL Code:	820 27 719	
Expenditure:	Replace broken headlight on Holden Colorado (Rego GUS513)	
(2) Creditor:	Tourism Ticker	
Date:	5 August 2019	
Amount:	\$414.00	
GL Code:	811 33 530	
Expenditure:	Annual Subscription - Tourism Ticker Business Media Network	
(3) Creditor:	Navigo	
Date:	5 August 2019	
Amount:	\$75.00 (Australian Dollars)	
GL Code:	816 21 700	
Expenditure:	Annual Support Plan Renewal for OrgPlus Desktop 100 Software	
(4) Creditor:	NZ Transport Agency	
Date:	14 August 2019	
Amount:	\$6.80	
GL Code:	820 27 734	
Expenditure:	Toll Road Charges for WDC Fleet Vehicle - Hyundai Santa Fe (Rego KBM454)	
(5) Creditor:	B E Car Parts	
Date:	21 August 2019	
Amount:	\$77.05	
GL Code:	820 27 747	
Expenditure:	Replace broken tail light on Mitsubishi Triton (Rego LPS811)	
(6) Creditor:	Motel De La Mer (Napier)	
Date:	26 August 2019	
Amount:	\$179.38	
GL Code:	817 38 700	
Expenditure:	Accommodation Deposit: CEO attendance at SOLGM 2019 Annual Summit	
(7) Creditor:	NZ Transport Agency	
Date:	26 August 2019	
Amount:	\$1,444.80	
GL Code:	820 27 766	
Expenditure:	20,000km Road User Charges for 2015 Mitsubishi Triton (Rego JCA987)	
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 Executive Assistant:	Authorised by Chief Executive:	Authorised by Mayor:
		
Date: 19/9/19	Date: 23/9/19	Date: 25/9/19



Name:	Helen Beever
Position:	Group Manager – Community Services
Statement Date:	27 / 08 / 19
(1) Creditor:	Air NZ
Date:	21 August 2019
Amount:	\$180.00
GL Code:	817 38 700
Expenditure:	Change in Flights for Manager - Customer Services attendance at 2019 ALGIM Conference.
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 – Customer Services:  Date: 6/9/19	Authorised by Chief Executive:  Date: 6/9/19

Mastercard Statement Authorisation Form

Name: Kobus du Toit	
Position: Group Manager – Infrastructure Services	
Statement Date: 27 / 08 / 19	
(1) Creditor:	
Date:	
Amount: This Mastercard has been cancelled.	
GL Code:	
Expenditure:	
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:	Date:

Mastercard Statement Authorisation Form



Name:	Terrena Kelly
Position:	General Manager – Strategy and Environment
Statement Date:	27 / 08 / 19
(1) Creditor:	Two Birds Eatery
Date:	2 August 2019
Amount:	\$65.50
GL Code:	645 40 551
Expenditure:	Lunch with Waikato Regional Council (3 persons) – meeting regarding funding contribution of \$100,000 made by WRC to District Plan Review hazard and SNA reports
(2) Creditor:	Air NZ Online
Date:	21 August 2019
Amount:	\$501.00
GL Code:	817 38 700
Expenditure:	RMA Law Association Conference – Christchurch 25-27 September 2019 – Alex Bell
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 – Environmental Services:	Authorised by Chief Executive:
	
Date: 16/9/19	Date: 23/9/19

Document No: A447330	
Report To:	Audit and Risk Committee
 <p>Waitomo District Council</p>	Meeting Date: 7 October 2019
	Subject: Progress Report: WDC Resource Consents – Compliance Monitoring
	Type: Information Only

1.0 Purpose of Report

1.1 The purpose of this business paper is to brief Council on compliance reporting against Resource Consent conditions.

2.0 Risk Considerations

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

3.0 Commentary

3.1 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. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 to 19 (Discharge) Condition 30 (Reasonable Mixing)	Monthly
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly
Quarterly	
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 11 TEKLR 20	February, May, August, November

RESOURCE CONSENT	REPORT DUE
No. 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 7 and 14 (SW2) TEKLR 32	February, May, August, November
Six Monthly	
No. 133317 - Te Kuiti Water Treatment Plant Condition 11 (Water Take)	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Condition 16 to 23	January/July
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	February and August <i>(also include in Annual Report 30th September)</i>
No. 117945 - Benneydale Water Treatment Plant (Backwash)	April/October
No. 124718 - Te Kuiti Landfill (William Street) Condition 6 and 14 DH2/3/4/7 (Oct to March, April to Nov)	April/October
No. 107477 - Piopio Water Treatment Plant Conditions 6 and 9 (Water Take) (Nov-April, May-Oct)	May/November
No. 107478 - Piopio Water Treatment Plant (Backwash) (Nov-April, May-Oct)	May/November
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 10 TEKLR10 (*)	May/October
Annually	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26 (Discharge to Land and Water)	31st March
No. 124718 - William Street, Te Kuiti Conditions 7 & 14 (SW1,SW2, SW3, SW4, SW5)	April or May
No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10	Monitoring Ceased by mutual agreement with WRC (11/2017)
No. 113038 - Te Kuiti Water Treatment Plant Conditions 1 & 2 (Ground Water Take)	1st of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31st May
No. 105054 - Te Kuiti Stormwater Condition 6	31st May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1st of June
No. 113544 - Mokau Water Treatment Plant (Water Take)	July
No. 113545 - Mokau Water Treatment Plant (Backwash)	July

RESOURCE CONSENT	REPORT DUE
No. 101753, 101754 and 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition Schedule 1(5) and 13	1st August
No. 101753, 101754 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents Schedule 1 (6) Independent Peer Reviewer	1st September
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30th
No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill Discharge to Land, Air and Divert (Nov, Jun)	November (<i>within two months of sampling</i>)
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5	Monitoring Ceased by mutual agreement with WRC (08/2018)
No. 103194 - Conditions 2 and 3	
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. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7 (Groundwater b1 to b7)	December 2016
No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Operations and Management)	September 2014, 2016, 2018, etc.
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24	June 2015 (<i>and every two years after</i>)
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Management Plan Review)	from 2010 every two years
Other	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (after 3 years Fish Passage/Migration Barrier Assessment)	Monday, 18 December 2017
No. 133317 - Te Kuiti Water Treatment Plant Condition 10 (Telemeter)	1st July 2018

3.3 The following Resource Consent Compliance Reports have been made to WRC:

- RC 116844, Benneydale Water Treatment Plant, Surface water take – July 2019 (Doc A439934).
 - Full compliance achieved.
- RC 118813, Benneydale Wastewater Treatment Plant, Discharge to land and water, January to June 2019 (Doc A440612).
 - Full compliance achieved.

3. RC 124718, Te Kuiti Landfill, Stormwater Monitoring (SW2) (Doc A440044).
 - Full compliance achieved.
4. RC 112639, Te Kuiti WWTP – Discharge to water July 2019 (Doc A440253).
 - Full compliance achieved.
5. RC 118813, Benneydale WWTP – Discharge to water and land (Doc A440699).
 - Response to Letter of Direction, annual assessment 2018.
6. RC 117290, Piopio WWTP – Discharge to water July 2019 (Doc A440751).
 - Full compliance achieved.
7. RC 101753, Te Kuiti Landfill – Leachate monitoring within the ring drain, 1st April to 30th June 2019 (Doc A441191).
 - Full compliance achieved.
8. RC 113544, Mokau Water Treatment Plant – Surface water take, annual report 2018/2019 (Doc A441652).
 - Full compliance achieved.
9. RC 101753/101754/124718, Waitomo District Landfill Annual Report July 2018 - June 2019 (Doc A441502).
 - Full compliance achieved.
10. Mokau Water Treatment Plant – Backwash Discharge, July 2018 to June 2019 (Doc A442465).
 - Partial compliance.
 - The treatment plant and the associated processes have been upgraded over the life of the consent and the present process components operate differently i.e. it requires a much higher flow rate during backwash.
 - WDC will, in accordance with a recent (25 September 2019) Letter of Direction received from WRC, apply for a replacement consent for the backwash discharge. Details of the Mokau water treatment upgrade proposal and timeframe for lodgement of the replacement consent application are to be submitted by 31 December 2019.

11. RC 116844, Benneydale Water Treatment Plant, Surface water take – August 2019 (Doc A445273).
 - Partial compliance achieved.
 - Technical issues with telemetry. Internet was fixed within 7 days of the incident and data recording returned to normal.

12. RC 112639, Te Kuiti WWTP – Discharge to water August 2019 (Doc A445328).
 - Full compliance achieved.

13. RC 117290, Piopio WWTP – Discharge to water July 2019 (Doc A445411).
 - Full compliance achieved.

14. RC 112639, Te Kuiti WWTP, Discharge to water - Annual Report, September 2018 to August 2019 (Doc A447013)
 - Full compliance achieved.

15. RC 138063, Te Waitere Wastewater disposal – Annual Report, July 2018 to June 2019 (Doc A447121).
 - Full compliance achieved.

Suggested Resolution

The Progress Report: Resource Consent – Compliance Monitoring be received.



GREG BOYLE
ACTING GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document No: A447555

Report To: **Audit and Risk Committee**



Meeting Date: 7 October 2019

Subject: **Drinking Water Audit 2018/19 – Review and Project Plan**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to report on compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018) and duties under Health Act 1956 for Waitomo District Council (for the period 01/07/18 – 30/06/19) and a Project to ensure compliance in the future (remaining time of the 2019/20 period and onward).
- 1.2 The Project includes critical priority tasks to address current non-compliance and to improve system functionality and resilience. A preliminary funding estimate for the project is also provided.

Background

- 2.1 The Ministry of Health Drinking-Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ) came into force on 1 March 2019 and introduced a suite of changes to the previous (2008) Standards. These include changes to the two main compliance themes:
 - Maximum acceptable values (the water quality standards); and
 - Compliance criteria (specifying monitoring requirements and remedial actions).
- 2.2 It also moved compliance from a voluntary to a mandatory basis, requiring improvements to be made to meet the compliance criteria through more extensive monitoring and reporting of compliance date.
- 2.3 WDC owns and operates four water supply schemes at:
 - Te Kuiti
 - Piopio
 - Benneydale
 - Mokau
- 2.4 All four schemes are required to comply with DWSNZ.

