

# A G E N D A

## Executive Committee

### Council Chambers

**Thursday**

**7 May 2015**

**commencing at 4.00pm**

Cr. M.S. Dawson (**Chairperson**)  
His Worship the Mayor, M.T. Havill  
Deputy Mayor Cr. P.M. Cox  
Cr. J.H. Butzbach, Cr. D.G. Hope,  
Cr. L.J. Martin, Cr. M.D. Montagu,  
Cr A. P. Thompson, Cr. C.A. van Beek

**NOTICE IS HEREBY GIVEN THAT A MEETING OF THE EXECUTIVE COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA, ON THURSDAY 7 MAY 2015 COMMENCING AT 4.00 PM**

### **COUNCIL VISION**

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.

#### **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

#### **1. MEMBERS PRESENT AND APOLOGIES:**

##### **1.1 Apologies**

##### **1.2 Register of Conflicts of Interest**

## **2. CONFIRMATION OF MINUTES:**

### **2.1 Confirmation of Minutes of Executive Committee Meeting**

#### **2.1.1 Minutes of the Executive Committee Meeting – 16 October 2014.**

(Pages 10-14)

## **3. PUBLIC FORUM**

*The public forum section will commence at the start of the meeting.*

## **4. BUSINESS:**

### **4.1 Omnibus Report**

(Pages 15-34)

## **5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

### **5.1 Confirmation of Minutes**

### **5.2 Chief Executive's Six Month Performance Review**

The general subject of the matters to be considered while the public are 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:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Minutes	Confirmation of October Public Excluded Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report	Chief Executive's Six Month Performance Review.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

## **TERMS OF REFERENCE FOR THE EXECUTIVE COMMITTEE**

<b>REPORTING TO:</b>	Council
<b>CONSTITUTION:</b>	Cr Dawson (Chairperson) All other Elected Members
<b>MEETING FREQUENCY:</b>	As required.
<b>QUORUM:</b>	Chairperson and any three members.

### **OBJECTIVE:**

1. To enable Council to carry out its statutory and contractual responsibilities as employer of the Chief Executive.
2. To implement Council policies and processes for the selection, appointment and remuneration of directors to Council Controlled Organisations and trustees to Council Organisations.
3. To maintain an on-going liaison with Boards of Directors of Council-Controlled Organisations in regard to Council's interest as a shareholder.
4. To undertake the role of Audit Committee.
5. To undertake the role of Risk Management Committee.
6. To determine matters within the authority of Council where the urgency of those matters precludes an Extraordinary Meeting of the full Council.

### **SCOPE OF ACTIVITY:**

#### **Employment of Chief Executive**

1. All matters arising under Section 42 and Clauses 33, 34, 35 and 36 of Schedule 7 of the Local Government Act 2002.
2. All matters arising from Council's employment agreement with the Chief Executive, including but not limited to the conduct of performance reviews and remuneration reviews.

## **Appointment of Directors and Trustees**

3. All matters pertaining to the selection, appointment and remuneration of directors to Council-controlled organisations and trustees to Council organisations, in accordance with Council's Policy on Appointment and Remuneration of Directors.

## **Audit and Risk**

4. All matters pertaining to good practice for Audit and Risk, including consideration of the following matters.

### **(a) Internal Control Framework**

- i. Review whether management's approach to maintaining an effective internal control framework is sound and effective.
- ii. Review whether management has taken steps to embed a culture that is committed to probity and ethical behaviour.
- iii. Review whether there are appropriate systems, processes and controls in place prevent, detect and effectively investigate fraud.

### **(b) Internal Reporting**

- i. Consider the processes for ensuring the completeness and quality of financial and operational information being provided to the Council.
- ii. Seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council.

### **(c) External Reporting and Accountability**

- i. Agree the appropriateness of the Council's existing accounting policies and principles and any proposed change.
- ii. Enquire of internal and external auditors for any information that affects the quality and clarity of the Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above.
- iii. Satisfy itself that the financial statements and statements of service performance are supported by appropriate management signoff on the

statements and on the adequacy of the systems of internal control (i.e. letters of representation), and recommend signing of the financial statements by the Chief Executive/Mayor and adoption of the Annual Report or Long Term Plan.