Commentary

- 3.1 The WDHB's 2018/19 Report identifies that while bacterial and chemical compliance was achieved at all four Water Treatment Plants (WTP) over the reporting period (except at the Te Kuiti supply due to incomplete bacterial monitoring data) and full bacterial, cyanotoxin and chemical compliance was

achieved within each of the associated distribution zones (reticulation), protozoan compliance was not achieved at any of the treatment plants.

- 3.2 The report notes that all WTPs are capable of meeting the DWSNZ, and improvements have been made since last year, with the current shortcoming relating to compliance “monitoring”, not unsafe water quality.
- 3.3 Key areas requiring improvement include monitoring (consistent, detailed, and complete data records), operator vigilance (consistent sensor testing and improved response times to potentially significant issues), and data storage (local storage and backups as well as the current internet based data transfer).
- 3.4 Other related issues include current reporting methods (presentation of data in a relatable and easy to understand way) and physical plant infrastructure.
- 3.5 These items will also impact on the current, 2019/20, DWSNZ reporting period. That will mean that the WDHB compliance Report for 2019/20 will contain similar non-compliance qualifications while implementation of critical tasks are being carried out. Therefore, the first compliance outcome will not be until the 2021/22 year.

3.6 **Summary of Treatment Plant Compliance**

Treatment Plant	Treatment Process	Log Credit Requirement	Log Credit Available	Reason for Non-Compliance
Benneydale	Diatomaceous earth filtration. UV disinfection.	3	5.5	Missing data
Mokau	Diatomaceous earth filtration UV disinfection	4	5.5	Missing data
Piopio	Membrane filtration	4	4	Inadequate data
Te Kuiti	Coagulation, sedimentation & filtration. Enhanced individual filtration. UV disinfection.	4	7	Missing data & elevated turbidity

3.7 **Critical Tasks required for Immediate Compliance**

- 3.8 Critical improvements are those needed immediately, with other improvements recommended for longer term resilience of the water treatment systems (in terms of physical, on-site hardware, computer software upgrades, and increased operator training and competency).
- 3.9 Data capture was insufficient to demonstrate compliance, therefore improvements to the data storage arrangements (such as the SCADA System) is necessary as currently it does not meet the requirements of DWSNZ. Changing the current reliance on only an internet connection for communication of telemetry data to a dual method, utilising the current data transfers for live data tracking along with locally based data hard drive storage (to cover the potential risk of internet connection outage events), is required.
- 3.10 External data storage in the cloud or on local hard drives are both possible alongside the current historian server. It is proposed to store a month of data for each site as the primary backup.
- 3.11 Implementation of daily reports outlining the previous 24 hour statistics that can be easily accessed through SCADA, as a new compliance or monitoring tab. This

would provide an easily interpretable overview for compliance monitoring and operations in the WTPs. Alternatively, the report could be emailed to all relevant employees on a daily basis.

- 3.12 An alternative monthly report would assist in reporting, as well as an annual report.
- 3.13 Change the current Water Safety Plans (WSP) for Te Kuiti (due December 2019) and Mokau (as recommended by the DWA). Te Kuiti's WSP expires in December 2019, and needs to be revised using the new WSP framework. This also includes a Catchment Risk Assessment.
- 3.14 Ensure that Te Kuiti WTP data records can prove that the chlorine contact time is being met for continuous bacterial monitoring (as recommended by the DWA).
- 3.15 Review and update the WDC draft Cyanobacteria Management Protocol. The 2018 Management Protocol was not approved due to several issues with the Background, Monitoring Plan and Action Plan.
- 3.16 Addition of a flow meter at Mokau to provide accurate flow rate data for the water passing the UV filter.
- 3.17 **Recommended Tasks for Future Improvements to Improve System Resilience**
- 3.18 **Software Based Improvements**

- Improve the Site Diaries and Tracking Log used by the Operators for long term records. The current maximum entry record limit is 15, beyond which the original entries are overwritten. Increasing this capacity and improving operator descriptions will improve long term records and issue tracking by ensuring all procedures are documented.
- Improve the SCADA Network Interface for Operators and the Compliance Team.
- Improve the method of summarising and presenting data obtained through the use of a new presentation template which will be easier to understand both internally (Operators and Compliance Team) and externally (DWA, WDHB and Auditors). This is for both monitoring and compliance purposes on different time scales – weekly, monthly and annual for each supply system.
- Update SCADA with tags for all components of the system and update the current critical control set points (all treatment processes, reservoirs and pump stations).
- Update the asset database. This includes verifying currently listed assets, adding missing assets, and splitting whole unit assets into individual components for long term management (spares) and component maintenance.

3.19 **Physical Water Treatment Plant System Improvements**

- Installation of an extra turbidity meter after the Te Kuiti WTP Envirotank and before the UV filters for improved compliance monitoring of the combined turbidity (through SCADA with telemetry alarms). This would work in conjunction to the current four individual filter turbidity measurements by providing turbidity data in the final water (evidence of compliance).
- Improve the current physical system with some form of recirculation and critical control points for both UV start up periods and emergency cut-offs in the event of failures or transgressions.
- Increase long term maintenance capacity by securing critical spares for faults/failures that will impact upon compliance. This is a long term improvement, with the initial focus on the UV systems followed by all other critical plant systems.
- Replace computing systems onsite and/or relocate current systems in between (such as PLC) to improve capacity and performance.
- Installation of uninterrupted power supply generators (UPS) or backup generators to supply key monitoring sensors and pumps during the events of power outages.
- Installation of automated pumps and remote control software at WTPs for dosing of (what is currently) manually activated chemicals (such as chlorine dosing at Piopio) to improve operator reaction times during alerts.

3.20 **Personnel Based Improvements**

- Improve Operator vigilance in relation to monthly UV sensor testing/calibration at Te Kuiti, Mokau and Benneydale WTPs.
- Improve Operator vigilance with the recording of events in Site Diaries and Tracking Logs, regardless of issue complexity/rarity.
- Improve Operator vigilance reacting to alerts of all levels.
- Update Standard Operating Procedures (SOP's) for WTPs and create Troubleshooting Guides for Operators.

3.21 **Project Description and Task Assignment**

3.22 The "Critical Tasks" are to be given priority to ensure compliance is met as soon as possible (given that the first few months of the 2019/20 year are already non-complaint pending implementation of the identified measures). The "Recommended Tasks", while not immediately necessary for compliance, are recommended to improve WTP functionality and long term resilience.

3.23 The following Project Plan identifies the timeline for implementation of the various measures. It is intended to have the majority of measures in place by the end of October 2019.

3.25 Budget and Preliminary Funding Estimate

3.26 Preliminary Funding Estimate

Installation	Task	Budget Estimate	Status
Mokau WTP	Turbidity Installation	\$2,665	Completed
	Scada & Electrical	\$8,216	Completed
	Pipe work	\$676	Completed
	Computer hardware	\$1,500	
	Configuration	\$750	Completed
	pH Correction	\$5,000	
		\$18,807	
Piopio WTP	Turbidity adjustment	\$1,468	Completed
	Computer hardware	\$1,500	
	Configuration	\$750	
		\$3,718	
Benneydale WTP	Turbidity installation	\$1,608	Completed
	SCADA & Electrical	\$3,251	
	Computer hardware	\$1,500	
	Configuration	\$750	
	pH correction	\$5,000	
		\$12,109	
Te Kuiti WTP	Computer hardware	\$1,500	
	Configuration	\$750	Completed
		\$2,250	
Administration Building - Base Station	Base station & router upgrade	\$16,000	
	SCADA alteration	\$10,000	
		\$26,000	
		\$62,884	

3.27 Of the above total, \$36,501 is unbudgeted. Works totaling \$26,383 has already been expended from existing budgets.

3.28 The total estimated cost covers both the cost of work relating to the water quality compliance upgrades being conducted currently as well as upgrades to increase the resilience of the system for monitoring purposes.

3.29 The preliminary funding estimates for the proposed upgrades indicate that capital will need to be advanced from the 2020/21 proposed budget or repurposed from other water supply projects to fund the Benneydale WTP and Base Station (Queen Street Administration Building) upgrades.

3.30 Possible interim sources of capital funding that can be repurposed are the Te Kuiti Reservoir Seismic Strengthening (\$22,550) and the Piopio New Rising Main (\$138,375) allocations.

- 3.31 The preliminary estimate does not include other proposed upgrades, such as the purchase and installation of UPS/Backup Generators for WTPs or acquisition of critical spares.

Suggested Resolutions

- 1 The business paper on Drinking Water Audit 2018/19 – Review and Project Plan be received.
- 2 Council note the estimated total cost of works required to achieve compliance is approximately \$63,000 excluding GST.



GREG BOYLE

ACTING GENERAL MANAGER – INFRASTRUCTURE SERVICES

8 October 2019

Attachment: Waikato District Health Board - Drinking Water Audit 2018/19
(#A447556 and #A447557)

11th September 2019

Greg Boyle
Acting General Manager –Infrastructure Services
Waitomo District Council
PO Box 404
Te Kuiti 3941

Dear Greg,

Report on compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018) and duties under the Health Act 1956 for Waitomo District Council water supplies

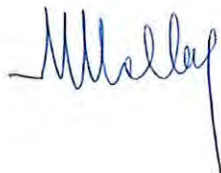
Please find attached the compliance report for the following Waitomo District Council water supplies of Benneydale, Mokau, Waitomo, Piopio and Te Kuiti.