- iv. Confirm that processes are in place to ensure that financial information included in the entity's Annual Report and Long Term Plan is consistent with the signed financial statements.

(d) Risk Management

- i. Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks.
- ii. Review Council's annual insurance renewal and ensure the appropriateness of the level of self-insured risk.
- iii. Consider whether appropriate action is being taken by Management to mitigate Council's significant risks.

(e) Internal Audit

- i. Review and approve the internal audit coverage and annual work plans, ensuring these plans are based on the Council's risk profile.
- ii. Review the adequacy of management's implementation of internal audit recommendations.
- iii. Review the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

(f) External Audit

- i. At the start of each audit, confirm the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.
- ii. Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within.
- iii. Conduct a members-only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the Committee's attention and/or any issues of independence.

- iv. Consider any recommendation by management that the Office of the Auditor-General replace the external auditor.

(g) Compliance with Legislation, Standards and Good Practice Guidelines

- i. Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Good Practice Guidelines as applicable.

## **Emergency Powers**

- 5. All matters within the authority of Council, other than those reserved to Council under s.48 and Sch. 7 of the Local Government Act 2002.

## **POWER TO ACT:**

### **Employment of Chief Executive**

- (a) To decide all matters arising under s.42 and Cl. 33, 34, 35 and 36 of Sch. 7 of the Local Government Act 2002 and all matters arising from Council's employment agreement with the Chief Executive, except for:
  - (i) The appointment of a Chief Executive; and
  - (ii) The re-appointment of a Chief Executive for a second term under Cl. 34 Sch. 7 of the Local Government Act 2002; and
  - (iii) The termination of employment of the Chief Executive.
- (b) In undertaking performance reviews, whilst the process for undertaking the review is at the Committees discretion; the Committee must:
  - (i) Seek the views of all Councillors, prior to assessing the Chief Executives performance review.
  - (ii) Seek the advice of an independent employment advisor, at least annually, on good practice, in undertaking a review.
- (c) In undertaking a remuneration review the Committee must seek the advice of an independent employment advisor, on good practice, in undertaking a review.

## **Appointment of Directors and Trustees**

- (d) All matters pertaining to the selection, appointment and remuneration of directors to Council Controlled Organisations and trustees to Council Organisations, except for the appointments of directors and trustees.
- (e) All matters are to be in accordance with Council adopted policy on Appointment and Remuneration of Directors.

## **Emergency Powers**

- (f) To decide all matters within the authority of Council where urgency precludes convening an Extraordinary meeting of the full Council, except for those matters reserved to Council under s.48 and Sch. 7 of the Local Government Act 2002.

## **Other**

- (g) Approve Executive Committee meeting minutes.
- (h) Appoint sub committees with written terms of reference, resolved by the Committee.

## **POWER TO RECOMMEND**

### **Employment of Chief Executive**

- (a) The appointment of the Chief Executive;
- (b) The re-appointment of a Chief Executive for a second term under Cl. 34 Sch. 7 of the Local Government Act 2002.
- (c) The termination of employment of the Chief Executive.

## **Appointment of Directors and Trustees**

- (d) Appointees for directors to Council Controlled organisations and trustees to Council organisations that meet the requirements of s.57 of the Local Government Act 2002.

## **Council Controlled Organisations**

- (e) Any matters pertaining to Council's interest as a shareholder in Council Controlled Organisations, including:
  - i. Consideration of Statements of Intent



- ii. Review of six monthly and annual performance against the statements of intent.
- iii. Consideration of major transactions.
- iv. Consideration of major transactions, acquisitions and disposals.

**Adopted by Council on 28 November 2013**  
**Amended and Readopted by Council on 27 February 2014**  
**Amended and Readopted by Council on 26 March 2015**

## Executive Committee Minutes

### MINUTES OF A MEETING OF THE EXECUTIVE COMMITTEE OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 16 OCTOBER 2014 COMMENCING AT 11.14 AM

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#### 1. MEMBERS PRESENT

Cr M.S. Dawson, Chair  
His Worship the Mayor, M.T. Havill  
Deputy Mayor P.M. Cox.