Overall the performance is better than the previous year, with the majority of the non-compliances being due to monitoring deficiencies and not outright unsafe drinking water. It is acknowledged that WDC have been actively working to address these issues with treatment plant upgrades, new staff and a compliance criteria review, however further work is still required. All WDC treatment plants are capable of meeting the drinking water standards it's just a matter of sorting out the compliance monitoring. The Drinking Water Technical Officer will continue to provide assistance in addressing these matters. Of particular note is the Te Kuiti Water Safety Plan (WSP) which is due to expire in December 2019. The Ministry of Health have recently released new WSP framework and guidelines and it is the expectation of WaDWAS that a revised WSP for Te Kuiti is prepared using the new framework. Non-compliances will be forwarded to the Medical Officer of Health for follow up.

The report is based upon information supplied by Waitomo District Council and covers the period from the 1st of July 2018 to the 30th of June 2019.

If you would like to discuss the findings contained in the attached compliance report with WaDWAS here at our office in person, please feel free to contact the undersigned to arrange a suitable time, or to answer any questions/queries.

Kind regards



Matt Molloy
Drinking Water Assessor
Waikato Drinking Water Assessment Service

Copy to: Chris Ryan
Chief Executive Officer
Waitomo District Council



Report on Compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018) and duties under Health Act 1956

For Period: 01/07/18 – 30/06/19

Drinking-Water Supplies:

Benneydale (BEN002)

Mokau, Waitomo (MOK002)

Piopio (PIO001)

Te Kuiti (TEK003)

Water Supplier:

Waitomo District Council (WDC)

Waikato Drinking Water Assessment Service
Population Health
Waikato District Health Board
Private Bag 3200
Hamilton 3240

Report Identifier

WaitomoDC_DWSNZ2005-18Compliance_2019_09_11_v1

Purpose

The purpose of this report is to provide Waitomo District Council (WDC) with the results from the assessments carried out on their supplies under the following compliance standard and statute:

- The Drinking-water Standards for New Zealand 2005 (Revised 2018) (DWSNZ)
- Part 2A of the Health Act 1956 (the Act).

The assessments are based on the information provided by WDC during the 2018/2019 Annual Survey period.

Key areas for action have been outlined in the content of this report with a grey box.

Terminology

Non-Compliance: Areas where the drinking water supply does not comply with the Drinking-water Standards for New Zealand 2005 (Revised 2018) (DWSNZ).

Recommendation: These are areas of the report where suggestions for improvement have been made.

Abbreviations

C.t value	Concentration of disinfectant and contact time
DWA	Drinking Water Assessor
DWSNZ	Drinking-water Standards for New Zealand 2005 (Revised 2018)
DWO	Drinking Water Online database
<i>E. coli</i>	<i>Escherichia coli</i>
ESR	Institute of Environmental Science & Research Ltd
FACE	Free available chlorine equivalent
MAV	Maximum acceptable value
MoH	Ministry of Health
MOoH	Medical Officer of Health
The Act	Health Act 1956, Part 2A, Drinking water
UV	Ultraviolet light treatment
WaDWAS	Waikato Drinking Water Assessment Service
WDC	Waitomo District Council
WRC	Waikato Regional Council
WSP	Water Safety Plan

Executive Summary

An official assessment of the performance of Waitomo District Council as a “water supplier”, against the Health Act 1956, Part 2A, Drinking water (the Act) and the Drinking-water Standards for New Zealand 2005 (Revised 2018)(DWSNZ) has been completed for the period 1st July 2018 – 30th June 2019. The assessment was undertaken by a Drinking Water Assessor (DWA) from the Waikato Drinking Water Assessment Service. The tables below show a summary of compliance for Treatment Plants and Distribution Zones with the DWSNZ, with more detail stated within this report.

Overall the performance is better than the previous year, with the majority of the non-compliances being due to monitoring deficiencies and not outright unsafe drinking water. It is acknowledged that WDC have been actively working to address these issues with treatment plant upgrades, new staff and a compliance criteria review, however further work is still required. All WDC treatment plants are capable of meeting the drinking water standards it’s just a matter of sorting out the compliance monitoring. The Drinking Water Technical Officer will continue to provide assistance in addressing these matters. Of particular note is the Te Kuiti Water Safety Plan (WSP) which is due to expire in December 2019. The Ministry of Health have recently released new WSP framework and guidelines and it is the expectation of WaDWAS that a revised WSP for Te Kuiti is prepared using the new framework. Non-compliances will be forwarded to the Medical Officer of Health for follow up.

Treatment Plants

Treatment Plant name	Bacterial compliance	Protozoa compliance	Cyanotoxin compliance	Chemical compliance	Radiological compliance	Overall
Benneydale water supply						
Benneydale (TP00705)	√	X	Unknown	√	√	X
Mokau, Waitomo water supply						
Mokau, Waitomo (TP00706)	√	X	Unknown	√	N/A	X
Piopio water supply						
Piopio (TP00186)	√	X	Unknown	√	N/A	X
Te Kuiti water supply						
Te Kuiti (TP00187)	X	X	Unknown	√	N/A	X

Distribution Zones

Distribution Zone name	Bacterial compliance	Cyanotoxin compliance	Chemical compliance	Overall
Benneydale water supply				
Benneydale (BEN002BE)	√	N/A	√	√
Mokau, Waitomo water supply				
Mokau, Waitomo (MOK002MO)	√	N/A	√	√
Piopio water supply				
Piopio (PIO001PI)	√	N/A	√	√

Te Kuiti water supply				
Te Kuiti (TEK003TE)	√	N/A	√	√

Benneydale (BEN002)

- Manual monitoring results for *E. coli*, FACE and turbidity (Benneydale (TP00705)), showed bacterial compliance with section 4.2.2(b) was met.
- Protozoa compliance with sections 5.9 and 5.16; DWSNZ for Benneydale (TP00705) was not met due to data quality.
- Monitoring results for *E. coli* showed bacterial compliance with criterion 6A, section 4.3.1, DWSNZ was achieved for the Benneydale (BEN002BE) Distribution Zone.
- The Benneydale water supply WSP must be revised and submitted before July 2023. However, please see the information stated below in the grey box.

Mokau, Waitomo (MOK002)

- Manual monitoring results for *E. coli*, FACE and turbidity (Mokau, Waitomo (TP00706)), showed bacterial compliance with section 4.2.2(b) was met.
- Protozoa compliance with sections 5.9 and 5.16; DWSNZ for Mokau, Waitomo (TP00706) was not met due to data quality.
- Monitoring results for *E. coli* showed bacterial compliance with criterion 6A, section 4.3.1, DWSNZ was achieved for the Mokau, Waitomo (MOK002MO) Distribution Zone.
- The Mokau, Waitomo water supply WSP has expired and should be updated. However, please see the information stated below in the grey box.

Piopio (PIO001)

- Manual monitoring results for *E. coli*, FACE and turbidity (Piopio (TP00186)), showed bacterial compliance with section 4.2.2(b) was met.
- Protozoa compliance with section 5.11, DWSNZ for Piopio (TP00186) was not met, due to elevated turbidity and the membrane filtration compliance requirements not being demonstrated.
- Monitoring results for *E. coli* showed bacterial compliance with criterion 6A, section 4.3.1, DWSNZ was achieved for the Piopio (PIO001PI) Distribution Zone.
- The Piopio water supply WSP must be revised and submitted before July 2023. However, please see the information stated below in the grey box.

Te Kuiti (TEK003)

- Bacterial compliance with criterion 2A, section 4.2.2(a), DWSNZ for the Te Kuiti Plant (TP00187) was not demonstrated, as the monitoring data did not cover the entire compliance period.
- Protozoa compliance with section 5.4 and 5.16, DWSNZ for the Te Kuiti Plant (TP00187) was not met due to elevated turbidity and data quality.
- Monitoring results for *E. coli* showed bacterial compliance with criterion 6A, section 4.3.1, DWSNZ was achieved for the Te Kuiti (TEK003TE) Distribution Zone.
- The revised Te Kuiti water supply WSP must be submitted before December 2019. As there has been a significant change to the water supply (introduction of UV disinfection), the WSP is now required to be revised and submitted to this office for assessment by a DWA. This was raised in the 2017/18 compliance report and it is now the expectation of WaDWAS that a revised WSP be developed under the new WSP framework. There is now a requirement for a Catchment Risk Assessment to be provided with the WSP. However, please see the information stated below in the grey box.

The Waikato Drinking Water Assessment Service would like give deserved recognition to the hard work of the water operators and administrators throughout the 2018/2019 year in working toward delivering a safe supply of drinking water to the community.

The Drinking Water Assessor (DWA) considers the following tasks as priority for the upcoming 2019/2020 compliance year; these are discussed in the report:

- Address the quality of the monitoring data not meeting the requirements of the DWSNZ.
- Provision of information to confirm that the Ct value for chlorine contact is being met for the bacterial continuous monitoring (Te Kuiti only). See Section 4.2.2(a)(3) and Appendix A1.3.3 of the DWSNZ for further information.
- Review and update the WDC Cyanobacteria Management Protocol.
- Update and submit the Mokau Water Safety Plan.
- A revised WSP for Te Kuiti Water Supply is now required in the next few months as its due to expire in December 2019. As the Te Kuiti water treatment plant was non-compliant for bacteria and protozoa it is the expectation of WaDWAS that a revised WSP is developed using the new WSP framework. Please also note the expectation of a Catchment Risk Assessment being included.
- It should be noted that the Ministry of Health released the new WSP Framework in December 2018 which outlined requirements for 10 components to be expressly included in WSPs including areas such as commitment to drinking water quality management and verification of monitoring programmes. The MoH further released the Handbook for preparing a Water Safety Plan in May 2019 which contains additional details on the expectations for new WSPs. There are expectations that the new framework requirements are included before the current WSP expires or if new WSPs are being developed.

(Please contact this office if assistance is required)

Treatment Plants

Bacterial compliance is under section 4 of the DWSNZ

Protozoal compliance is under section 5 of the DWSNZ

Cyanotoxin compliance is under section 7 of the DWSNZ

Chemical compliance is under section 8 of the DWSNZ

Radiological compliance is under section 9 of the DWSNZ

The following compliance information is derived from the Drinking Water Online (DWO) database, monthly reports submitted and associated correspondence from WDC.