#### Also in attendance:

Cr A.R. Keenan.

#### 1.1 Apologies

Nil.

#### Also in Attendance for part of the meeting:

T.L. Winter, Chief Executive; D.M. Maitland, Executive Assistant.

#### 1.2 Register of Conflicts of Interest

The Register of Conflicts was circulated and an amendment was made by His Worship the Mayor as follows:

*His Worship the Mayor declared that he is a Director of Westland Holdings Limited.*

## 2. CONFIRMATION OF MINUTES

### 2.1 Confirmation of Minutes

#### 2.1.1 Executive Committee Meeting – 17 July 2014

Moved Deputy Mayor Cox, seconded His Worship the Mayor and **Resolved** that the Minutes of the Meeting of the Executive Committee held on 17 July 2014 be confirmed as a true and correct record of the meeting.

## 3. PUBLIC FORUM

There were no members of the public in attendance at the public forum section of the meeting.

## 4. BUSINESS

### 4.1 Executive Committee Action Items

The Committee then worked through the Action Listing of Informal and Formal Items and made changes as required.

Moved Mayor Havill, seconded Deputy Mayor Cox and **Resolved** that the changes to the action items be made and the listing be updated accordingly.

### 4.2 Executive Committee Workplan 2014-2015

The Executive Committee Workplan for 2014-2015 was reviewed and it was noted:

- To align the project plan for the CCO implementation with the workplan.
- That the Director Appointment Policy be reviewed.

Moved Cr Dawson, seconded Deputy Mayor Cox and **Resolved** that the amendments to the Executive Committee Workplan for 2014-2015 be noted and implemented.

### 4.3 August 2014 Financial Report - Cost of Service Statement for the period ending 31 August 2014

It was noted that a forecast to year end column is required.

A general discussion was held regarding the financial report that was received:

- Planning
- Variance Reporting
- Forecasting.

Moved Cr Dawson, seconded His Worship the Mayor and **Resolved** that the above information be received and referred back to the Executive Team.

#### **4.4 CCO Review Implementation**

Moved Cr Dawson, seconded Deputy Mayor Cox and **Resolved** that the CCO Review Implementation be discussed in the Public Excluded Section of the meeting.

#### **4.5 Draft 2013-2014 Full Year Accounts from CCO's**

The Executive Committee noted that until such time as the subsidiaries are able to have their Annual General Meetings, this item be discussed in the Public Excluded Section.

#### **4.6 2013-2014 Annual Report**

It was noted that the Committee has had a meeting with Bede Kearney, Audit Director, Audit New Zealand regarding the 2013-2014 Annual Report.

His Worship the Mayor noted that the 2013-2014 Annual Report is progressing.

*The meeting closed at 11.58 am and reconvened at 12.30 pm.*

### **5. MATTERS CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Moved Cr Dawson, seconded His Worship the Mayor and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 12.30 pm.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

#### **5.1 Confirmation of Minutes**

#### **5.2 Chief Executive's Annual Performance Review**

- 5.3 CCO Draft Annual Reports  
 5.4 CCO Review Implementation Proposal  
 5.5 Westroads Proposal

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

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes	Confirmation of Minutes of 17 July 2014	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
5.2	Report	CE's Annual Performance Review	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
5.3	Reports	CCO Draft Annual Reports	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
5.4	Report	CCO Review Implementation Proposal	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
5.5	Report	Westroads Proposal	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

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 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
5.1 & 5.2	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
5.3, 5.4, 5.5	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 7(2)(b)(ii)

Moved Deputy Mayor Cox, seconded His Worship the Mayor, and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and the public be readmitted at 4.00 pm.

**MEETING CLOSED AT 4.00 PM**

**Confirmed by:**

\_\_\_\_\_  
**Cr Mark Dawson**  
**Chair**

\_\_\_\_\_  
**Date**

# Report



**DATE:** 7 May 2015

**TO:** Executive Committee

**FROM:** Group Manager: Corporate Services

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## **OMNIBUS REPORT: EXECUTIVE COMMITTEE**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to provide the Executive Committee with an update on a range of matters that fall under their Terms of Reference.
- 1.2 This issue arises from the Committee having been delegated responsibility for a number of Council activities.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the recommendations in **Appendix 1** be adopted.

### **2.0 BACKGROUND**

- 2.1 The Executive Committee was created by Council under the terms of the Local Government Act 2002 after the local body elections in October 2013.
- 2.2 The Committee operates under Terms of Reference (ToR) and the matters brought before it are in keeping with these.
- 2.3 At the Council meeting on 26 March 2015, the ToR for the Committee were amended to provide all elected with membership. The quorum was also amended to the Chairperson and any three members. No other amendments were made.

2.4 The new ToR are attached to this agenda for reference.

### **3.0 CURRENT SITUATION**

3.1 A range of matters are included in this report for consideration by the Executive Committee. As the Committee's power to act is limited, most of the items are information to be received.

### **4.0 OPTIONS**

4.1 Any options are contained in **Appendix 1** with the individual items to be considered.

### **5.0 SIGNIFICANCE AND CONSULTATION**

4.2 In accordance with Council's Policy on Significance and Engagement the matters in this report are largely administrative and therefore are a low level of significance.

### **RECOMMENDATION**

A) **THAT** the recommendations in **Appendix 1** be adopted.

**Gary Borg**

**Group Manager: Corporate Services**

**Appendix 1:** Omnibus Recommendations

**Appendix 2:** Executive Committee Action Items

**Appendix 3:** Executive Committee Workplan 2014-15

**Appendix 4:** Westland Holdings Ltd half year report to 31 December 2015



## **OMNIBUS RECOMMENDATIONS**

### **1. EXECUTIVE COMMITTEE ACTION ITEMS**

The list of action items from previous meetings is attached as **Appendix 2**. This is for review by the Executive Committee.

**No recommendation made.**

### **2. EXECUTIVE COMMITTEE WORKPLAN 2014-15**

This is attached as **Appendix 3**. This is for review by the Committee to check that work is proceeding as expected.

**Recommendation:**

**THAT** the Executive Committee notes any changes to the workplan for the remainder of 2014-15 and gives some direction to staff on priorities for 2015/16.

### **3. INSURANCE**

The Group Manager: Corporate Services will provide a verbal update.

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

### **4. HALF YEAR RESULT: WESTLAND HOLDINGS LTD**

As per the Statement of Intent for Westland Holdings Ltd, a half year report to 31 December 2015 has been received, together with a covering report from the Chairman, Graeme King. This was received on 4 March 2015 and is attached as **Appendix 4**. Mr King will be in attendance at the meeting to present the report and answer any questions.

**Recommendation:**

**THAT** the Executive Committee receive the half year report to 31 December 2015 from Westland Holdings Ltd.

5. **2014-15 AUDIT MANAGEMENT REPORT**

The draft 2014-15 Audit Management Report has been received from Audit NZ. Staff are providing comments on this and will return it to Audit NZ for finalising. This report will come back to a future Executive Committee meeting. Unfortunately this work has taken a low priority while staff work on the Long Term Plan. It is expected that once the LTP is adopted and public consultation begins staff will be able to complete this work.

**Recommendation:**

**THAT** the Executive Committee receives this update.

6. **DEBT COLLECTION**

The Group Manager: Corporate Services will provide a verbal update.

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

7. **TREASURY MANAGEMENT**

The Group Manager: Corporate Services will provide a verbal update.

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

8. **RISK REPORTING PROCESS**

The Group Manager: District Assets will provide a verbal update and demonstrate how Council's Executive Team are currently recording and managing risk. Options for reporting risk to Council will be presented.

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

9. **REFINING THE MONTHLY FINANCIAL REPORTING PROCESS**

The Group Manager: Corporate Services will provide a verbal update and demonstrate how Budget Managers and the Executive Team are providing input into monthly financial reporting to Council.