Treatment Plant: Bacterial compliance

Summary of treatment performance monitoring and *E. coli* sampling results under criterion 2B

Compliance has been assessed against criterion 2B of section 4.2.2(b); DWSNZ non-continuously monitored chlorine disinfected water leaving the Treatment Plant. This is based around manual free available chlorine equivalence (FACE), turbidity and *E. coli* monitoring.

Treatment Plant name	Treatment Parameter	Requirements in DWSNZ	Summary of monitoring results	Compliance
Benneydale water supply – Criterion 2B				
Benneydale (TP00705)	<i>E. coli</i>	26 samples	33 samples taken	Compliant
	FACE	52 samples All samples $\geq 0.2\text{mg/L}$	99 samples taken, all above 0.2mg/L	Compliant
	Turbidity	52 samples <1 NTU* No results >2 NTU	99 samples taken, all complied	Compliant
	Total coliforms	From March 1 st 2019, 9 samples required	9 samples taken	Compliant
Mokau, Waitomo water supply – Criterion 2B				
Mokau, Waitomo (TP00706)	<i>E. coli</i>	26 samples	31 samples taken	Compliant
	FACE	52 samples All samples $\geq 0.2\text{mg/L}$	129 samples taken, all above 0.2mg/L	Compliant
	Turbidity	52 samples <1 NTU* No results >2 NTU	129 samples taken, all complied	Compliant
	Total coliforms	From March 1 st 2019, 9 samples required	9 samples taken	Compliant
Piopio water supply – Criterion 2B				
Piopio (TP00186)	<i>E. coli</i>	26 samples	31 samples taken	Compliant
	FACE	52 samples All samples $\geq 0.2\text{mg/L}$	111 samples taken, all complied	Compliant
	Turbidity	52 samples <1 NTU* No results >2 NTU	111 samples taken, all complied	Compliant
	Total coliforms	From March 1 st 2019, 9 samples required	9 samples taken	Compliant

*Determined by Table A1.4 Allowable exceedances

Summary of compliance with sampling / analytical / remedial / operational requirements

Compliance with criterion 2B of section 4.2.2(b), DWSNZ **was met** for the following plants for the period 01/07/18 – 30/06/19 for the following reasons:

- Piopio (TP00186), Mokau, Waitomo (TP00706) and Benneydale (TP00705) FACE and turbidity have been manually monitored at least weekly and *E. coli* monitored at least fortnightly as required by the DWSNZ. The sampling undertaken by WDC is in excess of the DWSNZ requirements and WaDWAS wish to acknowledge this additional monitoring. Analysis of the *E. coli* samples is undertaken by the Watercare Services Ltd Laboratory in Auckland, which is a Ministry of Health approved laboratory for these analyses. Total coliforms were monitored at the same frequency as *E. coli* throughout the compliance year.

Summary of treatment performance monitoring results under criterion 2A

Compliance has been assessed against criterion 2A of section 4.2.2(a), DWSNZ continuously monitored chlorine disinfected water leaving the Te Kuiti Treatment Plant. This is based around free available chlorine equivalence (FACE) and turbidity.

Treatment plant name	Treatment parameter	Summary of monitoring results	Compliance
Te Kuiti water supply - Criterion 2A			
Te Kuiti (TP00187)	FACE & turbidity	Continuous monitoring data submitted but data missing and instances of elevated turbidity.	Non-compliant

Summary of compliance with sampling / analytical / remedial / operational requirements

Compliance with criterion 2A of section 4.2.2(a), DWSNZ **was not met** for the following plant for the period 01/07/18 – 30/06/19 for the following reasons:

- Te Kuiti (TP00187) Water Treatment Plant has continuous monitoring of FAC, pH and turbidity. Summarised bacterial compliance information for the compliance period, along with the raw data was submitted to WaDWAS for assessment. Unfortunately with the missing minutes and unexplained turbidity spikes compliance was not able to be demonstrated. Most of the trends do show that the water quality met the DWSNZ before and after the data gaps, however as some of the gaps were over an hour long, compliance could not be demonstrated. The DWA did appreciate the level of information and explanations provided which did explain the cause for some of the events. SCADA screen shots and extracts from the plant dairy were extremely useful as supporting information. In addition the UV compliance data that was submitted was also unable to demonstrate bacterial compliance as it did not cover the entire compliance period and did not consistently meet the UV intensity requirements.

Please note:

The revised 2018 DWSNZ now has a requirement for the chlorine C.t value to be a minimum of 6 for at least 98% of each day as opposed to the current chlorine contact time (30 minutes) for the water leaving the treatment plant. See Section 4.2.2(a)(3) and Appendix A1.3.3 of the DWSNZ for further information. WDC will need to confirm that this new requirement is able to be met for all plants using criterion 2A.

Treatment Plant: Protozoa compliance

Treatment plant name	Log Credit Required Pre March 1 st 2019	Log Credit Required Post March 1 st 2019
Benneydale water supply		
Benneydale (TP00705) ¹	3	3
Mokau, Waitomo water supply		
Mokau, Waitomo (TP00706) ²	4	4
Piopio water supply		
Piopio (TP00186) ³	4	4
Te Kuiti water supply		
Te Kuiti (TP00187) ⁴	4	4

¹ confirmed in June 2015 based on catchment risk assessment process outlined in section 10, DWSNZ

² confirmed in June 2015 based on catchment risk category approach

³ confirmed in February 2015 based on catchment risk category approach

⁴ confirmed in February 2015 based on catchment risk category approach

Summary of compliance with risk categorisation process

Benneydale (TP00705) Water Treatment Plant has been allocated 3-log protozoa removal based on the catchment risk catchment risk category approach. Formal determination of the protozoa risk allocation was made by the Drinking Water Assessor (DWA) on the 10th of June 2015.

Mokau, Waitomo (TP00706), Piopio (TP00186) and Te Kuiti (TP00187) Water Treatment Plants have been allocated 4-log protozoa removal based on the catchment risk category approach.

It should be noted that the requirement for protozoa monitoring and Catchment Risk Assessments (CRAs) to be undertaken every five years in the Revised 2008 DWSNZ has been removed from the 2018 DWSNZ revision. The new provisions state the default requirement for protozoa in surface waters is 3-log inactivation or removal and that the Water Safety Plan (WSP) are now to include an assessment of the catchment. If the WSP indicates that 4-log credits may be required, *Cryptosporidium* monitoring is needed to justify if the supplier wants 3-log. A CRA is now expected to be part of the WSP.

Summary of treatment processes and associated log credits

Treatment Plant name	Treatment process ¹	Potential log credit available	Summary of turbidity results	Compliance with all other requirements of criterion ²	Log credit achieved pre March 1 st 2019	Log credit achieved post March 1 st 2019
Benneydale water supply						
Benneydale (TP00705)	Diatomaceous earth filtration	2.5	Missing minutes	No	0	0
	UV disinfection	3	Missing minutes	No	0	0
Mokau, Waitomo water supply						
Mokau, Waitomo (TP00706)	Diatomaceous earth filtration	2.5	Missing minutes	No	0	0
	UV disinfection	3	Missing minutes	No	0	0
Piopio water supply						
Piopio (TP00186)	Membrane filtration	4	Adequate data not provided	No	0	0
Te Kuiti water supply						
Te Kuiti (TP00187)	Coagulation, sedimentation & filtration.	3	Missing data & elevated turbidity	No	0	0
	Enhanced individual filtration	1	As above	No	0	0
	UV disinfection	3	As above	No	0	0

1 Treatment Process meeting DWSNZ definition of available combination of treatment technology

2 Further detail provided below under log credit assessment

Summary of log credit assessment

Information sourced from monthly reports submitted by WDC, DWO and associated correspondence from WDC. Compliance with the protozoa requirements of the DWSNZ **was not met** for the following plants for the period 01/07/18 – 30/06/19 for the following reasons:

- Benneydale (TP00705), diatomaceous earth treatment is only capable of removing 2.5 log and this plant has a 3 log removal requirement. The 2.5 log was not met as there were missing minutes in the data set. In addition the DWA is aware that UV is in place for this supply and while continuous monitoring data was provided there were missing minutes in the data and UV intensity did not meet the DWSNZ on occasions. Overall the DWA considers protozoa compliance was not met.
- Mokau, Waitomo (TP00706), diatomaceous earth treatment is only capable of removing 2.5 log and this plant has a 3 log removal requirement. The 2.5 log was not met as there were missing minutes in the data set. In addition the DWA is aware that UV is in place for this supply and while continuous monitoring data was provided there were missing minutes in the data and UV intensity did not meet the DWSNZ on occasions. Overall the DWA considers protozoa compliance was not met.
- Piopio (TP00186), membrane filtration summarised data was submitted to DWA, however the data did not contain turbidity monitoring or meet the requirements for demonstrating compliance with membrane filtration.
- Te Kuiti (TP00187), continuous monitoring data was not submitted to cover the entire compliance period so Te Kuiti is deemed to be non-complaint. In addition there were instances of the turbidity exceeding 1 NTU for more than 3 minutes and UV intensity requirements not being met. This plant has coagulation, sedimentation, filtration and UV so technically is capable of 7-log protozoa removal.

It is acknowledged that WDC have been actively working to address these issues with treatment plant upgrades, and a compliance criteria review. The WaDWAS Drinking Water Technical Officer has been working with WDC to identify and address non-complying issues. All WDC treatment plants are capable of meeting the DWSNZ it's just a matter of sorting out the compliance monitoring.

Log credit total (total of all treatment processes) achieved:

Benneydale (TP00705)	0 log
Mokau, Waitomo (TP00706)	0 log
Piopio (TP00186)	0 log
Te Kuiti (TP00187)	0 log

Treatment Plant: Cyanotoxin Compliance

The cyanobacteria risk has been assessed in the Benneydale, unnamed stream (S00416), Mokau, Waitomo, unnamed stream (S00417), Kurataha River (S00112) (source of Piopio), and Mangaokewa River (S00113) (source of Te Kuiti) in their respective WSP's. The WSP's refer to inspection and monitoring activities, however the DWA believes a cyanobacteria management protocol must be developed for all WDC's water supplies.