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

## 10. POST CCO REVIEW WORK

The CCO Review has been concluded, and staff are working on recommendations in the review as identified in the table below:

**Table 1: Work to be Completed Post CCO Review**

PRIORITY	WORK	RATIONALE	TIMEFRAME
1	CCO's invited to Council meetings	Improved communication	Started & ongoing
2	Review of CCO Board Structure	Improved Governance	Current
3	Director Appointment Policy	Improved Governance	Current
4	Statements of Intent	Clarity on CCO direction	Current
5	Management Contract with WDPL	Clarity on operational expectation	30 June 2015

**Recommendation:**

**THAT** Executive Committee receives this information and provides feedback.

## EXECUTIVE COMMITTEE – ACTION ITEMS (INFORMAL MEETING) 10.07.14

Item	Further Action	Action By	Due Date	Date Completed
Collate all internal control policies and procedures.	Tabulating	Gary	30 October 2014	
Put insurance schedule on agenda.	Further clarification required	Gary	11 September 2014	
Letters to HAL and WRL re resolutions 30 January 2014.		Tanya	11 September 2014	WRL letter sent 15 Jan 2015
Report on bad debts and overdue rates.		Gary	5 Nov 2014	Included in Quarterly report
Health and Safety legislation – risk for Councillors	Exec Team members attending seminars and briefings when required.	Vivek	Ongoing	

## EXECUTIVE COMMITTEE – ACTION ITEMS (FORMAL MEETING) 17.07.14

Item	Further Action	Action By	Due Date	Date Completed
Minutes 2.1: <ul style="list-style-type: none"> <li>Bullets on Page 12, ask WHL to consider when year-end report done.</li> </ul> Minutes 2.2: <ul style="list-style-type: none"> <li>Audit Management Report – Gary and Mark to work through items.</li> </ul>	Letter to WHL  Gary and Mark to meet to discuss – meeting required before the 11 September.	Tanya  Gary/Mark	11 September 2014 11 September 2014	
Monthly Reporting: <ul style="list-style-type: none"> <li>Change right-hand column to forecast year ending.</li> <li>Bring project sheet to a future meeting.</li> </ul>	Implement in next report	Gary  Vivek	25 September 2014  11 September 2014	Project sheet include with Quarterly Report to Council

## EXECUTIVE COMMITTEE – ACTION ITEMS (FORMAL MEETING) 17.07.14 CONT.

Item	Further Action	Action By	Due Date	Date Completed
Annual Report: <ul style="list-style-type: none"> <li>• Ensure all elected members receive a draft late Sept.</li> </ul>	Probably early Oct	Gary	30 September 2014	Draft received early 2015





## EXECUTIVE COMMITTEE – ACTION ITEMS (INFORMAL MEETING) 14.08.14

Item	Further Action	Action By	Due Date	Date Completed
LTP Policies:				
Mark to respond back re level of involvement from Executive Committee.	Gary and Tanya to recommend which policies take priority.	Cr Dawson	11 September 2014	Full Council involved early 2015
Risk Register:				
<ul style="list-style-type: none"> <li>Itemised register to come to Executive Committee in October. Circulate it before then.</li> <li>New risks identified at Executive Team to come to Executive Committee's formal meetings.</li> </ul>		Vivek	16 Oct 2014	
		Vivek	16 Oct 2014	
<u>Westroads Proposal</u>  Report to August Council Meeting delegating role to Executive Committee.	Report deferred pending instruction from WHL.	Tanya	30 Oct 2014	30 Oct 2014
<ul style="list-style-type: none"> <li>Check Council resolution re Executive Committee's delegation to proceed to next stage of implementation.</li> </ul>		Tanya	11 Sept 2014	End Sept 2014
<ul style="list-style-type: none"> <li>Process for last stage and quote from M/L and T/T.</li> </ul>	Awaiting on response to email.	Tanya	11 Sept 2014	29 October 2014

## EXECUTIVE COMMITTEE – ACTION ITEMS (FORMAL MEETING) 16.10.14

Item	Further Action	Action By	Due Date	Date Completed
Workplan: <ul style="list-style-type: none"> <li>Amendments were made to the Executive Committee Workplan for 2014-2015.</li> </ul>	Make amendments	Tanya	30 Oct 2014	30 Oct 2014
Aug Financial Report: <ul style="list-style-type: none"> <li>August 2014 Financial Report – the forecast to year end column is required.</li> </ul>	Amend report	Gary	30 Oct 2014	Late 2014