A draft Cyanobacteria Management Protocol was submitted to WaDWAS and comments provided back to WDC in January 2019. It is expected that this protocol be reviewed and resubmitted to the DWA for assessment before summer 2019.

Review and update the WDC draft Cyanobacteria Management Protocol.

Treatment Plant: Chemical compliance

Benneydale (TP00705), Mokau, Waitomo (TP00706), Piopio (TP00186) and Te Kuiti (TP00187): A Plumbosolvent water (warning / public) notice was provided to consumers at the specified frequency (six monthly) during the compliance period.

There are no priority 2 (P2) determinands assigned to the abovementioned plants.

Treatment Plant: Radiological compliance

Not applicable for WDCs surface water supplies.

Compliance with section 9, DWSNZ **was met** for the Benneydale bore (G01921) for the period 01/07/18 - 30/06/19 for the following reason:

Treatment Plant name	Number of samples taken	Exceedances of maximum allowable values	One in 10 year test completed?
Benneydale Treatment Plant (TP00705) supplied by Benneydale bore (G01921)	One sample taken from Benneydale bore on 13/3/15 and analysed by Environmental Science & Research Ltd	0	Yes

Radiological sampling was undertaken in March 2015 and will not be required again until 2025. Radiological monitoring is required for bore water supplies that are not considered equivalent to surface water.

Distribution Zones

Distribution Zone bacterial compliance is under section 4.3 of the DWSNZ
 Cyanotoxin compliance is under section 7 of the DWSNZ
 Chemical compliance is under section 8 of the DWSNZ

The following compliance information is derived from DWO.

Distribution Zone: Bacterial compliance

Summary of *E. coli* sampling results

Bacterial compliance has been assessed against criterion 6A of section 4.3.1, DWSNZ; which is based on *E. coli* sampling only. Section 4.3.4.1 also refers to total coliform monitoring which must be undertaken at the same frequency as *E. coli* monitoring.

	Pre and Post March 1 st 2019				Post March 1 st 2019
Distribution Zone name	Number of samples required	Number of samples collected	Number of transgressions	Compliance	Total coliform monitoring
Benneydale water supply					
Benneydale (BEN002BE)	12	15	0	Compliant	Compliant
Mokau, Waitomo water supply					
Mokau, Waitomo (MOK002MO)	12	16	0	Compliant	Compliant
Piopio water supply					
Piopio (PIO001PI)	12	16	0	Compliant	Compliant
Te Kuiti water supply					
Te Kuiti (TEK003TE)	52	54	0	Compliant	Compliant

Compliance with criterion 6A of section 4.3.1, DWSNZ **was met** for the following Zones for the period 01/07/18 – 30/06/19 for the following reasons:

- Benneydale (BEN002BE), Mokau, Waitomo (MOK002MO), Piopio (PIO001PI) and Te Kuiti (TEK003TE) Distribution Zones complied with the monitoring requirements for the number of samples, the interval between samples and the days of the week that monitoring is required. Analysis of the samples is undertaken by the Watercare Services Laboratory, Auckland which is a Ministry of Health approved laboratory for this analysis. Leniency was granted for Te Kuiti exceeding the maximum interval by 4 days in August 2018. WDC were notified by the Lab that a drinking water sample that was supposed to arrive Saturday 18/08/18 only arrived Monday morning 20/08/18. This was a NZ Courier mistake as the chilli bin was properly addressed and it had all the elements to indicate it should be delivered Saturday morning. WDC sought a different courier service and explained that their lack of proper services can affect their compliance. WDC promptly contacted DWA and discussed, with the DWA stating "that given the circumstances I am willing to use leniency in this instance as it is clear it is not WDCs fault and an additional sample was taken as soon as you were advised".

Distribution Zone: Cyanotoxin Compliance

This section is not applicable as there are no P2 cyanotoxin determinands associated with any WDC supplies.

Distribution Zone: Chemical compliance

Not applicable where no Priority 2 determinands are assigned to the Distribution Zone.

Summary of Audit Activities to Verify DWSNZ Monitoring Data

Much of the data verification activities were undertaken during the Ministry of Health annual drinking-water survey. The data for the WDC's water supplies is collated into the DWO data reporting system used for demonstrating drinking-water compliance. Monthly summaries of continuous monitoring data were forwarded to the Waikato Drinking Water Assessment Service (WaDWAS) to enable an annual assessment to be undertaken. Other activities included;

- Correspondence with the Environmental Monitoring Officer (EMO) over a missing water sample from Te Kuiti on the 20th August 2018. Leniency was subsequently granted due to the prompt action of the EMO in taking an additional sample and appropriately following up on the issue.
- Issue of the DWSNZ 2017/18 compliance report to Waitomo DC on 27th August 2018.
- Waitomo DC analysts authorisation assessments undertaken on 13th September 2018
- Joint Working Group drinking water meeting with all 10 councils, Waikato Regional Council and the Drinking Water team from WaDWAS on the 14th of May 2019.
- Health Act 1956 required information and evidence received by WaDWAS on 15th May 2019.
- Benneydale and Piopio water supply water safety plan implementations undertaken on 15th and 16th May 2019 involving staff from WaDWAS and Waitomo DC.
- Site visits from WaDWAS to review data undertaken in early June 2019.
- WaDWAS received all DWSNZ annual survey compliance data for 2018/19 with the final quarter two data received by WaDWAS on 5th July 2019.

Summary of DWSNZ Compliance

Treatment Plants

Treatment Plant name	Bacterial compliance	Protozoa compliance	Cyanotoxin compliance	Chemical compliance	Radiological compliance	Overall
Benneydale water supply						
Benneydale (TP00705)	Compliant	Non-compliant	Unknown	Compliant	Compliant	Non-compliant
Mokau, Waitomo water supply						
Mokau, Waitomo (TP00706)	Compliant	Non-compliant	Unknown	Compliant	N/A	Non-compliant
Piopio water supply						
Piopio (TP00186)	Compliant	Non-compliant	Unknown	Compliant	N/A	Non-compliant
Te Kuiti water supply						
Te Kuiti (TP00187)	Non-compliant	Non-compliant	Unknown	Compliant	N/A	Non-compliant

Full compliance with the DWSNZ **was not achieved** for any WDC treatment plant for the period 01/07/18 – 30/06/19.

Distribution Zones

Distribution Zone name	Bacterial compliance	Cyanotoxin compliance	Chemical compliance	Overall
Benneydale water supply				
Benneydale (BEN002BE)	Compliant	N/A	Compliant	Compliant
Mokau, Waitomo water supply				
Mokau, Waitomo (MOK002MO)	Compliant	N/A	Compliant	Compliant
Piopio water supply				
Piopio (PIO001PI)	Compliant	N/A	Compliant	Compliant
Te Kuiti water supply				
Te Kuiti (TEK003TE)	Compliant	N/A	Compliant	Compliant

Full compliance with the DWSNZ **was achieved** for Benneydale, Mokau-Waitomo, Piopio and Te Kuiti distribution zones for the period 01/07/18 – 30/06/19.

Assessment of Compliance with Duties of drinking-water suppliers under the Act

The duties of the water supplier under the Act have all been **fully met**.

Section 69S – Duty of suppliers in relation to the provision of drinking water	Met for all supplies.
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This decision is based on the following:

This was assessed on the 17th of May 2019 by Matt Molloy (WaDWAS) in conjunction with Gabriela Velazquez (Leader – Compliance Management). Information supplied was that there were no outages planned, or otherwise that exceeded 8 hours. It is considered that the duties under this section have been met.

Section 69U – Duty to take reasonable steps to contribute to protection of source of drinking water	Met for all supplies.
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This decision is based on the following:

This was assessed on the 17th of May 2019 by Matt Molloy (WaDWAS) in conjunction with Gabriela Velazquez (Leader – Compliance Management). Information supplied was that WDC had undertaken the following:

- WDC maintain a good relationship with the land owner at Mokau with ongoing conversations to fence upper dams in the near future;
- Ultrasonic algae control ongoing at Mokau raw water storage dam;
- WDC are working to formalise a relationship with the Waikato Regional Council on consent notifications;
- WDC are working with the Waikato Regional Council on riparian management for the Mangaokewa Stream;
- Raw water monitoring at Te Kuiti, Benneydale and Mokau;
- Consulted and notified when vertebrate toxic agents are to be laid. Some feral animal control undertaken in catchments.

WDC is deemed to be in compliance with Section 69U of the Act by continuing to take reasonable steps to contribute to the protection of the source of drinking water.

Section 69Y – Duty to monitor drinking-water	Met for all supplies.
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This decision is based on the following:

This was assessed on the 30th of July 2019 by WaDWAS and was included as part of the overall assessment of monitoring information for the Annual Survey. WaDWAS was satisfied that WDC are appropriately monitoring their drinking water supplies and meet this duty.

Section 69Z – Duty to prepare and implement water safety plan Section 69ZB – Duration of plans Section 69ZC – Review and renewal of plans	Met or not applicable for all supplies
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This decision is based on the following:

Water Supply	Water Safety Plan (WSP) Version	Date Approved	Water Safety Plan Status	Compliance with 69Z
Benneydale (BEN002)	Benneydale Drinking Water Supply Water Safety Plan, dated June 2018, version 4	02/07/2018	Implemented ¹	N/A (see footnote ¹ below)
Mokau, Waitomo (MOK002)	Mokau Drinking Water Supply Public Health Risk Management Plan, dated February 2012, version 2	9/02/2012	Expired ²	N/A (see footnote ² below)
Piopio (PIO001)	Piopio Drinking Water Supply Water Safety Plan, dated June 2018, version 3	30/06/2018	Implemented ³	N/A (see footnote ³ below)
Te Kuiti (TEK003)	Te Kuiti Drinking Water Supply Water Safety Plan, dated December 2014, version 2	3/12/2014	Implemented ⁴	Compliant

¹This decision is based on the following – Benneydale Drinking Water Supply Water Safety Plan (WSP), dated 6th June 2018 - Version 4, was approved in July 2018. A WSP implementation was undertaken from 15-16th May 2019 and while non-conformances were identified the DWA concluded that the WSP was being appropriately implemented. An approved WSP must be reviewed every five years (or as specified in the respective WSP). As this supply provides water to less than 500 people, it is not a requirement of the Act to have an approved and implemented WSP.

²This decision is based on the following – Mokau Drinking Water Supply Public Health Risk Management Plan (now referred to as Water Safety Plan) was approved in February 2012. Section 69ZB – duration of water safety plans outlines that a WSP remains in force for the period in the WSP; or 5 years from the date of approval. As this supply provides water to less than 500 people, it is not a requirement of the Act to have an approved and implemented WSP. However, it should be noted that given this supply has an existing WSP, WaDWAS would expect a revised WSP to be completed and submitted to this office for assessment.

³This decision is based on the following – The Piopio Drinking Water Supply Water Safety Plan, dated June 2018, version 3 was approved in June 2018. A WSP implementation was undertaken from 15-16th May 2019 and while non-conformances were identified the DWA concluded that the WSP was being appropriately implemented. An approved WSP must be reviewed every five years (or as specified in the respective WSP). As this supply provides water to less than 500 people, it is not a requirement of the Act to have an approved and implemented WSP.

⁴This decision is based on the following – The Te Kuiti Water Safety Plan (WSP) dated 2 December 2014 was approved on the 3rd of December 2014. Section 69ZB – duration of water safety plans outlines that a WSP remains in force for the period in the WSP; or 5 years from the date of approval. It is noted that a significant upgrade has occurred at this water treatment plant which would signal an update of the WSP is required. This was brought to the WDCs attention in the 2017/18 compliance report (see comment in grey box).

A revised WSP for Te Kuiti Water Supply is now required in the next few months as its due to expire in December 2019. As the Te Kuiti water treatment plant was non-compliant for bacteria and protozoa it is the expectation of WaDWAS that a revised WSP is developed using the new WSP framework. Please also note the expectation of a Catchment Risk Assessment being included.

Please note:

The supplier is reminded that a WSP should be treated as a living document and be regularly reviewed and updated to align it with Council asset management and long-term plans. Changes to the source, treatment, distribution, storage, or operation may indicate that a WSP review is required. The DWA expects to be kept informed of these changes. It is encouraging to note that information on Critical Control Points (CCPs) and process control summaries is now included in your WSPs as per the Ministry of Health's advice in August 2017. These important areas of the water supply and documentation will be checked when a WSP implementation assessment is undertaken by a DWA on your water supplies.

It should be noted that the Ministry of Health released the new WSP Framework in December 2018 which outlined requirements for 10 components to be expressly included in WSPs including areas such as commitment to drinking water quality management and verification of monitoring programmes. The MoH further released the Handbook for preparing a Water Safety Plan in May 2019 which contains additional details on the expectations for new WSPs. There are expectations that the new framework requirements are included before the current WSP expires or if new WSPs are being developed.

Section 69ZD – Duty to keep records and make them available
--

Met for all supplies.

This decision is based on the following:

This was assessed on the 17th of May 2019 by Matt Molloy (WaDWAS) in conjunction with Gabriela Velazquez (Leader – Compliance Management). Over the compliance period WDC have supplied records when requested in the form of summarised monitoring data, raw monitoring data, checklists, diary and treatment plant logs. It is considered that the duties under this section have been met.

Section 69ZE – Duty to investigate complaints
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Met for all supplies.

This decision is based on the following:

Information supplied was that there was 43 complaints regarding the quantity, pressure or quality of the drinking water were received from WDC supplies during this compliance period and that WDC had a system in place to manage complaints when they are received. It is considered that the duties under this section have been met.

Conclusion

The results in this report relate only to the compliance of the above listed Treatment Plants and Distribution Zones.

Please be aware that under the Act, the Te Kuiti water supply falls into the category of a minor drinking water supply. Therefore the legal requirement to comply with the DWSNZ applied from 1 July 2014.

Please be aware that under the Act, the Benneydale, Mokau and Piopio water supplies fall into the category of small drinking water supplies. Therefore the legal requirement to comply with the DWSNZ applied from 1 July 2015.

Information in this report may be provided to the Ministry of Health at their request. With the exception of the Ministry of Health, this report shall not be reproduced without the approval of the Waikato Drinking Water Assessment Service and Waitomo District Council.


Completed: 11th September 2019

A handwritten signature in blue ink, appearing to read 'Matt Molloy', with a long vertical line extending downwards from the end of the signature.

Matt Molloy
Drinking Water Assessor
Waikato Drinking Water Assessment Service

Assessment Report Information

Report identifier	WaitomoDC_DWSNZ2005-18Compliance_2019_09_11_v1
Drinking Water Assessment Unit (Inspection Body)	Waikato Drinking Water Assessment Service Population Health Waikato District Health Board Private Bag 3200 HAMILTON 3240
Drinking Water Assessor	Matt Molloy
Assessment Date	July and August 2019
Description of assessment work	<p>Assessment of Compliance with DWSNZ for:</p> <p>Benneydale (BEN002) water supply including: Benneydale bore (G01921) and Benneydale, unnamed stream (S00416) water sources; Benneydale (TP00705) Water Treatment Plant; Benneydale (BEN002BE) Distribution Zone.</p> <p>Mokau, Waitomo (MOK002) water supply including: Mokau, Waitomo, unnamed stream (S00417) water source; Mokau, Waitomo (TP00706) Water Treatment Plant; Mokau, Waitomo (MOK002MO) Distribution Zone.</p> <p>Piopio (PIO001) water supply including: Kurataha River (S00112) water source; Piopio (TP00186) Water Treatment Plant; Piopio (PIO001PI) Distribution Zone.</p> <p>Te Kuiti (TEK003) water supply including: Mangaokewa River (S00113) water source; Te Kuiti (TP00187) Water Treatment Plant; Te Kuiti (TEK003TE) Distribution Zone.</p>
Equipment Used	Drinking Water Online database
Water Supply Owner / Person Responsible	Waitomo District Council Greg Boyle Acting General Manager – Infrastructure Services
Assessment method	Standard assessment as per scope 1, part A procedure Drinking-water Standards for New Zealand 2005 (Revised 2018)
Documents and Information	Drinking-water Standards for New Zealand 2005 (Revised 2018) Health Act 1956, Part 2A Summarised compliance information from WDC.
Site of Assessment	WaDWAS, population Health, 5 th floor, Hugh Monckton trust building, corner of Rostrevor and Harwood Streets, Hamilton
Omissions from proposed assessment	Nil
Sub-contracted work	Nil

Document checked by:	Name: Mark Palmer Title: Health Protection Officer/ Drinking Water Assessor (trainee) Date: 11/09/2019
Release of report authorised by:	Name: Matt Molloy Title: Drinking Water Assessor  Signature: Date: 11/09/2019

If you do not agree with the findings of this report a written appeal must be lodged with the Technical Manager, WaDWAS, Population Health, Private Bag 3200, Hamilton 3240, within two months of receipt of this report. The Technical Manager will arrange for a review to be undertaken using the Ministry of Health appeals procedure.

Document No: A447379

Report To: **Audit and Risk Committee**



Meeting Date: 7 October 2019

Subject: **National Disaster Resilience Strategy**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the National Disaster Resilience Strategy for information.

Background

- 2.1 Waitomo District Council (WDC) provides Civil Defence and Emergency Management functions for the District as required by the Civil Defence and Emergency Management Act 2002 ("the Act").
- 2.2 WDC's Emergency Management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by WDC to provide a shared service arrangement for Waipa District Council, Otorohanga District Council and Waitomo District Council; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

Commentary

- 3.1 The National Disaster Resilience Strategy came into effect on 10 April 2019 and replaces the previous National Civil Defence Emergency Management Strategy.
- 3.2 The Strategy outlines the vision and long-term goals for Civil Defence Emergency Management (CDEM) in New Zealand, and the objectives to be pursued to meet those goals.
- 3.3 The Strategy sets out what should be expected in respect of a resilient New Zealand, and what should be achieved over the next 10 years. The Strategy also incorporates lessons learned from the 2010 and 2011 Canterbury and 2016 Kaikoura earthquakes, and other events in New Zealand and overseas.
- 3.4 The Strategy objectives acknowledge the particular challenges faced by many New Zealanders associated with their geographic location, their vulnerabilities or hazards.
- 3.5 The Strategy reflects a strong focus on wellbeing where the intention is to provide a common agenda for resilience that individual organisations, agencies, and groups can align with for collective impact.

- 3.6 The National Disaster Resilience Strategy seeks to enable and empower communities everywhere to take action to look after themselves and others in times of crisis, while still ensuring strong local, regional and national leadership when needed.
- 3.7 Enclosed separately and forming part of this business paper is a copy of the National Disaster Resilience Strategy for Council's information.

Suggested Resolution

The business paper National Disaster Resilience Strategy be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

September 2019

Separate Enclosure: National Disaster Resilience Strategy (A447380)

Document No: A447388

Report To: **Audit and Risk Committee**



Meeting Date: 7 October 2019

Subject: **Insurance Renewal Report**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Council's 2019 Insurance renewal arrangements.

Background

- 2.1 Council is a member of the Waikato Local Authority Shared Services (WLASS) Insurance Collective which has a membership of ten councils in the greater Waikato area. Council has been part of the Insurance Collective under the umbrella of WLASS since its inception in June 2012.