Item	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
<b>External Audit</b>	Interim Audit Management Report		Draft Annual Report	Audit Annual Report <b>Audit Director meet Exec Committee</b>	Audit Management Report 				LTP Audit Hot Review <b>Audit Director meet Exec Committee</b>	Letter of Engagement 2015-16	Review Audit Management Reports LTP Audit	Interim Audit Annual Report
<b>Annual Report</b>		Heads up on EOY Result	Review Annual Report									
<b>CE Performance Review</b>			Annual PR						6-Month PR			
<b>CCO's</b>		Feedback on WDPL Due Diligence	Full Year Reports	Special Consultative Procedure on disestablishing WDPL & WHL? 	AGM's Director Appointment Policy Review 			Draft Statement of Intents due end Feb 	Half Year Reports			
<b>Insurance</b>		- Valuation Information - LAPP Review			Review of Assets to be Insured							Renewal
<b>Risk Management Framework</b>		Review Risk Register		Review Risk Management Policies & Procedures Review Risk Register						Review Risk Management Policies & Procedures Review Risk Register		
<b>Internal Control Framework</b>			Review Current Policies & Procedures					Confirm Internal Control Framework Budget for Internal Audit				Internal Audit
<b>Long Term Plan</b>								Review LTP Budgets				
<b>Legislation</b>												
<b>Informal and Formal Meetings</b>		<b>Informal Meeting</b> 14 Aug	<b>Informal Meeting</b> 11 Sept 9am-10am <b>Meeting with Stakeholders</b> 1pm-3pm then a/tea.	<b>Formal Meeting</b> 16 Oct 11.00 am	<b>Informal Meeting</b> 5 Nov 3.30 pm	<b>Formal Meeting</b> 4 Dec 9.00 am		<b>Informal Meeting</b> 9-13 Feb - TBC	<b>Formal Meeting</b> 9-13 Mar - TBC			
<i>Note:</i>				<b>Audit here 6-24 Oct.</b>								

## Westland Holdings Limited

### ½ Yearly Report to 31<sup>st</sup> December 2015

It is pleasing to report a half yearly group profit of \$343k after tax.

The last twelve months have been particularly difficult from a management perspective with the group structure under review.

Westroads, as we know, completed the acquisition of “Trenching Dynamix” (TD) in Canterbury in the later part of the half year giving it an expanded customer base and importantly a leg into the Christchurch infrastructure rebuild. Bedding in the purchase has been foremost on their priorities with the first six weeks trading being a breakeven situation. Given the Christmas break, this is viewed as being acceptable. Currently TD has \$3.0m in forward work confirmed and a further \$2.50m in which prices have been submitted for.

Turnover in both Greymouth & Hokitika areas are slightly down as expected although margins achieved were better.

Hokitika Airport continues to consolidate with a trading profit of \$33k after tax recorded for the six months to end of December 2015. Both income & expenditure are down slightly by \$13k & \$11k respectively. Ongoing maintenance and improvements still being undertaken as cashflow allows.

WDPL has recorded a \$26k loss for the period ending December 2015 which is 1/3 of that budgeted. Revenue up \$21k.

Now that the CCO review is finalized, it is important that the Contracts between Council & WDPL are revisited and become realistic in what the Council expects from WDPL and what Council is prepared to pay WDPL for that function.

**Graeme King**  
**Chairman**  
**Westland Holdings Limited**



**WESTLAND HOLDINGS LTD (GROUP)**

**HALF YEARLY REPORT**

**For The 6 Months Ended 31 December 2014**

## Westland Holdings Ltd (Group)

### DIRECTORS REPORT

The Directors of Westland Holdings Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2014.