Commentary

- 3.1 For the Insurance Policies taken out under the WLASS Collective arrangement, AON New Zealand (AON) acts as the Insurance Brokers.
- 3.2 There have been many benefits of being a member of the Insurance Collective including reduced premiums through greater buying power and continued reassessment of Council's insurance requirements.
- 3.3 The Insurance Policies taken out under the WLASS Collective arrangement were renewed on 31 October 2018 for a 12 month period to 1 November 2019.
- 3.4 The Public Liability and Professional Indemnity Policies were renewed earlier on 30 June 2019 through Marsh Insurance Brokers, with placement in the London Combined Liability Market.
- 3.5 The table below summarises the insurance policies currently in place along with a brief description of the coverage and respective excess arrangements:

Policy	Description	Values Covered	Excess
Material Damage	<p>Covers all risks to identified buildings, contents such as computers, books and furniture. Also covers above ground infrastructural assets such as treatment plants and reservoirs and other community assets such as playgrounds and statues.</p> <p>Coverage is provided under two policies; Fire Only and Excluding Fire.</p>	<p>Replacement value covered \$100,285,099</p> <p>Fire Limit \$15 million</p>	<p>Council's with more than \$50 million declared value \$10,000.</p> <p>Fire following a natural disaster 2.5% of material damage site value with a minimum of \$10,000 each site.</p> <p>Fire following a natural disaster 10% of pre-1935 property material damage site value with a minimum of \$10,000 each site.</p>
Infrastructure Insurance	<p>Cover for below ground infrastructural assets such as pipes, connections and manholes for natural catastrophic events such as earthquake, volcanic eruption, landslip and flooding damage. This policy meets central governments requirements that Councils are to meet 40% share of the cost of a natural disaster.</p>	<p>Total asset replacement value \$57,773,817</p>	<p>Landslip & Subsidence \$1,000,000, Natural Catastrophe Peril \$500,000</p>
Infrastructure Primary Layer	<p>Additional primary layer cover is also in place to cover the first \$10 million layer of the government's 60% share of a natural hazard claim. This policy would respond to claim for smallish event which the government chooses not to cover.</p>	<p>Total asset replacement value \$57,773,817</p>	<p>Landslip & Subsidence \$10,000 Natural Catastrophe Peril \$500,000</p>
Business Interruption	<p>Covers consequential loss resulting from physical loss or damage to Council owned property such as loss of rental income if a building burns down. The policy has both shared limits and sub limits specific to each member Council.</p>	<p>Shared Limits: increased cost of working \$10 million and claims preparation \$2.5 million. WDC</p> <p>Council Specific Limits: Loss of revenue \$253,492, Loss of rental income \$234,000 for a 24 month indemnity period.</p>	<p>\$10,000 (except where an excess has already been at applied to a material damage claim for the same event)</p>

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Policy	Description	Values Covered	Excess
Commercial Motor Vehicle	Cover for the motor vehicle fleet and provides for third party property and bodily injury.	Fleet value insured \$1,781,264	Each and every claim 1% of the vehicle's value with a minimum of \$500
Combined Employer's and Statutory Liability	Covers defence costs, fines and penalties arising from unintentional breaches of applicable legislation. Liability arising out of claims made by Employees for injuries outside the scope of the Accident Compensation Corporation.	For both employers and statutory liability Policy limit is \$1 million in the aggregate for loss and \$1 in aggregate for defence costs	Employers liability \$1,000 Statutory liability \$10,000
Fidelity/Crime	Policy covers direct financial loss through third party crime, electronic computer crime, destruction of money, criminal damage to property and erroneous funds transfer.	Policy limit is \$2 million any one claim and in aggregate	Each and every claim including costs \$50,000
Machinery Breakdown	Policy covers risks that are excluded from the Material Damage policy (Excluding Fire policy). The types of perils covered are breakdowns within a machine, rather than external to machine, for instance an unforeseen fault that causes sudden damage to the machine and/or other processes or equipment around it.	Sum insured \$6,035,819	Excess \$1,000
Forestry Cover	Policy covers for loss for fire including firefighting and re-establishment costs.	Firefighting \$250,000, Removal of debris and replanting \$15,700 and claims preparation \$10,000.	\$5,000 for fire 5,000 each and every event
Airport Owners and Operators Liability	Policy covers airport owners and operators legal liabilities in respect of the ownership, operation and management of an airport as a result of an accident.	\$10,000,000	Excess \$2,500

3.6 Infrastructure Insurance

- 3.7 Infrastructure insurance covers catastrophe type risks such as earthquakes or flooding and provides cover for 40% of the infrastructure assets value. Currently central government will provide cover for the remaining 60% of the value of infrastructure assets. This is subject to their deductible which is calculated as a percentage of the Net Capital Value for the council region and is also subject to their discretionary cover of the first \$10 million of any claim. There is therefore some risk around this 60% contribution from central government.
- 3.8 To mitigate this uncertainty, additional insurance cover for Infrastructure Primary layer has also been purchased that provides a further 60% of the first \$10 million of a natural hazard claim. This effectively replaces the discretionary central government involvement for the first \$10 million for natural hazard claim above the excess level. This policy was relatively low cost and provides greater certainty around the majority of natural disaster perils to which we are exposed.
- 3.9 For the insurance collective, modelling was carried out for earthquake risk centered in and around Hamilton, with the results giving a mean "Maximum Probable Loss" scenario in the range of \$238 to \$253 million. The Waikato Region is considered to be a relatively low risk area for earthquakes. Based on this result, the collective has opted for a group loss limit of \$300 million and within that individual loss limits were determined for each member council, with Waitomo District Council being \$30 million.
- 3.10 In the event of multiple councils being affected by one event, there would be no contingent liability of one council to another, each council would be treated as independent and any claim would be settled on a separate basis.
- 3.11 Further to that in the extremely unlikely event that damage from one event is greater than the \$300 million "Shared Pool" loss limit the amount claimable under the policy is in proportion to the Council's share of the total loss from the event.

3.12 Public Liability and Professional Indemnity

- 3.13 The public liability and professional indemnity insurance covers the 12 month period from 30 June 2019.
- 3.14 Public liability insurance provides protection for legal liability in connection with the business arising from occurrences resulting in personal injury or property damage.
- 3.15 Professional indemnity insurance provides protection for legal liability in respect of any breach of a professional duty arising from a negligent act, error or omission.
- 3.16 The policy through the London market local government liability program arranged through JLT providing cover of \$300 million for any one claim and in aggregate.

3.17 Insurance Renewal Program for 2019-20

- 3.18 The insurance renewal program is well underway to ensure policies are in place by the 31 October for the new insurance year.
- 3.19 Insurance declarations and property schedules have been submitted to the brokers, who in turn will approach the market for placement.
- 3.20 The value of assets submitted for the material damages policies is \$106,046,858, with most the increase being due to addition of the Te Kuiti water treatment plant

being added. With the exception of two rural halls all assets are insured for their replacement value.

- 3.21 Revenue streams for Business Interruption insurance have been extensively reviewed and attached to specific assets. The value insured is \$1,660,000 for a 24 month insurance period. Purchasing Business interruption cover for metered water and trade waste revenue streams is being considered. Inclusion would be for financial risk perspective from loss of significant revenue from the industrial users, should there be a plant failure.
- 3.22 The value of underground assets submitted for the Infrastructure and Infrastructure Primary Layer policies is \$61,593,940, the increase due to assets being added and indexing for cost increases.
- 3.23 The district bridges and retaining walls have been added to these policies, to provide cover for a catastrophic event. Advice from the brokers is that their inclusion will not adversely affect premiums being paid for these policies.
- 3.24 The loss limit for the Infrastructure Primary Layer policy has been increased from \$10 million to \$20 million. The current loss limit results in an insurance ratio of 15.85%, whereas the average for the WLASS insurance group is 17.06%. This new value will result in an insurance ratio of 18.34%.
- 3.25 A new policy, effective from the 20 September 2019 has been added for the operation of remotely piloted aircraft (drones) and for legal liability insurance. None council's existing policies provide cover for this type of activity.

Suggested Resolution

The business paper on the Insurance Renewal Report be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

29 September 2019

Document No: A443754

Report To: Audit and Risk Committee



Meeting Date: 7 October 2019

Subject: Adoption of Annual Report 2018/19

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2018/19 (Draft AR) for consideration and, subject to any amendments, to recommend this document to Council for adoption.
- 1.2 Council's auditors (Deloitte) will be in attendance at the ARC meeting at 9.45am to discuss the audit and to present the Audit Report.

Background

- 2.1 The Draft AR shows the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2019.
- 2.2 The Audit and Risk Committee (ARC) received an Unaudited Interim Financial Report (IFR) for the year ended 30 June 2019 at the 13 August 2019 ARC meeting and Council received an Unaudited Interim Non-Financial Report at the 27 August 2019 Council meeting.
- 2.3 As well as presenting the Draft AR for the ARC's consideration this paper also provides a summary of significant changes since the IFR and commentaries on Council and Group results.

Commentary

- 3.1 **Significant Changes since the Unaudited IFR**
- 3.2 The unaudited IFR was presented at the 13 August ARC meeting, while the financial results and position were still in the process of being finalised. There have been subsequent changes to the results due to finalising the ledgers and the significant changes are discussed in section 3.3 to 3.10.
- 3.3 **Statement of Comprehensive Revenue and Expense**
- 3.4 Total revenue has decreased from \$33.8 million in the IFR to \$33.5 million in the Draft AR mainly as a result of the elimination of rates revenue on Council owned properties.
- 3.5 Total expenditure increased from \$28.5 million to \$28.6 million mainly as a result of additional depreciation and recognition of asset disposals on finalising the asset register. These were partly offset by the elimination of rates paid on Council owned properties and the decrease in landfill aftercare provision due to a reduction in expected post closure monitoring costs and extending the date of the landfill closure to 2044 in anticipation of being granted the resource consent.

3.6 As a result of these changes to expenses and revenue, the total surplus for the year has decreased from \$5.3 million in the IFR to \$4.9 million in the Draft AR.

3.7 The loss on revaluation of the investment in ICL of \$0.4 million was recognised in other comprehensive revenue and expense. This, along with the changes to total surplus discussed in 3.4 and 3.5, decreased the Total comprehensive revenue and expense from \$4.6 million as reported in the IFR to \$3.8 million.