#### Principal Activities

The Company is a holding company for the various commercial interests of the Westland District Council. It currently has 3 operating subsidiaries which it owns 100% of, namely

- Westroads Ltd
- Hokitika Airport Ltd &
- Westland District Property Ltd

#### Review of Operations

	Group Dec 14 \$000	Group Dec 13 \$000
<b>Result for the period ended 31 December 2014</b>		
Net Profit/(Loss before Taxation)	475	(16)
Income Taxation	<u>132</u>	<u>2</u>
<b>Net Profit (Loss) after Taxation and total comprehensive income</b>	<b><u>343</u></b>	<b><u>(18)</u></b>

#### Dividend

No dividend has been declared for the period ended 31 December 2014 at this stage.

For and on behalf of the Board

G P King  
Chairman  
**28 February 2015**

<p style="text-align: center;"><b>WESTLAND HOLDINGS LTD (GROUP)</b>  <b>STATEMENT OF COMPREHENSIVE INCOME</b>  For the period 1 July 2014 to 31 December 2014</p>
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	Group 2014 \$000	Group 2013 \$000
Revenue	7,415	6,706
Cost of Sales	4,879	5,068
<b>Gross Profit</b>	<b>2,536</b>	<b>1,638</b>
Other Income	65	420
Administrative Expenses	2,017	1,935
<b>Results from operations</b>	<b>584</b>	<b>123</b>
Interest Received	5	3
Interest Paid	114	142
<b>Net finance costs</b>	<b>109</b>	<b>139</b>
Profit before Income Tax	475	( 16)
Income tax expense	132	2
<b>Profit for the period</b>	<b>343</b>	<b>( 18)</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>343</b>	<b>( 18)</b>

**WESTLAND HOLDINGS LTD (GROUP)**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2014

	Note	Group 31 Dec'14 \$000	Group 31 Dec'13 \$000
<b>EQUITY</b>			
Share capital		8,695	8,695
Asset Revaluation Reserve		831	-
Retained Earnings Brought Forward		2,295	2,526
Current Period Net Profit/(Loss) after Tax		343	(18)
		<u>12,164</u>	<u>11,203</u>
represented by:			
<b>CURRENT ASSETS</b>			
Bank current account		471	342
Receivables		2,439	1,542
Prepayments		78	74
Tax Refundable		82	85
Inventory		484	339
Work in Progress		127	457
		<u>3,681</u>	<u>2,839</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		350	139
Bank Flexible Facility		750	1,610
Accounts payable and accruals		1,336	1,097
Current Portion Term Loans		815	1,323
Income in Advance		177	18
Subvention Payment Payable		253	112
Tax Payable		187	91
WDC Advance		-	49
Employee entitlements		865	758
		<u>4,733</u>	<u>5,197</u>
<b>WORKING CAPITAL</b>		<b>(1,052)</b>	<b>(2,358)</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	1	14,763	12,289
Investment Property		893	1,226
Term Inventory		886	849
Intangible Assets		572	424
		<u>17,114</u>	<u>14,924</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability		274	155
Term Loan		3,624	1,072
		<u>3,898</u>	<u>1,363</u>
		<u>12,164</u>	<u>11,203</u>

**WESTLAND HOLDINGS LTD (GROUP)**  
**STATEMENT OF CASHFLOWS**  
For the period 1 July 2014 to 31 December 2014

	Note	Group 2014 \$000	Group 2013 \$000
<b><u>Cash Flows from Operating Activities</u></b>			
<i>Cash was provided from:</i>			
Receipts from customers and other sources		6,792	6,405
Sale of Development Land		-	200
Interest received		5	3
<b>Total Cash Inflows from Operating Activities</b>		<b>6,797</b>	<b>6,608</b>
<i>Cash was disbursed to:</i>			
Payments to employees and suppliers		6,072	6,065
Income taxes paid		138	91
Purchase & Development Land Costs		34	58
Purchase of Term Inventory		1	4
Interest paid		111	134
<b>Total Cash Outflows from Operating Activities</b>		<b>6,356</b>	<b>6,352</b>
<b>Net Cash Inflow from Operating Activities</b>	2	<b>441</b>	<b>256</b>
<b><u>Cashflows from Financing Activities</u></b>			
<i>Cash was provided from:</i>			
Proceeds of Bank Advances		2,400	1,410
<b>Total Cash Inflows from Financing Activities</b>		<b>2,400</b>	<b>1,410</b>
<i>Cash was applied to:</i>			
Repayment of Loans		252	271
<b>Total Cash Outflows from Financing Activities</b>		<b>252</b>	<b>271</b>
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>2,148</b>	<b>1,139</b>
<b><u>Cashflows to Investing Activities</u></b>			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		236	520
<b>Total Cash Inflows from Investing Activities</b>		<b>236</b>	<b>520</b>
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		2,972	2,054
Purchase of goodwill		150	
<b>Total Cash Outflows from Investing Activities</b>		<b>3,122</b>	<b>2,054</b>
<b>Net Cash Outflow from Investing Activities</b>		<b>(2,886)</b>	<b>(1,534)</b>
<b>Net Decrease in Cash Held</b>		<b>(297)</b>	<b>(139)</b>
Cash & cash equivalents at 1 July		418	342
Cash & cash equivalents at 31 December		<b>121</b>	<b>203</b>
<i>Made up of:</i>			
Cash		471	342
Bank Overdraft		(350)	(139)
		<b>121</b>	<b>203</b>

## **Westland Holdings Ltd (Group)**

### **STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2014.**

#### ***REPORTING ENTITY***

Westland Holdings Limited is registered under the Companies Act 1993. Westland Holdings Limited is wholly owned by the Westland District Council.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westland Holdings Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

The Group consists of Westland Holdings Limited, Hokitika Airport Limited, Westland District Property Limited, Westroads Limited and its 100% owned subsidiary, Westroads Greymouth Limited. All group companies are incorporated in New Zealand.

#### ***MEASUREMENT BASE***

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Group, with the exception of certain items for which specific accounting policies are identified.

#### ***ACCOUNTING POLICIES***

Accounting Policies are consistent with those published in annual Financial Statements except the treatment of the provision of employee entitlements which are not split between current and non-current and is reported as current liability only and that investment properties have not been revalued during this period. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24

#### ***CHANGES IN ACCOUNTING POLICIES***

Other than mentioned above, there have been no changes in accounting policies. All policies have been applied consistently during the period



## Westland Holdings Ltd (Group)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2014

#### 1. PROPERTY, PLANT & EQUIPMENT

	Group Dec 14 \$000	Group Dec 13 \$000
Land & Buildings	4,849	4,103
Less accumulated depreciation	<u>406</u> 4,443	<u>576</u> 3,527
Plant, Equipment & Motor Vehicles	15,319	12,976
Less accumulated depreciation	<u>7,232</u> 8,087	<u>6,386</u> 6,590
Office Furniture and Equipment	364	356
Less accumulated depreciation	<u>321</u> 43	<u>294</u> 62
Airport Runway Infrastructure	2,400	2,400
Less accumulated depreciation	<u>358</u> 2,042	<u>311</u> 2,089
Asset under Construction	148	21
Total Fixed Assets	<u>14,763</u>	<u>12,289</u>

## Westland Holdings Ltd (Group)

### 2. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Group Dec 14 \$000	Group Dec 13 \$000
<b>Reported surplus after taxation</b>	<b>343</b>	<b>(18)</b>
<i>Add(less) non cash items:</i>		
Depreciation	742	717
Loss (Gain) on Disposal	<u>(39)</u>	<u>(72)</u>
	<b>1,046</b>	<b>627</b>
<i>Add (Less) items classified as Investment Activities:</i>		
Capital Creditors	<u>(91)</u>	-
	<b>(91)</b>	-
<i>Movement in working capital:</i>		
Movement in tax	12	(65)
Increase (decrease) in Accounts Payable & Employee Provisions & Income in advance	292	36
(Increase) decrease in Receivables, Prepayments & Work in Progress	(746)	(652)
(Increase) decrease in inventory	<u>(72)</u>	310
	<b>(514)</b>	<b>(371)</b>
<b>Net cash inflow from operating activities</b>	<b><u>441</u></b>	<b><u>256</u></b>