3.8 **Statement of Financial Position**

3.9 Total assets decreased from \$366.5 million in the IFR to \$365.7 million mainly as a result of:

- Loss on revaluation of the investment in ICL \$0.4 million
- Asset Disposals of \$0.3 million processed since the IFR was prepared.

3.10 Total equity decreased by \$0.7 million from the IFR as a result of:

- Decrease in Revaluation Reserve due mainly to a prior period adjustment relating to the disposal of assets.
- A decrease in Surplus as detailed above.
- Increase in Other Reserves as a result of the final reserve transfers, offset partly offset by a decrease in the Assets available for sale reserve from the loss on valuation of ICL investment.

3.11 **Draft 2018-19 Annual Report Highlights**

3.12 **Statement of Financial Performance (pg 58)**

3.13 The budget provided for a surplus of \$3.2 million. The actual result was a greater surplus of \$4.9 million. The main variances are detailed below.

3.14 **Revenue**

3.15 Revenue was \$0.3 million more than budget due to:

- Rates revenue was \$0.2 million less than budget. This was the result of excluding rates revenue on council owned properties.
- Subsidies and grants were \$0.5 million less than budget as the capital expenditure programme was not fully spent.
- Fees and charges revenue was \$0.7 million more due to landfill disposal revenue and quarry royalty revenue being more than budget. Additional revenue was received for complex resource consent applications where costs associated with planning consultants were recovered from applicants and additional fees for building control services.
- Other revenue including gains/(losses) was \$0.3 million more than budget due to gains on revaluation of investment property, funding contribution received for costs associated with the district plan review and depreciation recovered on the sale of motor vehicles.

3.16 Expenditure was \$1.4 million less than budget due to:

- Finance costs were \$0.9 million less than budget due to a reduced public debt level than what was budgeted for and interest rates were less than anticipated at the time the budget was prepared.

- Other expenditure was \$0.6 million less than budget due to:
 - Rates paid on council owned property being excluded. The budget figure includes rates on council owned properties.
 - Grant expenditure for the proposed stadium was not spent.
 - Reduced operations and maintenance costs for all sewerage schemes.
- Employee benefit expenditure was \$0.2 million more than budget for additional organisational capacity and resourcing requirements.

3.17 **Statement of Financial Position (pg 60)**

3.18 Total equity was \$13.2 million more than expected due to:

- The surplus was \$1.7 million more than budget.
- The revaluation reserve was \$2.7 million more than budget due mainly to an increase in the reserve to recognise discovered assets which were not identified at the time the budgets were prepared.
- Available for Sale reserves were more than budget as the budget assumed that the value of the investment in ICL was \$4.5 million compared to the value at 30 June 2019 of \$11.4 million.
- Council created reserves were \$5.2 million more than budget due to the surpluses arising from the various activities of Council and increases to depreciation reserves.
- These increases were offset by the loss on cashflow hedges which was \$0.8 million more than budget.

3.19 Current assets were \$0.4 million more due to a higher level of cash and cash equivalents at balance date and assets held for sale. These were partly offset by reduced receivables.

3.20 Current liabilities were \$5.3 million less than budget due to a lower overall level of borrowings than anticipated in the budgets and a lower level of payables at balance date than was estimated.

3.21 Non-current assets were \$5.2 million more than expected due to the increase in the value of other financial assets from the valuation of Inframax Construction Ltd to \$11.4 million. The budgets assumed a value of the investment of \$4.5 million. This increase was partly offset by a lower value of property, plant and equipment than anticipated due to less capital expenditure being undertaken than was estimated when the budgets were prepared.

3.22 Non-current liabilities were \$2.2 million less than budget due to a lower overall level of borrowings than was anticipated in the budgets. Derivative financial instruments were also \$0.8 million more than expected.

3.23 Rates receivable decreased from \$3,784,000 outstanding at 30 June 2018 to \$3,760,000 outstanding at 30 June 2019 (a decrease of \$24,000).

3.24 Of the \$3,784,000 that was receivable for rates and penalties charged to 30 June 2018, this has now reduced to \$2,570,000 (a reduction of \$1.2 million). This is the result of continued successful debt recovery actions undertaken during the year.

	2019 \$000's	2018 \$000's	2017 \$000's	2016 \$000's
Rates receivable at 30 June 2018	3,784	3,842	3,969	3,973
Less cash received	(834)	(675)	(980)	(1,025)
Less remissions, RID amendments and statute barred write offs	(380)	(513)	(303)	(239)
Sub total	2,570	2,654	2,686	2,709
Plus current year rates outstanding	828	778	797	866
Plus current year penalties and court costs outstanding	362	352	359	394
Rates receivable at 30 June 2019	3,760	3,784	3,842	3,969

3.25 Capital Expenditure

3.26 Total capital expenditure for the year ended 30 June 2019 was \$10.1 million against a budget of \$10.2 million.

3.27 Some of the major projects completed were:

- Construction of the new playground and seating area at Maniaiti/Benneydale and installation of a new basketball area in Eketone Street, Te Kuiti
- Replacement of the lower library rood and shelving and installation of automatic doors at the library
- Development of the Holiday Parks in Te Kuiti and Marokopa
- Work continued on obtaining resource consent for expansion of the landfill
- Te Kuiti water plant upgrade project
- Alternative water supply investigation (bore) in Te Kuiti
- Mokau water supply dam repair and renewals
- Maniaiti/Benneydale water plant UV system upgrade
- New water reservoir at Piopio
- Taupiri Street sewer upgrade project
- Pavement rehabilitation at Ramaroa and Taharoa Roads
- Footpath renewals and improvements

3.28 Borrowings

3.29 Council's Long Term Plan (LTP) provides annual forecasts for the levels of borrowings. The following table illustrates the trends in the level of borrowings over the last three financial years.

	30 June		
	2016/17 \$000	2017/18 \$000	2018/19 \$000
Borrowings			
Forecast Public Debt (LTPs)	54,628	53,645	47,565
Actual Public Debt	43,419	41,737	40,261
\$ Trend	-11,209	-11,908	-7,304
% Trend	-20.5%	-22.2	-15.4%
Capex	9,703	9,869	10,102

3.30 These trends show that actual borrowings have reduced to \$40.26 million at 30 June 2019 and are less than forecast despite major capital investment of \$29.7 million over the last three years.

3.31 Council has continued to manage the funding of the capital works programme from a mixture of subsidies and grants funding, available reserves and borrowing.

3.32 **Group Balance Sheet**

3.33 At 30 June 2019 total equity for the Group was \$316 million. There was a \$4.8 million increase in equity reflecting net asset increase due to the Group's after tax profit of \$5.4 million.

3.34 Current assets decreased by \$1.5 million mainly due to decrease in receivables and inventories.

3.35 Current liabilities decreased by \$13.6 million due to a decrease in the current portion of borrowings and payables.

3.36 Non-current assets increased by \$4.7 million due mostly to an increase in property, plant and equipment.

3.37 Non-current liabilities increased by \$11.3 million due mainly to an increase in non-current borrowings and derivative financial instruments.

3.38 **Statement of Service Performance (Key Performance Indicators)**

3.39 The Statements of Service Performance provide detailed information on the performance measures and targets for each of the significant activities. The performance summary is given on pages 18-19 of the Draft AR with more detailed information disclosed within each activity on pages 20-56 of the Draft AR.

3.40 Three out of six performance targets for Roading were achieved. The performance target relating to the 'timelines and appropriateness of responses to problems and service requests' was previously shown as achieved in the Unaudited Interim Non-Financial Report at the 27 August 2019 Council meeting, however has now been amended to not achieved.

The comment has been amended to - A total of 592 requests were received, of these 77 of the requests were related to state highway, and 409 requests were responded to within 10 working days.

The target was 80%, and 79% of the requests were responded within 10 working days.

3.41 Of the 76 key performance indicators measured, 62 (82%) (2018: 89%) were achieved and 14 (18%) (2018: 12%) were not achieved.

3.42 **Audit**

3.43 Auditors will be present at the meeting to report on the audit process and present the Audit report. The Report to ARC from the Auditors is enclosed separately as Enclosure 1 to this business paper.

Analysis of Options

4.1 ARC has the option of recommending the adoption of the Annual Report to Council or requesting further information/changes from its staff and auditors. Council must adopt the Annual Report prior to 31 October 2019 however due to the local body elections it is recommended that the Annual Report is adopted prior to the elections.

Considerations

5.1 **Risk**

5.2 There is potential risk that some revenue included in the financial statements is subsequently not converted to cash or cash equivalents. 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 2019.

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 There is a risk that the financial results and position stated within this report is materially different for those assets were not revalued at 30 June 2019. These assets include roads, solid waste, water, wastewater, stormwater and land and building assets. To minimise this risk, an assessment of the fair value of significant assets in between revaluation years has been completed by external valuers.

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 Long Term Plan 2018-2028, 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 Draft Annual Report 2018/19 be recommended to Council for adoption.

6.2 A copy of the Draft Annual Report 2018/19 is enclosed separately and forms part of this business paper.

Suggested Resolutions

1 The business paper on Adoption of Annual Report 2018/19 received.

2 The Audit and Risk Committee recommend the audited Annual Report 2018/19 be referred to Council for adoption.



TERRENA KELLY
GENERAL MANAGER – STRATEGY AND ENVIRONMENT



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

2 October 2019

Separate Enclosure 1: Draft Annual Report 2018/19 (Doc No A447974)

Separate Enclosure 2: **Confidential:** Deloitte Report to the Audit and Risk Committee for the year ended 30 June 2019 (Doc No A447915)

Document No: A447457	
Report To: Audit and Risk Committee	
	Meeting Date: 7 October 2019
	Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose of Report

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

Commentary

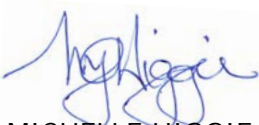
2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right by resolution to exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the grounds contained within that Section.

Suggested Resolutions

- The public be excluded from the following part of the proceedings of this meeting.
- Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Progress Report: Risk Management – Procurement/Contract Schedule (May 2019 to July 2019)	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Progress Report: Health and Safety	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT