



AGENDA

RĀRANGI TAKE

NOTICE OF MEETING OF THE

AUDIT AND RISK COMMITTEE

to be held on **Thursday 07 May 2020** commencing at **1.00 pm** via Zoom

Chairperson: Rachael Dean

Members: His Worship the Mayor
Cr Neale
Kw Tumahai

Cr Hart
Kw Madgwick



In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members will attend the meeting by audio or audiovisual link

Council Vision:

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

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 promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

1. NGĀ WHAKAPAAHA APOLOGIES

(includes leave of absence notification)

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3. NGĀ MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS

Minutes circulated separately

4. STAFF REPORTS

- Quarterly Financial Report (Pages 4 - 51)
- Update on Audit Management Report (Pages 52 - 59)
- Health and Safety – Verbal update

5. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

(to consider and adopt confidential items)

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

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 the resolution are as follows:

Item No.	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.	Confidential Minutes – 17 March 2020	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a)

**DATE OF NEXT AUDIT AND RISK COMMITTEE MEETING
06 AUGUST 2020
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA**

Report



DATE: 7 May 2020

TO: Audit and Risk Committee

FROM: Strategy and Communications Advisor, and Finance Manager

QUARTER 3 FINANCIAL REPORT AS AT MARCH 2020

1 SUMMARY

- 1.1 The purpose of this report is for the Audit and Risk Committee to review the performance of Council as at 31 March 2020.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 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 May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receive the Quarter 3 Financial Report as at 31 March 2020.

2 BACKGROUND

- 2.1 A quarterly report is produced 3 times per year and does not include quarter 4 because the Annual Report is produced in its place.
- 2.2 The Council also receive a summarised monthly financial report to date.

3 CURRENT SITUATION

- 3.1 The Quarter 3 Report attached as Appendix 1 includes both financial and non-financial information, including a Treasury Report and Statement of Service against performance measures in the LTP 2018-28.

- 3.2 While we are forecasting for an operating surplus at the end of the year, it is expected to be lower than planned due to reasons mentioned in the notes to the Statement of Comprehensive Revenue and Expenditure. The Council have spent only 30% of the Annual Plan capital expenditure by 31 March 2020 and a significant portion of work to be carried forward to the next financial year due to reasons as commented in the Capital report.
- 3.3 Council undertook the bi-annual Resident Satisfaction Survey in this Quarter. The results of this survey have been provided to Council and are included in the performance information for the relevant activity group. All activity groups have been affected by the Covid-19 lockdown that began at the end of the quarter. Impacts will be clearer in the next quarter.

4 OPTIONS

- 4.1 **Option 1:** The Committee can choose to receive or not receive the Quarter 3 Report as at 31 March 2020, Appendix 1.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The report is for information purposes only and community engagement is not necessary.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The report is for information on the current financial and non-financial performance of Council and there is no reason not to receive the report. There are no financial implications arising from receiving the report.

7 RECOMMENDATION(S)

- A) **THAT** the Audit and Risk Committee receives the Quarter 3 Financial Report as at 31 March 2020.

Emma Rae
Strategy and Communications Advisor

Prabath Jayawardana
Finance Manager

Appendix 1: Quarter 3 Financial Report as at 31 March 2020



Quarterly Report

Q3 – January 2020 – March 2020

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Whole of Council Financial Summary

Sustainability report

Total revenue	Total expenditure	Total surplus/(deficit)
\$19.48M	\$18.41M	\$1.08M
Is 6.98% more than the total budget of \$18.21M	Is 7.67% more than the total budget of \$17.09M	Is 3.64% less than the total budget of \$1.12M

S U S T A I N A B I L I T Y

Rates to operating revenue **62.85%**

Rates Revenue	\$12.24M
Operating Revenue	\$19.48M

62.85% of operating revenue is derived from rates revenue. Rates revenue includes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, and asset revaluation gains.

Balanced budget ratio **105.84%**

Operating revenue	\$19.48M
Operating expenditure	\$18.41M

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets and asset revaluation gains. Operating expenditure includes depreciation and excludes landfill liability and loss on asset revaluations. Year to date revenue is 105.84% of operating expenditure.

Interest to rates revenue (LGFA Cov.) **3.92%**

Net interest and finance costs	\$0.48M
Rates Revenue	\$12.24M

3.92% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue includes penalties, water supply by meter and gross of remissions.

Interest to operating revenue **2.46%**

Net Interest and finance costs	\$0.48M
Operating revenue	\$19.48M

2.46% of operating revenue is paid in interest. Our set limit is 10% of operating revenue. Net interest is interest paid less interest received.

Liquidity Risk (LGFA Cov.)**133.24%**

Gross debt	\$18.62M
Undrawn committed facilities	\$3.98M
Cash and cash equivalents	\$2.21M

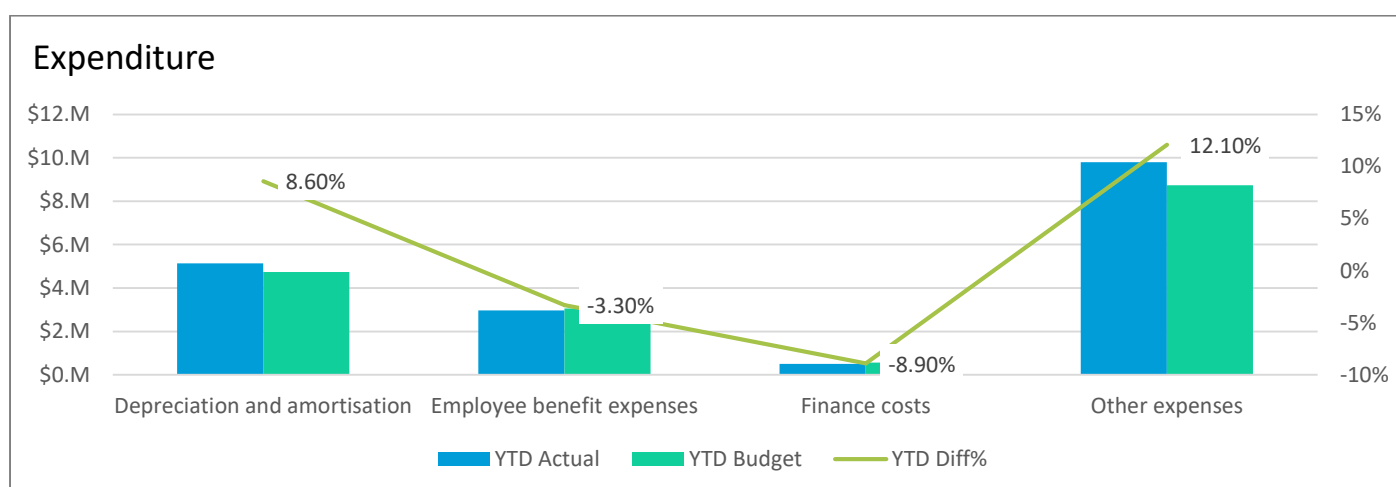
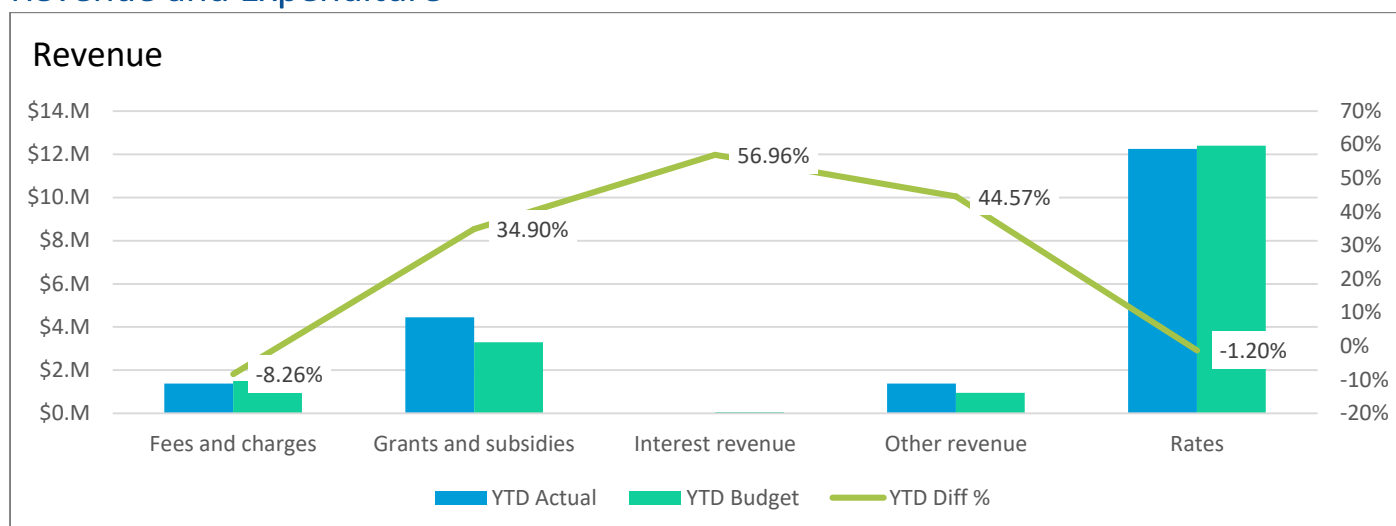
The liquidity risk policy requires us to maintain a minimum ratio of 110% which is also an LGFA covenant. Our current liquidity risk is 133.24%

Essential services ratio**106.28%**

Capital expenditure	\$4.29M
Depreciation	\$4.03M

Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 106.28% of depreciation. Essential Services are Water Supply, Wastewater, Stormwater and Roothing.

Revenue and Expenditure



Statement of Comprehensive Revenue and Expenditure

Statement of Comprehensive Revenue and Expense							
For the period ended March 2020							
	Notes	Full Year Forecast (\$'000)	Full Year Budget (\$'000)	YTD Budget (\$'000)	Actual YTD (\$'000)	Variance YTD (\$'000)	Var/Bud %
Revenue							
Rates	01	16,064	16,437	12,392	12,245	(147)	-1.2%
Grants and subsidies	02	5,312	4,162	3,296	4,446	1,150	34.9%
Interest Revenue		52	82	61	26	(35)	-57.0%
Fees and Charges	03	1,884	2,009	1,507	1,382	(125)	-8.3%
Other revenue	04	1,885	1,360	957	1,383	426	44.6%
Total operating revenue		25,198	24,049	18,212	19,483	1,270	7.0%
Expenditure							
Employee Benefit expenses	05	3,997	4,090	3,062	2,961	(101)	-3.3%
Finance Costs	06	696	740	555	506	(49)	-8.9%
Depreciation	07	6,868	6,316	4,737	5,143	406	8.6%
Other expenses	08	12,662	11,836	8,742	9,797	1,055	12.1%
Total operating expenditure		24,223	22,982	17,096	18,407	1,311	7.7%
Operating Surplus/(Deficit)		975	1,068	1,116	1,076	(41)	-3.6%

Notes to the Statement of Comprehensive Revenue and Expense

Note 1 - Rates						
	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Rates	-\$16,437	-\$12,392	-\$12,245	\$147	-1%	Actual rates income is lower than budgeted mainly due to an unbudgeted Rates remission granted to Glenfern Villas as a result of changing their ownership structure.
Total - Rates	-\$16,437	-\$12,392	-\$12,245	\$147	-1%	

Note 2 - Grants and subsidies						
	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Grants & Contributions	-\$1,943	-\$1,457	-\$2,352	-\$895	61%	YTD actuals are higher than planned due to unbudgeted grants received: Carnegie building \$500k, Responsible camping \$234k.
Capital Subsidies	-\$2,219	-\$1,839	-\$2,094	-\$255	14%	Mainly due to the unbudgeted Kumara water treatment plant subsidy received from Ministry of Health \$242k.
Total - Grants and subsidies	-\$4,162	-\$3,296	-\$4,446	-\$1,150	35%	

Note 3 - Interest Revenue						
	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Interest Revenue	-\$82	-\$61	-\$26	\$35	-57%	Interest revenue is lower than planned due to declining interest rates in the market.
Total - Interest Revenue	-\$82	-\$61	-\$26	\$35	-57%	

Note 4 - Fees and Charges						
	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Friends of the Library	-\$2	-\$2	-\$2	-\$1	58%	
Inspection Fees	-\$195	-\$146	-\$141	\$5	-4%	
Rental	-\$58	-\$44	-\$44	\$	1%	
Amusement Device Licences	\$	\$	\$	\$	0%	
Building Accreditation	-\$28	-\$21	-\$15	\$6	-31%	
Building Checks	-\$8	-\$6	-\$5	\$1	-18%	
Building Consents	-\$79	-\$59	-\$64	-\$4	7%	
Burial Fees	-\$32	-\$24	-\$20	\$4	-17%	
Camping Ground Licence Fees	-\$5	-\$4	-\$7	-\$4	95%	
Cass Square Hire Char	-\$7	-\$5	\$	\$5	-98%	
Compliance Certificates	-\$50	-\$38	-\$40	-\$2	6%	
Compliance Schedule Fees	-\$36	-\$27	-\$27	\$	2%	
DVD Rental	-\$7	-\$5	-\$5	\$	-3%	
Land Information Memo	-\$41	-\$31	-\$39	-\$9	29%	
Liquor Licenses	-\$130	-\$97	-\$97	\$	0%	
Monitoring Revenue	-\$8	-\$6	-\$1	\$5	-86%	
Photocopying Revenue	-\$5	-\$4	-\$4	\$	3%	
Plant Hire	-\$119	-\$89	-\$110	-\$20	23%	
Processing Fees	-\$159	-\$119	-\$146	-\$26	22%	
Project Information	\$	\$	-\$1	\$	101%	
Refuse Site Fees	-\$813	-\$609	-\$493	\$116	-19%	This is mainly due to lower than expected refuse fees received from Hokitika (\$198k under) partially offset by higher than planned refuse fees received from Franz Josef collections (\$102k over) as it was used as an alternative transfer station to Fox Glacier during the flood event. YTD Actual is consistent with the last year as expected by the managers. It looks like the budget is overstated.
Resource Consents	-\$82	-\$61	-\$53	\$8	-14%	
Trade Waste Fees	-\$107	-\$80	-\$52	\$28	-35%	
Waste Levy	-\$38	-\$29	-\$16	\$13	-44%	
Total - Fees and charges	-\$2,009	-\$1,507	-\$1,382	\$125	-8%	

Note 5 - Other Revenue

	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Impounding Fees	-\$1	\$	-\$4	-\$4	1069%	
Interloans	-\$1	\$	-\$1	\$	78%	
Nomination Fees	-\$5	-\$4	-\$8	-\$4	99%	
Petrol Tax Income	-\$133	-\$99	-\$100	-\$1	1%	
Reserve Fund Revenue	-\$40	-\$30	-\$112	-\$82	272%	Mainly due to unbudgeted funds received from NEMA for Mayoral flood fund \$50k.
Telephone	\$	\$	\$	\$	24%	
Funeral Parlour Licences	\$	\$	\$	\$	50%	
Capital Contributions	-\$13	-\$10	-\$23	-\$13	125%	
Dividends	-\$520	-\$300	-\$200	\$100	-33%	
Dogs Registration	-\$107	-\$107	-\$112	-\$5	5%	
Fees-Other Activs	\$	\$	\$	\$	0%	
Fees-TNZ	\$	\$	\$	\$	0%	
Fines	-\$22	-\$16	-\$18	-\$2	13%	
Food Premises Licences	-\$48	-\$36	-\$19	\$17	-48%	
Gain on Swap	\$	\$	-\$266	-\$266	0%	Swap values will change due to market conditions which is difficult to estimate when setting the budget and hence the variance from the budget.
Hairdressers Licences	-\$2	-\$1	-\$2	-\$1	85%	
Hawkers Licences	-\$2	-\$1	-\$2	-\$1	58%	
Legal Fees Recovered	-\$18	-\$14	\$	\$14	-100%	
LIBRAR - Donations	-\$2	-\$2	-\$1	\$1	-51%	
Mobile Shop Licences	-\$2	-\$2	-\$7	-\$6	380%	
Offensive Trade Licences	-\$1	-\$1	-\$1	\$	35%	
PLBUILD - Commission	-\$1	-\$1	-\$2	-\$1	110%	
Postage recoveries	\$	\$	\$	\$	-100%	
Recoveries	-\$415	-\$312	-\$221	\$90	-29%	This is lower than planned as we have in house Professionals now to provide specialized services which was previously outsourced and recovered from customers.
Retail Sales	-\$1	-\$1	-\$5	-\$5	886%	
Sundry Income	-\$27	-\$20	-\$277	-\$257	1284%	The variance is mainly due to \$250k funding received from Westland Racing Club as part of their asset transfer to the Council.
Total - Other Revenue	-\$1,360	-\$957	-\$1,383	-\$426	45%	

Note 6 - Employee Benefit expenses

	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Salaries & Wages	\$3,959	\$2,969	\$2,869	-\$101	-3%	Mainly due to vacancies in District Assets, Resource Management and Finance.
Superannuation	\$119	\$89	\$88	-\$1	-1%	
ACC Levy	\$13	\$4	\$5	\$	10%	
Total - Employee Benefit expenses	\$4,090	\$3,062	\$2,961	-\$101	-3%	

Note 7 - Finance Costs

	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Finance Costs	\$740	\$555	\$506	-\$49	-9%	This variance is mainly due to lower than expected interest rate prevailing in the market and efficient liquidity management.
Total - Finance Costs	\$740	\$555	\$506	-\$49	-9%	

Note 8 - Depreciation

	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Depreciation and Amortisation	\$6,316	\$4,737	\$5,143	\$406	9%	Current year actual depreciation is calculated using last year's revalued assets, which were not available when depreciation budgets were set up for 2019/2020 Annual Plan.
Total - Depreciation	\$6,316	\$4,737	\$5,143	\$406	9%	

Note 9 - Other Expenses

	Annual Plan (000's)	Annual Plan YTD (000's)	Actual YTD (000's)	Variance YTD (000's)	Var/Bud %	Notes
Administrative Expenses	\$630	\$473	\$448	-\$25	-5%	
Contractors	\$446	\$335	\$477	\$142	42%	This is mainly due to unbudgeted contractor cost incurred on following projects; - Asset management plan. - Civil Defence work due to December flood event.
Electricity	\$338	\$253	\$297	\$44	17%	
Honorarium	\$280	\$210	\$226	\$16	8%	
Insurance	\$266	\$266	\$431	\$165	62%	Mainly due to increase in insurance premiums.
Loss on Swaps	\$183	\$137	\$417	\$279	203%	Swap values will change due to market conditions which is difficult to estimate when setting the budget and hence the variance from the budget. This loss is offset by the gain reported under Other Revenue (Note 5).
Maintenance	\$4,197	\$3,148	\$2,963	-\$185	-6%	
Management Contracts	\$1,837	\$1,378	\$1,390	\$12	1%	
Other Expenses	\$2,381	\$1,580	\$2,246	\$666	42%	Mainly due to unbudgeted Three mile grant payment to Hokitika Lions for Lazar Park and unbudgeted Emergency Storm repair work.
Professional Services	\$296	\$225	\$154	-\$71	-31%	This is mainly due to lower than expected legal fees and consultant fees.
Rates	\$219	\$165	\$167	\$2	1%	
Refuse Collections	\$762	\$572	\$581	\$9	2%	
Total - Other Expenses	\$11,836	\$8,742	\$9,797	\$1,055	8%	

Capital Expenditure: Current Projects

CAPITAL EXPENDITURE 2019-2020				
	Full Year Annual Plan (AP)	YTD Actual Expenditure	YTD Spent as a % of AP	Notes
Community Services	10,250	-	0%	This project is on hold at the moment however it is expected to be completed before the end of the financial year.
Leadership	344,475	80,042	23%	Mainly due to delays in Information management (DMS project) and Chambers refurbishment project. IT renewals are also lower than planned however forecasting to catch up over the coming months through to the end of the financial year.
Leisure Services & Facilities	649,118	258,230	40%	This is mainly due to delays in Civil Defence - EOC project.
Solid Waste	254,200	26,950	11%	This is mainly due to delay in the Butlers intermediate capping project.
Stormwater	1,840,125	43,049	2%	Except for the Hokitika - Mains upgrade programme, none of the projects have been started yet. That is the reason for the lower capital spending compared to the annual plan. Some of the pump upgrade projects are unlikely to go ahead as planned in this year as indicated by the managers.
Transportation	2,765,448	1,091,578	39%	Although the YTD spending is low compared to the annual plan, managers have indicated that most of the capital projects will be completed before the year end.
Wastewater	3,510,827	1,711,806	49%	Mainly due to delays in Hokitika - Outfall structure project and WWTP upgrade projects for Hokitika & Fox Glacier.
Water Supply	1,782,466	120,331	7%	YTD actual spending is lower than planned due to various operational reasons. However managers are expecting that most of the projects will be completed over the next few months through to the end of the financial year.
Total Capital Expenditure	11,156,909	3,331,986	30%	

Capital Expenditure: Carryover Projects

CAPITAL EXPENDITURE- 2019-2020 CARRYOVERS				
	Full Year Annual Plan (AP)	YTD Actual Expenditure	YTD Spent as a % of AP	Notes
Community Services	115,000	-	0%	Franz Josef Urban Revitalisation Plan is on hold.
Leadership	108,857	76,403	70%	Council Headquarters refurbishment work is ongoing and is expected to finish majority of the work by the end of the financial year.
Leisure Services & Facilities	2,338,676	1,576,076	67%	Haast conveniences, Sunset point and waterfront projects are ongoing and are expected to be completed by end of this year.
Solid Waste	48,740	33,407	69%	Haast cell capping and new cell preparation has started and is expected to be completed in this financial year.
Stormwater	260,000	45,644	18%	Mainly work on Jollie St extension which is being re-scoped, Managers are expecting a delay with this project .
Transportation	125,000	-	0%	Footpaths work is expected to begin in the next financial year.
Wastewater	1,017,574	166,841	16%	Only Fox Glacier and Hokitika WWTP has started. Most projects are expected to be carried over into the next financial year due to capacity limitations.
Water Supply	744,232	420,234	56%	All the WTP projects have begun and are ongoing but unlikely to be completed within this financial year due to operational reasons.
Total Carryover Capital Expenditure	4,758,079	2,318,605	49%	
Total Unbudgeted Capital Expenditure	1,325,630	801,457	60%	
Total Capital Expenditure	17,240,618	6,452,048	37%	

Treasury Report

Summary

The purpose of this section of the Quarterly Report is to provide an update on Council's Treasury Position as at **31 March 2020**.

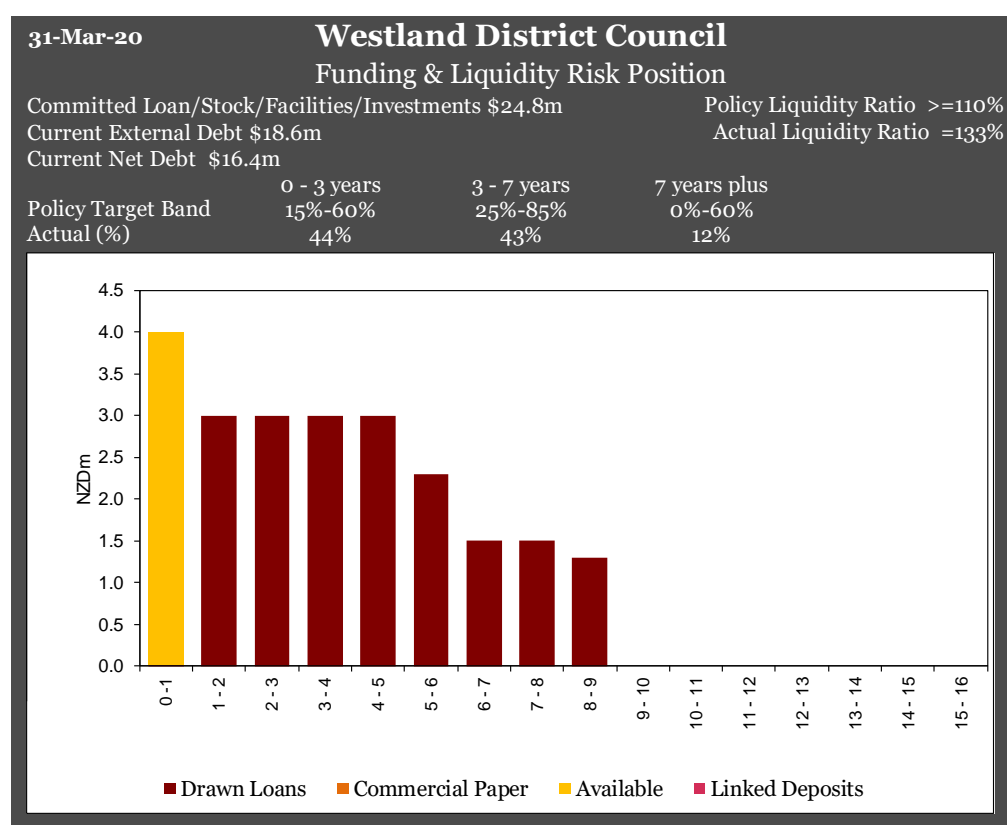
This section shows the Council's position for the following items:

- Loans
- Other Borrowings (if any)
- Swap
- Internal borrowing
- Cash Investments
- Deposits
- Debtors

Council has contracted PWC as an independent treasury adviser.

Loans

This chart illustrates the Council's position in relation to the debt facility:



Liquidity and Funding Risk Control Limits:

Maturity band limits were amended in March 2020 to allow the council to have a greater flexibility while continue to enforce a spreading and smoothing approach to debt management. New bands are 0 - 3 years, 3 - 7 years and 7 years plus. Minimum and maximum percentage limits within each maturity band ensure a spread of maturities and reduces the risk of maturity concentrations.

Council's policies require that we have liquidity cover of 110% of current debt. There are two facilities in place, one with Westpac with a borrowing limit of \$4m, a second with the Local Government Funding Agency has a borrowing limit of \$20m, providing a total facility of \$24m. The forecast debt for the current financial year is \$20.06m, with liquidity coverage at 133%.

Borrowing as at 31 March 2020 are as follows:

Amount	Rate	Maturity
18,352	1.550%	1/07/2023
3,000,000	1.190%	17/05/2021
3,000,000	1.190%	16/05/2022
3,000,000	1.280%	17/04/2023
3,000,000	1.280%	15/04/2024
2,300,000	1.280%	15/04/2025
1,500,000	1.280%	15/04/2026
1,500,000	3.877%	15/04/2027
1,300,000	1.280%	18/04/2028
18,618,352	Total	

Except the first line in the table above rest of the loans are obtained from LGFA. The interest rates shown above for LGFA bonds do not include the 0.6% to 1.0% margins charged by LGFA.

Swaps in place to protect against fluctuating interest rates are as follows:

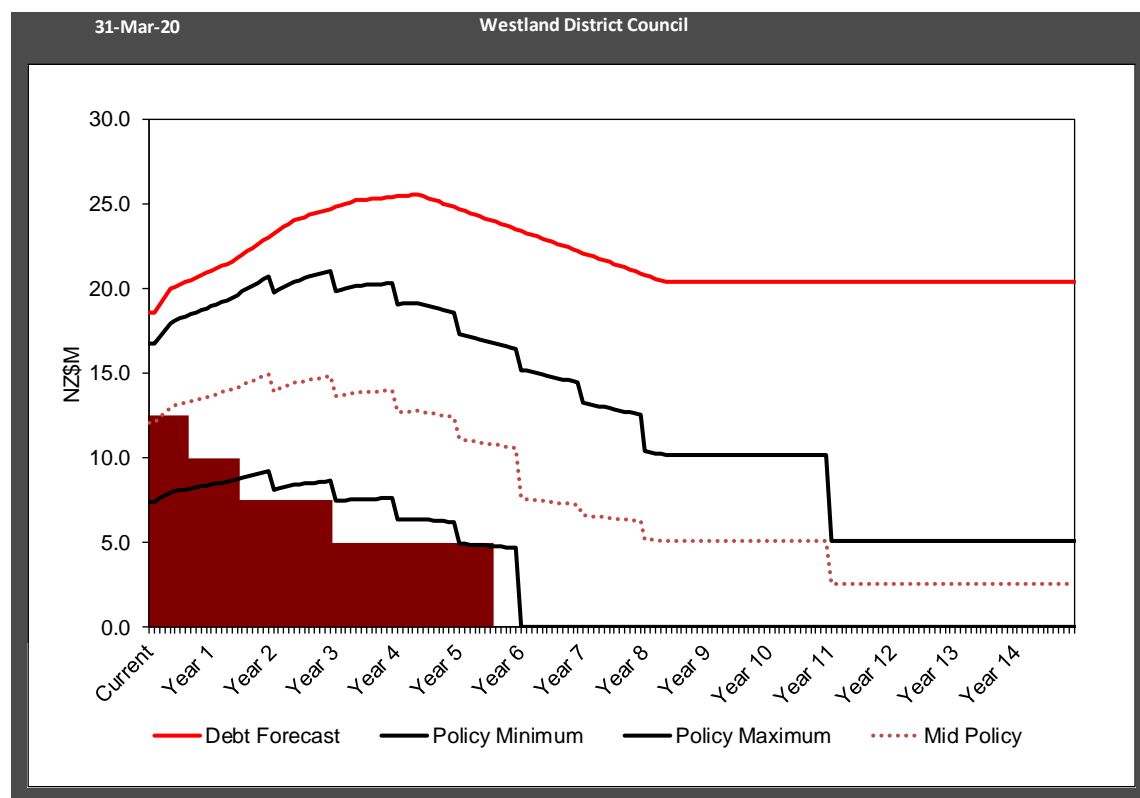
Amount	Fixed interest rate	Maturity date
\$5,000,000	3.67%	2/10/2025
\$5,000,000	3.34%	2/10/2023
\$2,500,000	2.98%	17/03/2023
\$5,000,000	4.10%	1/10/2021
\$2,500,000	3.55%	17/11/2020
\$20,000,000	Total	

Out of the \$20m Swaps portfolio above, \$10m Swaps have future effective dates and hence are not considered as live Swaps.

Interest Rate Risk Position

The interest rate risk position visually represents the Council's interest rate position within approved interest rate control limits as set out in Council's Liability Management Policy.

The following chart shows our projected debt position and compliance to the corridor policy implemented by the Audit and Risk Committee at the end of March 2020



The red part of the graph above shows the amount of debt which is fixed - (this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year's time or later. As shown in the above graph council is within the minimum and maximum policy limits as at 31 March 2020.

Internal Borrowing

Kaniere Sewerage \$97,415.73.

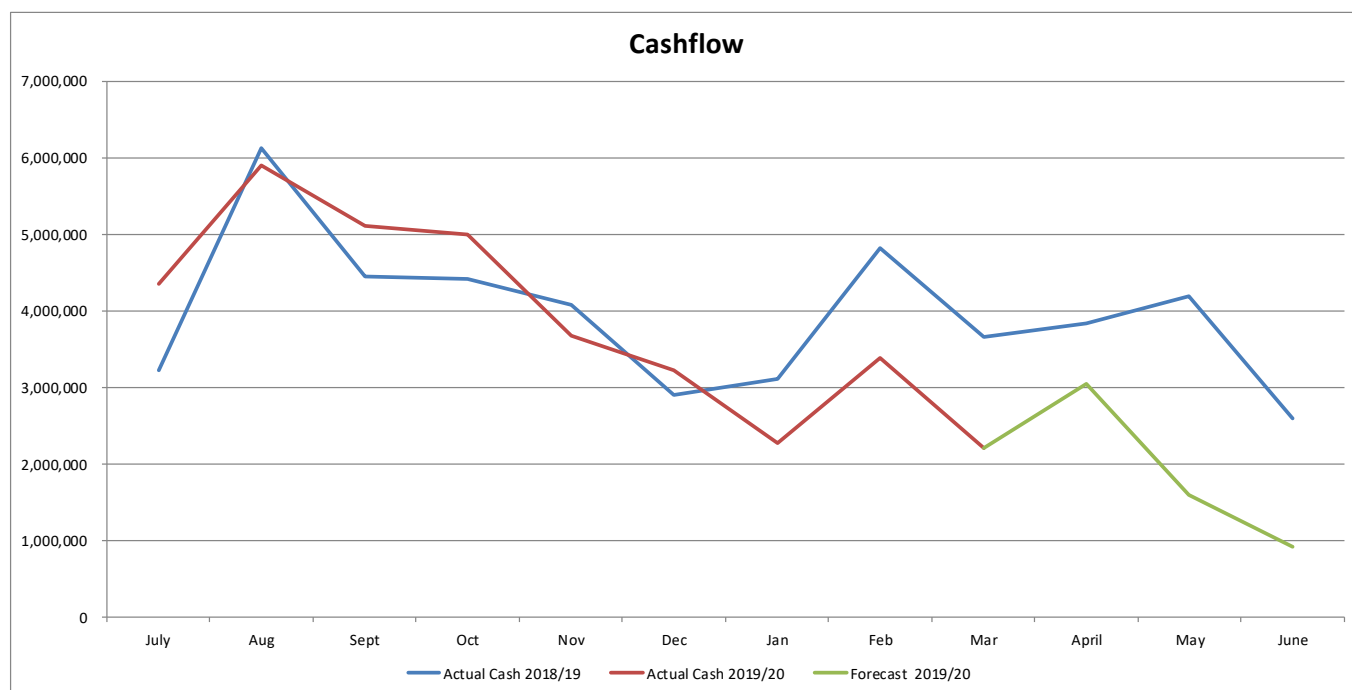
Cash Investments

Cash Deposits as at 31 March 2020

Cash flow is managed on a weekly basis. Capital spending is expected to be lower than planned during the next quarter due to Covid-19 restrictions and winter weather conditions limiting the ability to carry out outdoor projects.

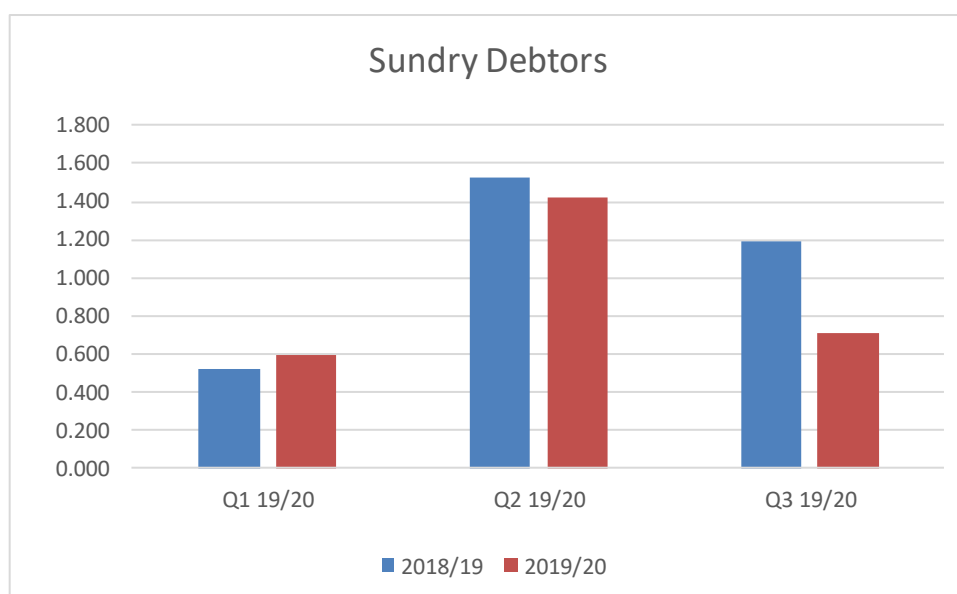
The following analysis excludes bond monies.

Closing balance of WDC Operational Account: \$2,187,853.84.



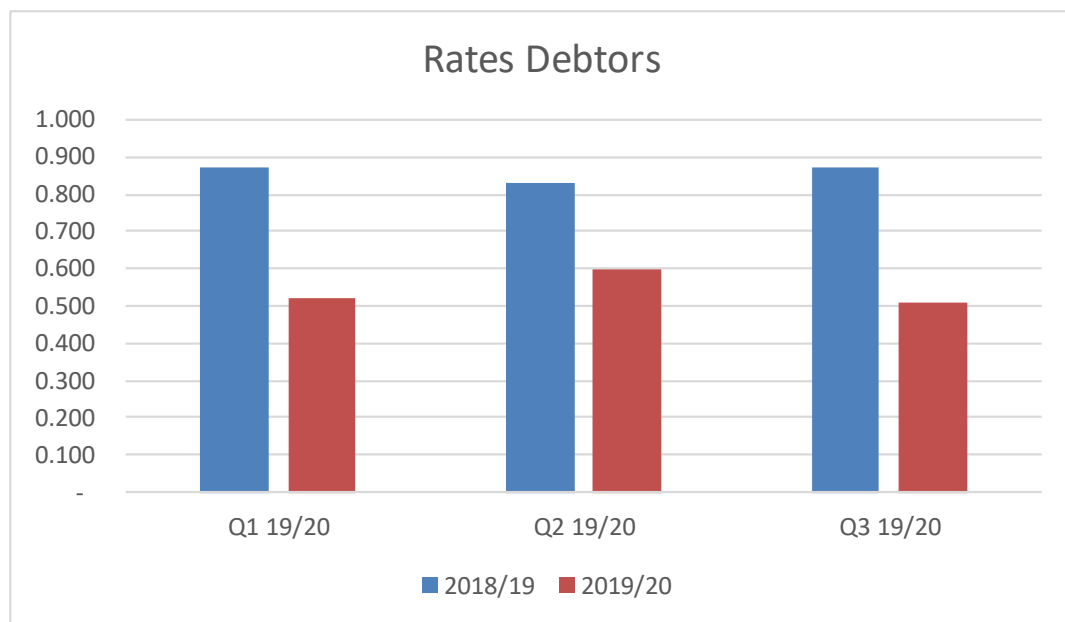
Sundry Debtors

Outstanding Sundry debtors as at 31 March 2020 total \$705,541 which is \$489,454 lower than Q3 2018/19 financial year sundry debtors at \$1,194,995.



Rates Debtors

At 31 March, rates debtors figure total \$508,705 which is \$362,374 less than Q3 2018/19 financial year rates debtors at \$871,079. For the fourth quarter in a row rates debtors have been below the \$600,000 mark.



Debt Collection

Credit Recoveries performance as at 31 March for active debt:

The relationship between Council and the debt recovery agency is being actively managed with regular meetings and guidance from Finance. This proactive approach has assisted with the success of the debt management process and reduction of overdue debtors.

Date Debt Sent	Debt	Collected	Recovery Rate
Pre-2016	64,480	43,329	67%
2016-2017	32,090	23,256	72%
2017-2018	18,113	10,958	60%
2018-2019	11,316	7,279	64%
Current	388	90	23%
Total	126,389	84,913	67%

Further debts will be referred to debt recovery only where internal processes have proven unsuccessful.

Reserve Funds Report

Summary

Reserves are divided into two categories:

Restricted Reserves: These reserves can only be used for the purpose as set out in either legislation or by the funder.

Council Created Reserves: These reserves exist solely at the discretion of Council, as a matter of good business practice.

Financial Management Principles for Reserve Funds

- There are no reserves that are required to be represented by specific cash funds. Council therefore takes a portfolio approach to treasury management.
- Reserves are funded by interest income from investments and available borrowing capacity.
- Reserve balances will grow by interest calculated at the weighted average 90 day bill rate, transferred quarterly into the reserve.
- During 2019/2020 new depreciation reserves will grow quarterly. Interest will be earned on those reserves calculated based on the average 90 day bill rate. This will be funded from external interest revenue (or deficit reserves – internal borrowing) for 2019/2020.
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.

Council Created Reserve Funds					
Reserve	Purpose of each reserve fund	Balance 1 July 2019 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 31 Mar 2020 \$000
Kumara Township fund	Township funding for the purpose of community related projects		10	- 14	- 4
HariHari township	Township funding for the purpose of community related projects	2	10	- 14	- 1
Whataroa township	Township funding for the purpose of community related projects	2	10	- 14	- 2
Ross township	Township funding for the purpose of community related projects	1	10	- 14	- 3
Haast township	Township funding for the purpose of community related projects	- 3	11	- 14	- 6
Franz township	Township funding for the purpose of community related projects	2	26		28
Fox township	Township funding for the purpose of community related projects	1	26	- 35	- 8
Kokatahi community fund	Township funding for the purpose of community related projects	8	6		15
Foreshore	Foreshore Protection for groin replacement on the foreshore.	20			20
Prestons bush	Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.	8			8
HariHari community complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. (Another \$100,000 is allocated from the Reserve Development Fund.)	73	1	- 5	68
Guy Menzies trust	Surplus from Guy Menzies Day Event.	1			1
Emergency contingency fund	Fund to support Westland in a Civil Defence emergency.	63			63
Marks Road reserve fund	Net Sale proceeds of section of Marks Road Reserve for to be split between Haast Civil Defense and the Haast Community	189	1		190
Transport renewals	For funding the renewal of roads and bridges.	490	924	- 644	770
Water renewal	For funding the renewal of water supplies networks	2,681	732	- 563	2,850
Waste water renewal	For funding the renewal of sewerage and sewage networks	2,429	433	- 47	2,814
Stormwater renewal	For funding the renewal of stormwater systems	661	187	- 52	797
Parks and Reserves renewals	For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal	214	285	- 129	371
Building renewals	For renewal of all Council operational buildings.	623	206	- 132	697
Administration renewals	For renewal of office equipment, furniture, technical equipment, vehicles and technology	279	139	- 89	328
Library renewals	To replace library books	184	64	- 40	208
Total Council Created Reserves		7,927	3,085	- 1,807	9,205

Restricted Reserve Funds					
Reserve	Purpose of each reserve fund	Balance 1 July 2019 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 31 March 2020 \$000
Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	33			33
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	434	55	- 65	425
Museum Assistance Fund	Originally the Museum Bequest Fund	21			21
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	353	3		356
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.	24			24
Mayoral Relief Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	95	44	- 111	28
Three Mile Domain	To fund three mile domain costs.	208	17	- 150	74
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	67	1		68
Big Brothers Big Sisters	Grant funding Received	- 1			- 1
Graffiti	Grant funding Received	4			4
Taxi Chits	Grant funding Received	- 2	1		- 1
Total Restricted Reserves		1,237	121	- 326	1,033
Total Reserves		9,164	3,205	- 2,133	10,237
Total Council Created Reserves		7,927	3,085	- 1,807	9,205

Statements of Service Provision

This section contains:

- Commentary about Council's activity within each Group
- Council's non-financial performance for each activity, measured against a set of 'key performance measures' that are in the Long Term Plan 2018 -2028.

Note:

Where a LOS performance measure is "% of residents satisfied", Council holds results from the last survey of residents which was carried out in January 2020. This survey is carried out biannually.

A full explanation of the 2018 Resident Survey results is contained in the Report to Council – April 2020 and the survey itself can be obtained from the Council's website:

<https://www.westlanddc.govt.nz/2020-resident-survey-results>

Leadership Group

Democracy

Local Government Official Information and Meetings Act (LGOIMAs)

Council received 16 LGOIMA requests in this quarter. Requests took 10.53 days to complete on average.

Requests came from the press, lobby groups and private citizens.

As staff were able to work from home during the Covid-19 lockdown there has not been a significant impact on time taken to process requests. Staff are continually working to improve processes and response times.

Council and Committees

New committees began meeting in January. The Council and Committee meetings were disrupted at the end of March due to the Covid-19 lockdown. However, with the legislative amendment allowing for Councillors to attend through audio and audio-visual means ensured that future meetings could be held.

Corporate Services

Finance

The Finance team have been busy working on the Annual Plan 2020/2021. Due to the changing situation with Covid-19 this process has had to be re-run several times as Council changed direction over rating for the coming financial year. The plan is still on time to be delivered by the statutory deadline.

The first Audit and Risk Committee meeting was held in March led by Independent Chair, Rachael Dean. It is clear that Rachael will bring knowledge and direction to the Audit and Risk Committee.

During the quarter December 2019 to March 2020, Council has filled the Finance Manager position left vacant since the previous Finance Manager resigned during the last financial year. The new Finance Manager brings experience from working at a Council with similar affordability issues as seen with Westland District Council.

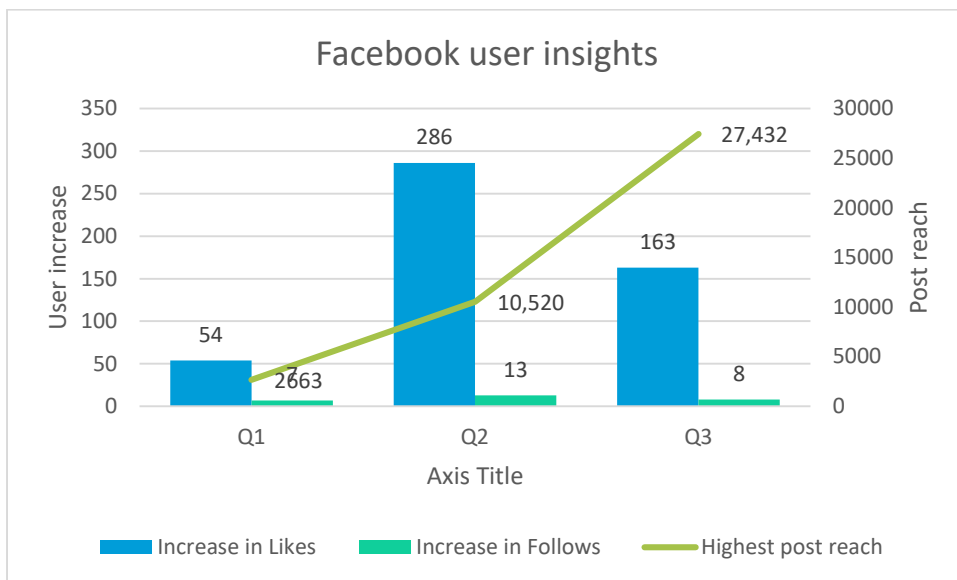
Strategy and Communications

Much of the 3rd quarter has been occupied with producing the 2020/2021 Annual Plan and Consultation Document. Staff and Councillors attended budget workshops and the direction was set. However, due to the challenges that Covid-19 presents the Annual Plan underwent major changes.

The Strategy and Communications Advisor has also been doing the groundwork for the upcoming 2021 – 31 Long Term Plan. Workshops have been held with Councillors regarding Community Outcomes, the Environmental Scan and future direction. The Community Outcomes were then taken out to the community for feedback and to develop a strategy. The results of this will be presented to the May 2020 Council meeting, along with the Environmental Scan.

NRB was contracted to conduct Council's bi-annual Resident Satisfaction Survey. The survey was conducted over January and February and results returned in March. Services generally did not show much change in satisfaction, with the exception of dog control with much higher resident satisfaction, and parks and reserves that showed much lower satisfaction.

Communications were particularly busy at the end of the quarter as important information about Council's response to Covid-19 needed to be communicated. It has been noted that emergency events drive a lot more traffic to our social media platforms, Facebook and Westland Matters with a number of new subscribers to both. Westland residents do not appear to be very 'engaged' with social media through using the comment system, when compared with other Council's posts on similar topics.



The most popular Q3 Facebook Post

Business Analysis

In the 3rd quarter there has been exciting progress with our Information Management plans.

Records Officer

The recruitment of a full time Records Officer has been completed with our new Records Officer scheduled to take up the position once the Covid-19 lockdown is over. This is an important role that has been difficult to fill. Having an individual focused on records management will allow us to give Council records and files the attention they require, help improve internal efficiencies and reduce risk to the council.

Archived Records Pilot

WDC holds a vast quantity of archive paper based records. Many of these are now classified as historical and cannot be destroyed or disposed of. WDC have begun a trial with Iron Mountain (based in Christchurch) who operate an industry leading document storage and retrieval facility. Our trial has begun with the shipment of 2 pallet loads of documents (representing over 1400 individual files) to Christchurch for storage. Once the Covid-19 lockdown is over, the second stage of this project will begin with the retrieval of a sample of these documents, both in paper and in electronic (scanned) form. The results of this pilot project will help define our next steps for other paper based files that we hold onsite, at great risk to the organisation.



Electronic Files

Small scale testing of the new electronic Document & Records Management System has begun however this has been impacted by the recent Covid-19 lockdown. A number of planned onsite training and deployment sessions have had to be postponed until further notice.

Working from Home

It should be noted that the current Covid-19 lockdown, and its impact on WDC staff having to work from home, has highlighted still further the importance of our strategy for digital document processing and online working. The eDRMS project for managing files and records online is a core component to this. There can be no doubt that WDC is taking positive steps to operate and provide online access to as many of our services as possible both for staff and customers.

Information Services

Quarter 3 has been quite a productive time for the Information Services Team. We completed an audit of our current wifi coverage with upgrades where necessary and an audit of our backup regime.

We have now implemented a new IT Service Desk (JIRA) to replace the “Spiceworks” option we were using. The new software gives the option for users to keep track of their own service requests and also has a built in knowledge base which guides users to self-help where appropriate.

The last part of the quarter has kept us particularly busy when we realized that it was inevitable that because of Covid-19, all staff would most likely be expected to work from home at some stage. Two weeks out from the lockdown, we set about preparing for all staff to be able to work from home. This proved to be invaluable as when the call came, we were prepared. The transition to working from home works well for the majority of staff.

Library

The library services are now part of the Corporate Services group. They will continue to report under the leisure services and facilities.

Democracy

Level of Service	Measure / Targets	Progress
Responsible leadership	65% of residents satisfied with Council's leadership.	31/03/2020: 41% residents contacted in the bi-annual resident survey were satisfied with Council's leadership. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
The community understands what Council does	50% of residents understand how Council makes decisions.	31/03/2020: 77% of residents contacted in the Bi-annual resident survey understood in general how Council makes decisions. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

Corporate Services

Level of Service	Measure / Targets	Progress
Provide accountability about Council activities	Legally compliant financial plans and reports adopted on time .	31/03/2020: There were no plans or reports in this quarter. 31/12/19: The Annual Report was adopted on 31 October 2019, which met the legislative deadline. 30/09/19: There were no plans or reports in this quarter.
A comprehensive Customer Service Centre	75% of residents satisfied with the service they receive.	31/03/2020: 74% of residents contacted in the Bi-annual resident survey were satisfied with service received. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
Effective engagement of the community during public decision-making opportunities	55% of residents that believe they have been consulted appropriately.	31/03/2020: 36% of residents contacted in the bi-annual resident survey are very satisfied / satisfied with the way Council engages the community in consultation. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

Council Controlled Organisations

Level of Service	Measures / Target	Progress
CCOs comply with their Statements of Intent	100% performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports.	31/03/2020: No change. 31/12/19: 62.5%, 25/40 – Full Statements of Service are contained in the CCOs 2018/19 Annual Reports. 30/09/19: This is not reported in this quarter.

Planning and Regulatory Group

Resource Management

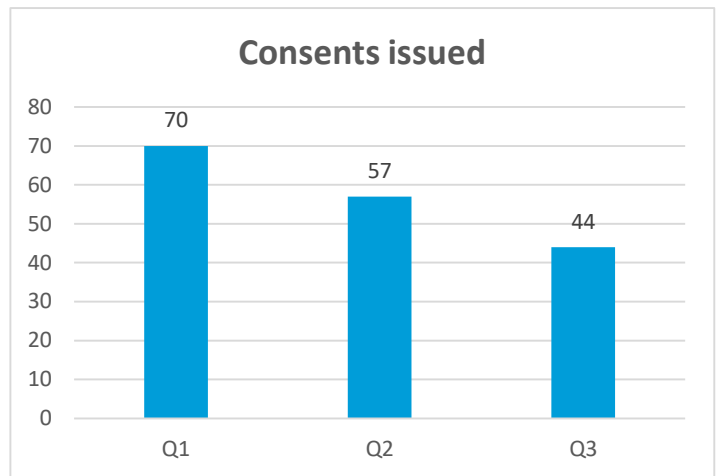
Not reported in this quarter.

Inspections and Compliance

Building

Consents have been steady over this quarter. The commencement of a new Building Control Officer in January means we now have a full team.

With the increase in levels for Covid-19, we needed to revise some of the ways we do business. While in level 4 lockdown, the team is able to work remotely and are still able to receive and answer phone calls, emails and queries. Consents can be lodged via our electronic consenting system and the team were still processing consents.



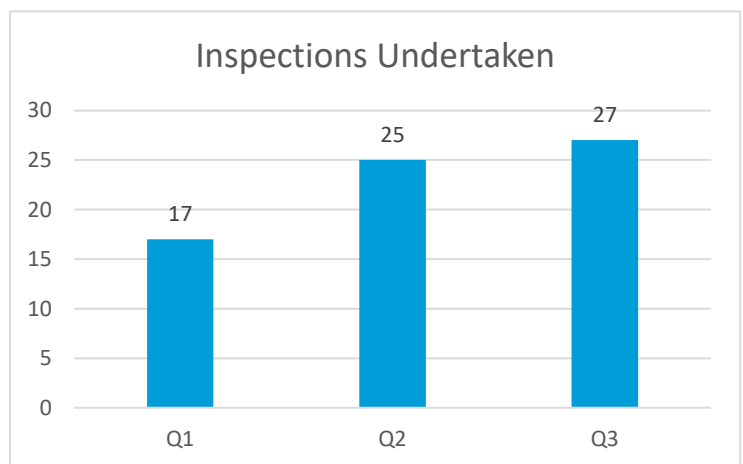
Environmental Services

The advent of Covid-19 and the associated changes in the way that business operated had an impact on Environmental Services. 8 scheduled food verification visits and 5 scheduled liquor inspections for the month of March that I was unable to complete because of the lockdown. Otherwise work as usual up until lockdown.

Enquiries were received about sale of delivery food and remote sale of alcohol. Referrals were made to MBIE for an exemption to sell delivery food and advice given on the need for an Off Licence for remote sale of alcohol.

Food Premises

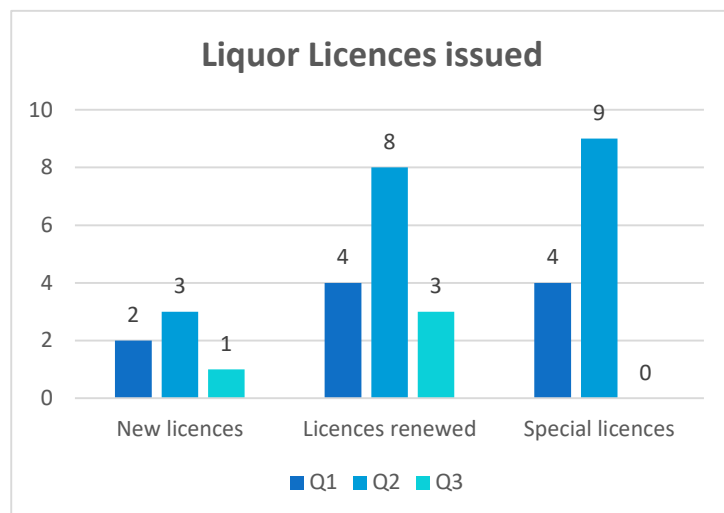
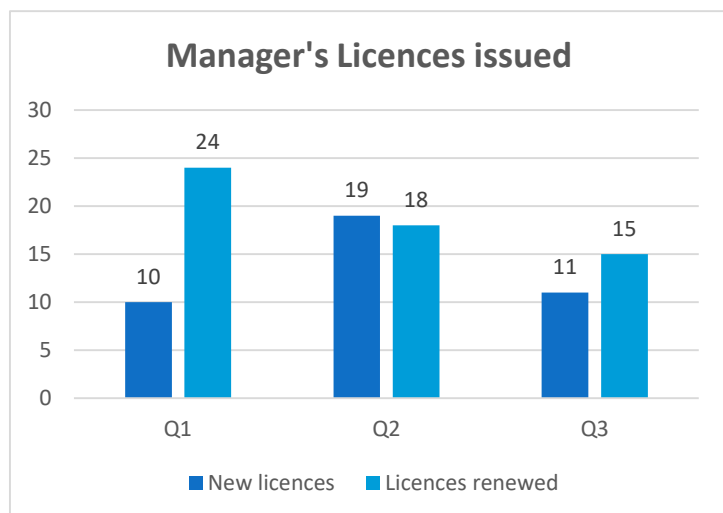
An inquiry to sell delivery food was received from a Hokitika Restaurant. This was prohibited under the Level 4 lockdown requirements but there has been an exemption granted to one other local food business in town to carry out this function so the applicant was referred to MBIE who give all approvals for such exemptions.



Alcohol

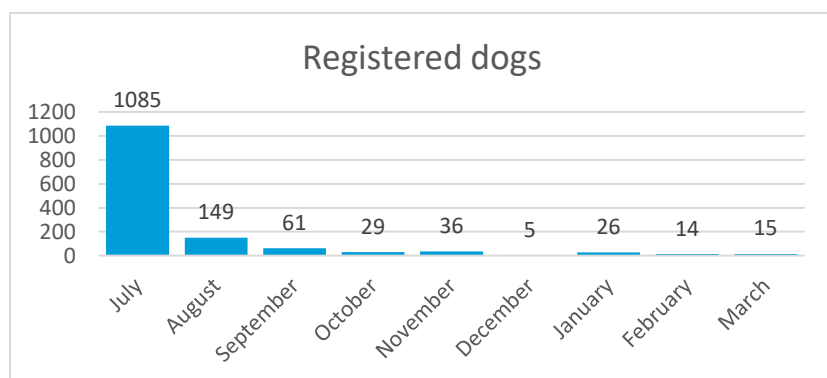
Three inquiries to sell alcohol by remote sale were received under current Off licences they held. A series of conditions was drafted for such sales to take place which included (a) ensuring all payments were received electronically prior to sale (b) suitable identification checks for age were carried out prior to delivery (buyer had to electronically agree that they were of age upon entering the website and prior to sale completion and ID check was also carried out when alcohol was delivered if necessary) and (c) there had to be suitable social distancing with the buyer when delivery took place. All the applicants agreed to the conditions imposed.

Sale and Supply of Liquor Act licences issued:

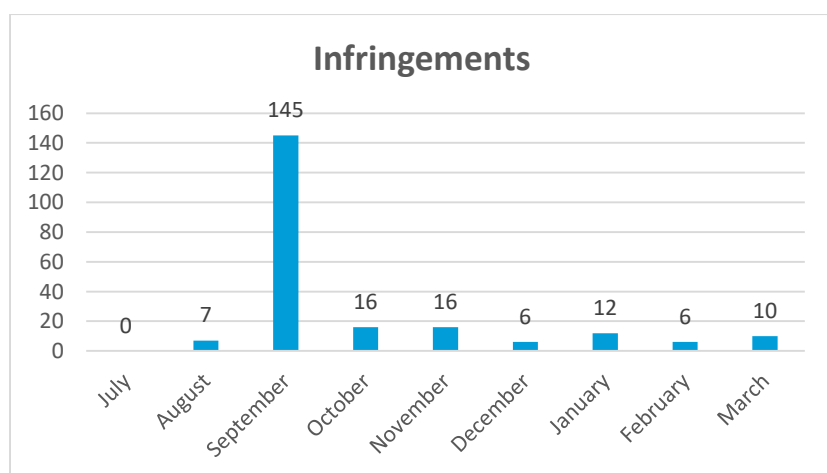


Animal Control

The total number of registered dogs in the Westland District between 1 July 2019 to 31 March 2020 is: 1420.



There were 218 infringements issued between 1 July 2019 and 31 March 2020.

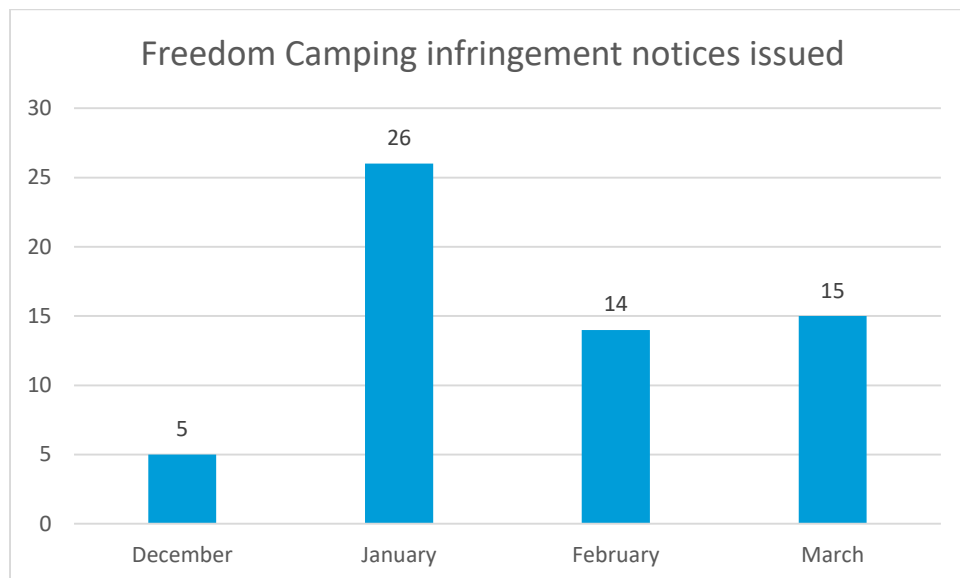


Between 1 July and 4 December 2019 44 dogs were impounded at the WDC Dog Pound. No data was supplied for the 5 December 2019 – 31 March 2020 period.

Freedom Camping

This is a new activity since the 2018-28 Long Term Plan was adopted and does not have any associated performance measures.

Freedom camping enforcement is seasonal therefore there is no data for Quarter 1 shown in the table below. The number of infringement notices issued was affected by the major storm event and Covid-19.



Emergency Management / Civil Defence (CD)

No commentary provided in this quarter. Progress against performance measures is noted below.

Resource Management

Level of Service	Measure / Target	Progress
Resource consents processed in accordance with the Resource Management Act	100% of resource consents processed within statutory timeframes:	31/03/2020: Not reported 31/12/19: Not reported. 30/09/19: Not reported.
Provide appropriate advice to customers	85% of users satisfied with the quality of the advice provided on resource management matters.	31/03/2020: Planning conduct a stand-alone yearly survey. Results were not reported this quarter. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

Inspections and Compliance

Level of Service	Measure / Target	Progress
Timely processing of Building Consents	100% of building consents processed within 20 working days as per the requirements of the Building Act.	31/03/2020: 96.61% 31/12/19: 100% 30/09/19: Not reported.
Provide appropriate advice to customers	85% of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters.	<p>Building Consents</p> <p>31/03/2020: Building Control conduct a stand-alone yearly survey. Results were not reported this quarter.</p> <p>31/12/19: No change</p> <p>31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.</p> <p>Environmental Health</p> <p>31/03/2020: 54% residents contacted in the bi-annual resident survey were satisfied with the quality of advice from Environmental Health.</p> <p>Note: a small base of 33 residents.</p> <p>31/12/19: No change</p> <p>31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.</p> <p>Liquor Licensing</p> <p>31/03/2020: 85% residents contacted in the bi-annual resident survey were satisfied with the quality of advice from Liquor Licensing.</p> <p>Note: a very small base of 9 residents.</p> <p>31/12/19: No change</p> <p>31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.</p>
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation	100% licensed and registered premises are inspected at least annually:	<p>Food Premises</p> <p>31/03/2020: A further 27 inspections were completed in the quarter (a percentage figure was not provided).</p> <p>31/12/19: 24% in the quarter, 40% year-to-date.</p> <p>31/09/19: Not reported.</p> <p>Liquor Premises</p>

Level of Service	Measure / Target	Progress
		<p>31/03/2020: A further 21 inspections were completed in the quarter (a percentage figure was not provided).</p> <p>31/12/19: Not reported.</p> <p>31/09/19: Not reported.</p>

Animal Control

Level of Service	Measures / Target	Progress
Keep the public safe from dogs and wandering stock	90% of residents satisfied with the protection provided.	<p>31/03/2020: 64% residents contacted in the bi-annual resident survey were satisfied with the quality of protection from dogs and wandering stock.</p> <p>Note: a small base of 33 residents.</p> <p>31/12/19: No change</p> <p>31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.</p>
	98% of known dogs registered by 30 June each year.	<p>31/03/2020: Not reported.</p> <p>31/12/19: 98.34% of known dogs registered.</p> <p>30/09/19: 98% of known dogs registered.</p>
	Response times to Priority 1 callouts is 30 minutes or less (excluding travel time)	<p>31/03/2020: Not reported.</p> <p>31/12/19: 100% responded to in 30 minutes or less.</p> <p>30/09/19: Not reported.</p>

Emergency Management

Level of Service	Measures / Targets	Progress
Effective natural hazard readiness	<p>100% of suitable emergency response training has occurred</p> <ul style="list-style-type: none"> - Emergency Management personnel meet CIMs 4 and EOC standards - Volunteers are offered at least 2 training opportunities per annum - Number of trained volunteers increases by 10% 	<p>31/03/2020: No formal training undertaken during this quarter. Largely due to occurrence of flood events and response to and restrictions imposed by COVID-19.</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported.</p>
Suitable response plans are in place	90 – 100% of community emergency response plans are in place for all Westland townships.	<p>31/03/2020: Approximately 50% of communities have a current response plan. Further work required in the engagement, development and training of community response groups.</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>

Community Services Group

Community Development and Assistance:

Events

Waitangi Day Commemoration 6 February 2020

Council successfully applied for funding to the Commemorating Waitangi Day Fund 2020, a General Report and Budget has been furnished to the Fund.

Waitangi Day Celebrations at Arahura Marae cementing the Mahi Ngātahi – Working Together approach initiated by Westland District Council, were attended by over 300 people long-time The Guest Speaker was Fletcher Tabuteau, Deputy Leader of NZ First and Parliamentary Under-Secretary for Regional Economic Development who spoke about nation and community building, he also mentioned the resilience of the Westland in face of repeated weather events. Fletcher Tabuteau ended his address with an announcement of connectivity funding for the West Coast and a Whenua Maori allocation of the Provincial Growth Fund to Te Runanga o Ngāti Waewae which would allow them to source and manage pounamu on their land to grow carving and tourism ventures.

Hokitika Tohu Whenua Launch 14 February

February 14 saw the successful launch of Tohu Whenua's latest West Coast Te Tai Poutini landmark that tells our stories, in the Hokitika Port and Commercial Area at the Tancred Street Viewing Platform, Gibson Quay. The CDA liaised with Tohu Whenua and Department of Conservation Staff to host the event.

This was well attended by the public, and supported by Heritage Hokitika with many members in period costume.



Westland Communities Contact & Liaison

The Community Development Advisor has worked with Westland Township community groups: attending meetings, promoting community consultation and engagement, following up information requests and reporting back to communities, initiated Reports to Council, maintained communication with communities

All Communities who receive Township Development Funding and are Incorporated Societies have received the 2019-2020 funding, they have furnished Accountability Reports 2018-2019 have signed Funding Agreements 2019-2020 in place. Kokatahi- Kowhitirangi have been assisted with information to go through the Incorporated Society process.

Funding

The Creative Communities Scheme funding Local Arts Project funding for local arts opened in March and the closing date of this funding has been extended due to Covid-19.

Nominations for the Westland Creative Communities Committee opened in March and the closing date has been extended due to Covid-19.

During the quarter the CDA promoted available funding through the weekly Community Notices email, and meet with groups, organisations and individuals, assisting with the completion of applications where needed.

Safe Community Coalition

The CDA is the coordinator for the Westland Safe Community Coalition. Westland Safe Community received a very positive report from Safe Communities Foundation NZ. At the January Meeting of the Governance Group the branding 'Safer Westland' was adopted for the Westland Safe Community Coalition. The Governance Group also participated in the annual NZ Safe Community Survey evaluating the effectiveness of the Westland Safe Community Coalition. The CDA also promotes Safer Westland projects, campaigns and messages from our coalition partners in the community through the Weekly Community Notices.

Hokitika Reserves and Environs Community Group

This group have been renamed Parks, Reserves and Environment and has been given a wider brief reporting to the Council Community Development Committee. The CDA has completed work on a Draft Terms of Reference for this group to be presented at the next Community Development Committee.

Community Halls

Westland Community Halls are available for weekly, monthly, and family celebrations with Westland residents reporting a good level of satisfaction with the standard of their local Hall. All Halls are made available to support Civil Defence Welfare and are often communication centres during a Civil Defence declaration.

Level of Service	Measure / Target	Progress
Provide safe and useful community halls	80% of residents satisfied with the standard of their local hall.	31/03/2020: 93% residents contacted in the bi-annual resident survey were satisfied with the standard of their community hall. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

Leisure Services & Facilities Group

Land and Buildings

Not reported in this quarter.

Parks and Reserves

The parks and reserves team have received service requests regarding walkways and tracks around Hokitika. Audits of playground equipment in Cass Square, Hokitika, Whataroa and Ross were conducted and staff are following up on recommendations.

Cemeteries

Not reported in this quarter.

Public toilets

Installation of additional public toilet facilities in Kumara, Ross and Whataroa has meant some disruption to the normal use of facilities.

Temporary toilets were used in Whataroa to minimise the pressure on the existing toilets. Kumaras toilets remained open while the new units were installed.

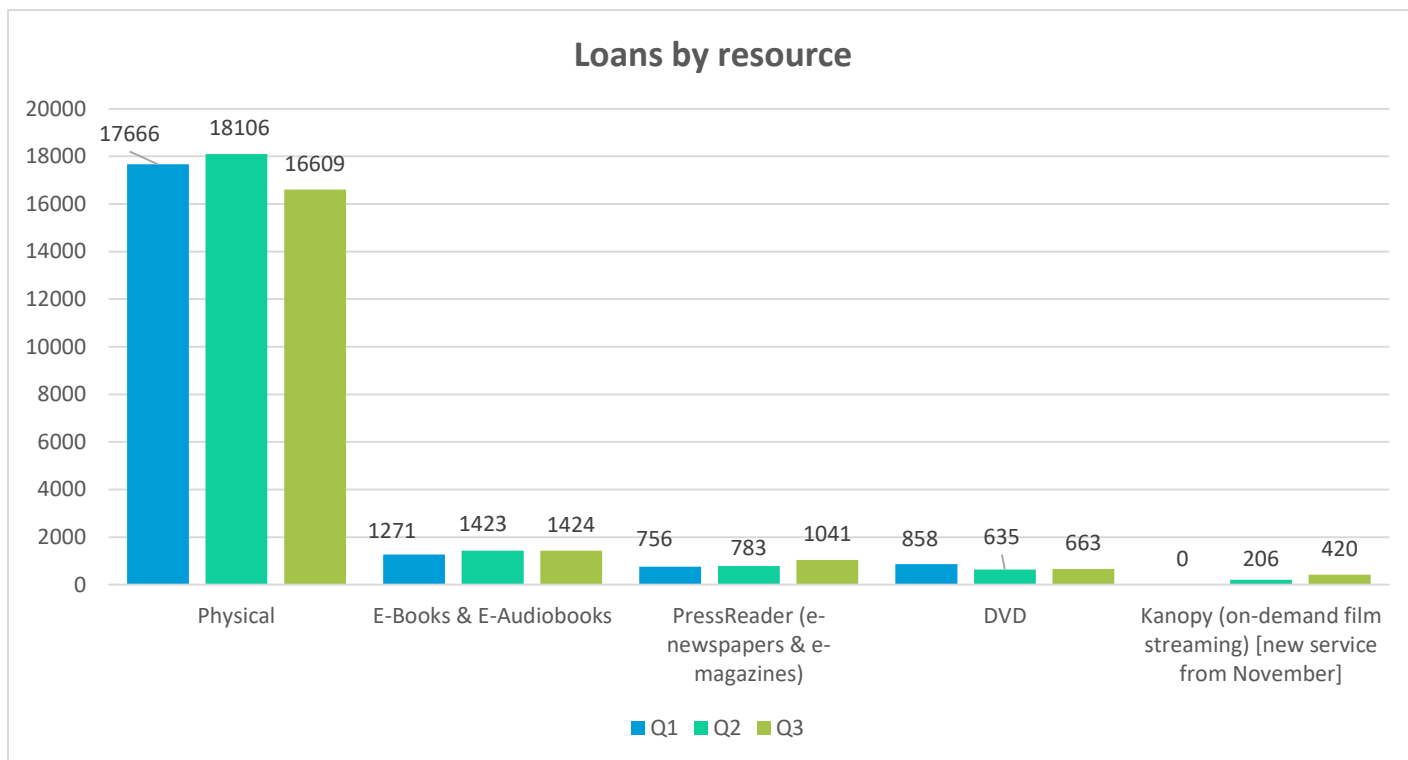
The new toilets in Ross were opened in the last quarter.

All of the public toilets in the district remained open following the Covid-19 Level 4 lockdown, apart from Kaipoi. Additional cleaning was conducted.

Westland District Library

With the arrival of Covid-19 in New Zealand and the subsequent closure of the Library to the public, this quarter's issues and attendance figures are lower than expected.

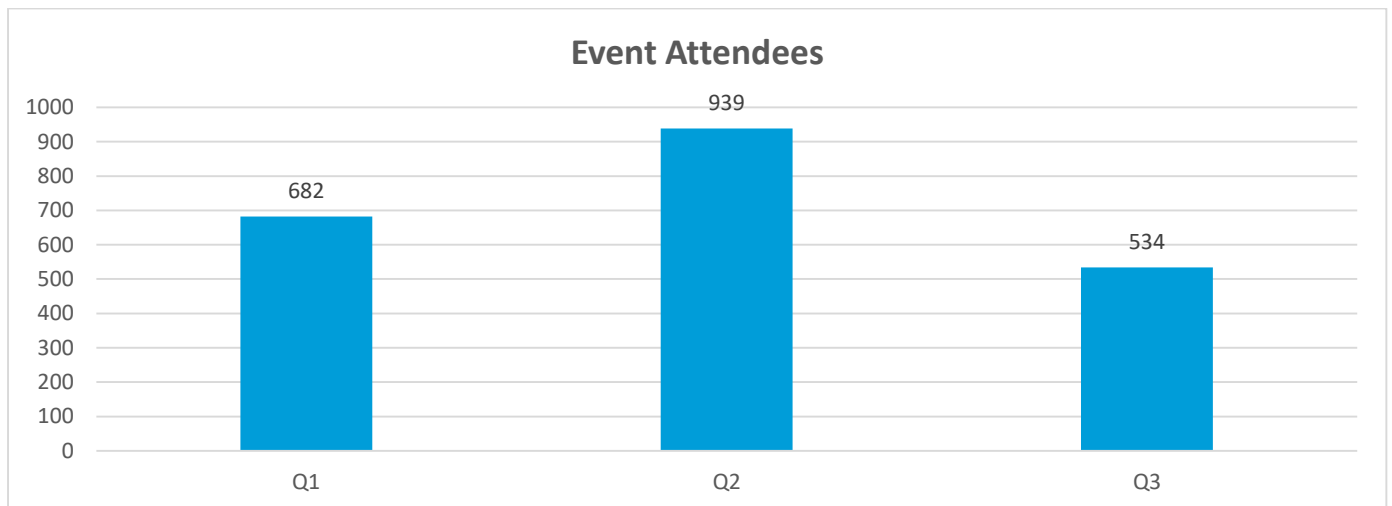
Overall, membership remains steady. However, we had 23 new Digital Only Members sign up between the 24th March when Libraries closed to the public and before the end of March. A good number of these were from residents living in South Westland where our Digital Library Services have been recently promoted in Community Newsletters. Our total issues have seen a slight decrease in Q3 compared to Q1 and 2, the difference can be attributed to lockdown restricting access to physical collections. The popularity of our digital collections (e-Books, E-Audiobooks, E-Newspapers & E-Magazines, film streaming) has continued to grow with more borrowers utilising these collections, particularly after lockdown.



The library continues to support the social and economic wellbeing of residents and visitors by providing free internet access via Wi-Fi or Chrome-stations and a printing service. So far this year there have been 4985 logins and 2186 hours on the Chrome-stations and a further 25334 Wi-Fi logins. The APNK-WiFi was suspended nationally at Covid-19 level 3 to encourage everyone to adhere to lockdown protocols.

Our Book-A-Librarian Service has continued to support residents wanting to upskill their digital skills, providing over 4 hours of digital skills tuition and assistance to patrons with very positive feedback. The lockdown has highlighted the need for basic digital literacy skills in the community and library staff will be promoting Book-A-Librarian and Stepping Up sessions, particularly to our senior residents, as soon as we can re-open. In the meantime, library staff have been helping Westland residents with no home access to the internet sign up to Skinny Jumps low cost broadband service. This has been particularly valuable to seniors isolated during lockdown and families with children preparing for the start of Term 2 and on-line lessons.

Over 500 people attended events and programmes led by library staff in Q3.



Our late February and March programmes, events, class visits and outreach were increasingly effected by the worsening Covid-19 situation resulting in a lower than expected attendance figure for the quarter, it was expected to be similar to Q1. Some highlights of the quarter:

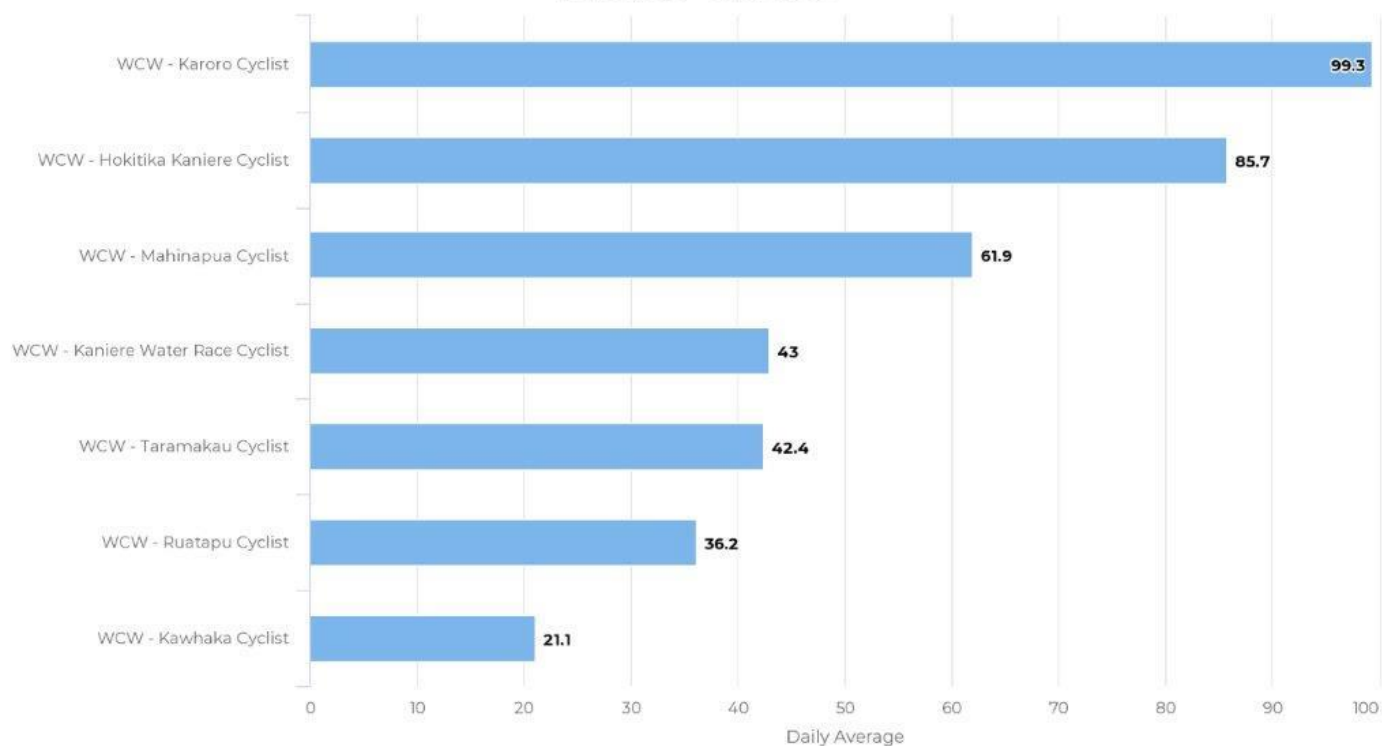
- This Summer Reading Challenge was completed by 114 children, each receiving a new book. This challenge had been designed to be more sustainable, with more emphasis on literacy and reading for pleasure than incentives and with a more inclusive challenge. The feedback from children and parents has been overwhelmingly positive. The holiday activities including the 'Great Library Bake-Off' that support the challenge were well attended. The 'Get Caught Reading' competition was well received, with one lucky winner of an Instax Mini camera.
- We held our first ever Textile Trading event, supporting community sustainability and waste reduction, with patrons keen to repeat the event in mid-winter.
- Library personnel staffed a tent at the annual Children's Day community event, talking to families about literacy and library services and distributing badges, bookmarks and ex-library books to children. We successfully trialled the use of library equipment in the field for remote sign-ups for library membership (2 new families joined during the day).
- Both our Mother Language Day Library Talk and Race Relations Day library Talk were the result of collaboration with New Coasters, working to celebrate the diversity represented in our Westland Communities and facilitating cultural awareness and inclusion.
- With the Covid-19 situation and subsequent closure of the library building, staff have been promoting our digital services, Skinny Jump and the huge amount of resources online available using library social media channels, library newsletter, Westland Matters and other local community newsletters. Maintaining engagement levels with patrons has been challenging but our newsletter, Westland Matters and Community Newsletters remain the most effective tools for getting our information out to the wider community.

West Coast Wilderness Trail

The following charts were provided for the report.

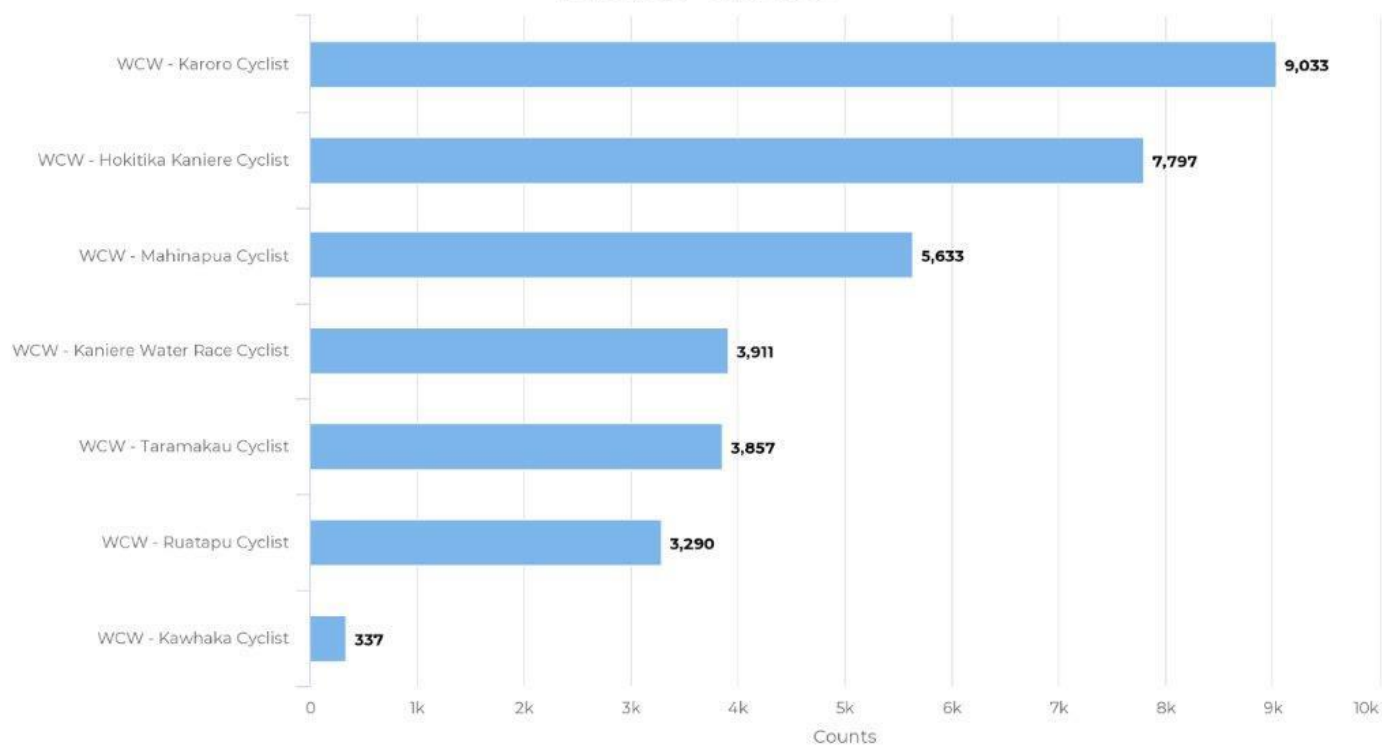
Key Figures Summary

1 January 2020 → 31 March 2020

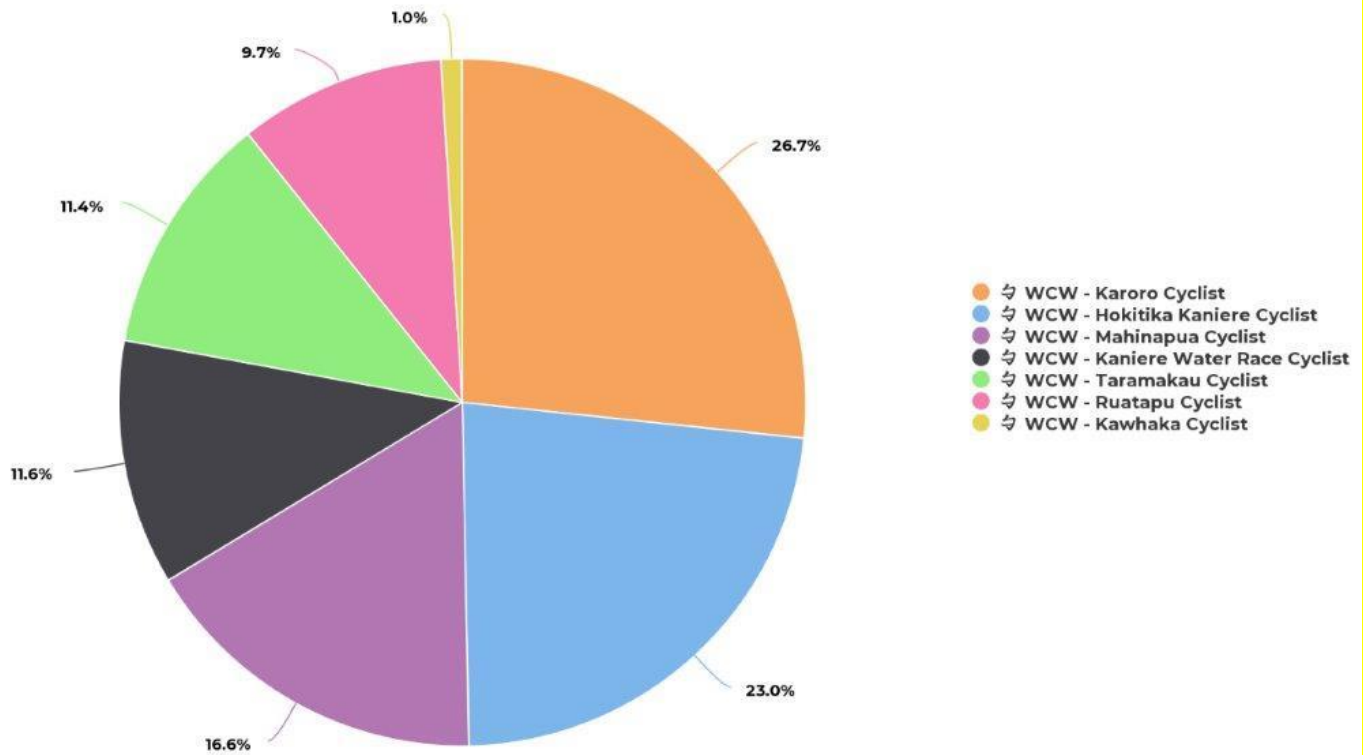


Key Figures Summary

1 January 2020 → 31 March 2020



Distribution



Parks and Reserves

Level of Service	Measure / Target	Progress
Reserves are pleasant, enjoyable and safe places	90% of residents satisfied with parks and reserves.	31/03/2020: 90% residents contacted in the bi-annual resident survey were satisfied with parks and reserves. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

Cemeteries

Level of Service	Measure / Target	Progress
Cemeteries have sufficient capacity	Each cemetery has at least 12 months' capacity ahead: Target Hokitika 100% Kumara 100% Ross 80%	31/-3/2020: No change. 31/12/19: No change. 30/09/19: Hokitika 100%, Kumara 100%, Ross 80%.
Burials adhere to the relevant legislation	Standards for burial adhere to Cemeteries and Cremations Act 1964: Target 100%	31/03/2020: Not reported. 31/12/19: Not reported. 30/09/19: Not reported

Public Toilets

Level of Service	Measure / Target	Progress
Provide public toilets throughout the district	100% of residents satisfied with the service.	31/03/2020: 80% residents contacted in the bi-annual resident survey were satisfied with public toilets. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
	100% of facilities are available for use during the day.	31/03/2020: Not reported. 31/12/19: Facilities are available were available for use during the day 90% of the time. Closures were required to complete maintenance. 30/09/19: Not reported

Westland District Library

Level of Service	Measure / Target	Progress
Provide quality library services in the District	90% of residents satisfied with library services	31/03/2020: 99% residents contacted in the bi-annual resident survey were satisfied with public toilets. 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
	44% of residents who are library members	31/03/2020: Not reported. 31/12/19: 28 %. (This is the average for libraries of a similar size and population in New Zealand. It is 22% lower than the June 2019 reported figure because we have changed the definition of a member, adopting the definition of

Level of Service	Measure / Target	Progress
		<p>an 'active user' that the Public Libraries of New Zealand recommend. This enables comparison across NZ Public Libraries. The increase in population between the 2013 and 2018 census data contributes a 3% decrease.)</p> <p>30/09/19: Not reported</p>

West Coast Wilderness Trail

Level of Service	Measure / Target	Progress
The cycle trail is well used	<p>Numbers using the trail as measured by trail counters:</p> <p>10,000 per annum</p>	<p>31/03/2020: Daily average recorded over all measured sites was 55.66 riders. Daily average use range for the counted sites ranges between 21.1 and 99.3. The total trail riders counted during the period was 33,858.</p> <p>31/12/19: Daily average recorded over all measured sites was 301. Daily average use range for the counted sites ranges between 20 and 115. The total trail riders counted during the period was 27,670.</p> <p>30/09/19: Not reported</p>

Transportation Group

Not reported in this quarter.

Level of Service	Measure / Targets	Progress
The transportation network is safe for all users in Westland District	<p>Road safety:</p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number is less than the previous year</p>	<p>31/03/2020: Not reported. (This is an annual Measure only recorded in final quarter when accident data is available)</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
The surface condition of roads in Westland is of good quality	<p>Road condition:</p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure is > 90%</p>	<p>31/03/2020: Not reported. (This is an annual Measure only recorded in final quarter) A survey has been carried out but not fully processed for reporting in this quarter.</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
	<p>50% of residents are satisfied with the standard and safety of Council's unsealed roads</p>	<p>31/03/2020: 76% residents contacted in the bi-annual resident survey were satisfied with the standard and safety of Council's unsealed roads.</p> <p>31/12/19: No change</p> <p>31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.</p>
The surface condition of roads in Westland is maintained to a high standard	<p>Road maintenance:</p> <p>The percentage of the sealed local road network that is resurfaced >7%</p>	<p>31/03/2020: Not reported. Awaiting final figures from reseal contractor. Annual Measure</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
Footpaths are maintained in good condition and are fit for purpose	<p>Footpaths:</p> <p>90% of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19: No change.</p> <p>30/09/19: This data metric is still being developed to be able to measure performance.</p>
Response to service requests are dealt with promptly	<p>Customer service requests:</p> <p>100% of customer service requests relating to roads and footpaths responded to within the time frame specified in the Long Term Plan.</p>	<p>31/03/2020: Not reported. Inconsistent recording of service requests make it impossible to accurately quantify any level of compliance.</p> <p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p> <p>More revision is needed on this metric to ensure achievability.</p>

Water Supply

Not reported in this quarter.

Level of Service	Measure / Target	Progress
Council supplied potable water is safe to drink	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with both:</p> <ul style="list-style-type: none"> (a) part 4 of the drinking-water standards (bacteria compliance criteria), and (b) part 5 of the drinking-water standards (protozoal compliance criteria), <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure:</p> <p>Years 1-3</p> <p>Hokitika, Ross, Harihari, Franz Josef, Haast</p> <p>Year 2</p> <p>Fox, the Arahura scheme if it is continued as a Council service</p> <p>Years 2-3</p> <p>Kumara, Whataroa</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <ul style="list-style-type: none"> (a) To date 9 out of the 9 supplies are fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone. (b) 2 out of the 9 supplies (Hokitika and Ross*) compliant with protozoal compliance criteria. *Both require Drinking Water Assessor approval. Currently Ross WTP is the only plant compliant with protozoal requirements. Out of the remaining 8, Arahura & Fox Glacier treatment plants await their upgrades to comply. Kumara, Whataroa, Harihari, Franz Josef & Haast require UV Pro-forma's to be lodged with the Drinking Water Assessor before compliance can be obtained. <i>Note:</i> Kumara & Whataroa still require the correct plant data to recorded & logged for compliance. <p>30/09/19: Not reported.</p>
Requests for service are dealt with promptly	<p>Fault response times:</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> <ul style="list-style-type: none"> (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (2 hours), 100%, and (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours) 100%, and (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (24 hours) 100%, and (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (72 hours)100%. 	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <ul style="list-style-type: none"> (a) No data (b) 67% (c) No data (d) 49% <p>30/09/19: Not reported.</p>
Council supplied water is reliable	<p>Maintenance of the reticulation network:</p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p> <p>Not currently measured, monitored in a number of ways including: Telemetry, water meters, repair program, mains replacements and pressure management. This is in context with the Benchloss NZ Manual.</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19: Not measured.</p> <p>30/09/19: Not reported.</p>

Level of Service	Measure / Target	Progress
	<p>Demand management:</p> <p>The average consumption of drinking water per day per resident within the territorial authority district is < 500l/day</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19: Not measured. Analysed on a three yearly basis.</p> <p>30/09/19: Not reported.</p>
Customers are generally satisfied with the Council supplied water	<p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues <p>Expressed per 1000 connections to the local authority's networked reticulation system 25 per 1000 connections (2640 connections)</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <ul style="list-style-type: none"> (a) 4 (b) 0 (c) 0 (d) 10 (e) 19 (f) 2 <p>Total number of complaints = 35 Complaints per 1000 connections = 13</p> <p>30/09/19: Not reported.</p>

Wastewater Group

Not reported in this quarter.

Level of Service	Measure / Target	Progress
Council wastewater systems are managed without risk to public health	<p>System and adequacy:</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. 10 per 1000 connections (2065 connections)</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>2 sewerage overflows reported.</p> <p>Complaints per 1000 connections = 3.9</p> <p>30/09/19: Not reported</p>
Council wastewater systems are safe and compliant	<p>Discharge compliance:</p> <p>100% Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions.</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>(a) 0 (b) 0 (c) 1 (d) 0</p> <p>30/09/19: Not reported</p>
Customers are generally satisfied with the Council wastewater systems	<p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (2 hours), 100% and (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (4 hours) 100%.</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>(a) No data (b) 0%</p> <p>Out of the 2 overflows reported, none were resolved within the allowable time frame.</p> <p>Council staff are working alongside contractors to review the Service Request process and system to ensure it is fit for purpose.</p> <p>30/09/19: Not reported</p>
	<p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system,</p> <p>Expressed per 1000 connections to the territorial authority's sewerage system. 25 per 1000 connections (2065 connections)</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>(a) 2 (b) 2 (c) 3 (d) 1</p> <p>Total complaints = 8</p> <p>Complaints per 1000 connections = 3.9</p> <p>30/09/19: Not reported</p>

Stormwater Group

Not reported in this quarter.

Level of Service	Measure / Target	Progress
Council Stormwater systems have the capacity to resist major storms and flooding events.	<p>System adequacy:</p> <p>(a) The number of flooding events that occur in a territorial authority district 2 events</p> <p>(b) For each flooding event, the number of habitable floors affected. Expressed per 1000 properties connected to the territorial authority's stormwater system. 10 per 1000 connections (434 connections)</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>(a) 0</p> <p>(b) Total habitable floors = 0 Per 1000 connections = 0</p> <p>30/09/19: Not reported</p>
Requests for service are dealt with promptly	<p>Response times:</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour) 100%</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19: Not applicable.</p> <p>30/09/19: Not reported</p>
	<p>Customer satisfaction:</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. 10 per 1000 connections (434 connections)</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>Total number of complaints = 16 Complaints per 1000 = 36</p> <p>30/09/19: Not reported</p>
Council storm water systems protect the natural environment	<p>Discharge compliance:</p> <p>100% Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(a) abatement notices</p> <p>(b) infringement notices</p> <p>(c) enforcement orders, and</p> <p>(d) convictions</p>	<p>31/03/2020: Not reported.</p> <p>31/12/19:</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 0</p> <p>(d) 0</p> <p>30/09/19: Not reported</p>

Solid Waste Management Group

Not reported in this quarter.

Level of Service	Measure / Target	Progress
Solid waste is managed appropriately	All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly 100%	31/03/2020: Not reported. 31/12/19: Compliant / on target (100% to date) 30/09/19: Compliant (100%)
Education about waste minimisation is provided to the community	Number of visits to schools and community groups: 3 schools, 3 groups per annum. 3 x community groups per annum	31/03/2020: Not reported. 31/12/19: Exceeded - 5 schools now included 30/09/19: Schools now included 4. Paper 4 Trees (sponsorship) now covering 4 schools & increasing. School visit to Landfill & Transfer Station.

Report



DATE: 7 May 2020

TO: Audit and Risk Committee

FROM: Group Manager, Corporate Services

UPDATE ON AUDIT RECOMMENDATIONS YEAR ENDED 30 JUNE 2019

1 SUMMARY

- 1.1 The purpose of this report is to present the Committee with an update on the actions being taken on recommendations in the Audit Management Report for the year ended 30 June 2019 by Audit NZ.
- 1.2 Under the terms of reference the Audit and Risk Committee are responsible for the review of the external audit recommendations and any actions that staff are taking to address the recommendations.
- 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 May 2018, which are set out in the next Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receive the Update on Audit Recommendations for the year ending 30 June 2019.

2 BACKGROUND

- 2.1 Audit Management Reports are provided annually from the Interim Audit and also final Audit to Council, and provide commentary and recommendations on observations made by the audit team during the Annual Report audit process.
- 2.2 In the first instance, the CE and Group Manager, Corporate Services receives a draft report for staff to provide a response to the comments. This then enables elected members to receive a full report on the issues and recommendations and the action to be taken by staff to address them.

3 CURRENT SITUATION

- 3.1 The recommendations cover all areas of Council, from IT services through to mandatory KPI reporting.
- 3.2 Staff have been addressing these recommendations throughout the year, however some may require longer term solutions.
- 3.3 Audit NZ have requested the table is updated and returned to them before the date of the interim audit, 15 June 2020. Any responses not yet received can be provided at the final phase of audit in September 2020.
- 3.4 The Audit recommendations with staff actions to date are attached as **Appendix 1**.

4 OPTIONS (WITH ANALYSIS)

- 4.1 The Committee can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information and deemed to be of low significance. No consultation is required.

6 RECOMMENDATION

- A) **THAT** the Committee receives the update on Audit recommendations for the year ended 30 June 2019.

Lesley Crichton
Group Manager, Corporate Services

Appendix 1: Audit recommendations and staff action for Audit Management Report 30 June 2019

Issues raised and open recommendations from the prior year.	Status from the prior year (Based on Audit follow up)	Management comments from the prior year.	Current Status at the interim of 2020.
<p>1 <u>NZTA revenue system and controls</u></p> <p>Recommendation was raised to improve the NZTA revenue system and implement controls to ensure that there are no unreconciled variances between the Council spreadsheet and the NZTA claims. Implementation of a reconciliation process was recommended.</p> <p>Unreconciled and unexplained variances indicate that Council is likely over-claiming and under-claiming in different areas.</p>	<p>(First raised at June 2019)</p> <p>In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).</p>	<p>In process to improve our reconciliation and claiming against NZTA. Management is continuing to work with Finance to improve this.</p>	<p>No updates received from DA</p>
<p>2 <u>Infrastructure Asset Disposals</u></p> <p>Recommendation was raised to ensure that disposals are identified by the District Assets team and the Finance team notified for removal from the fixed asset register.</p> <p>The recommendation also included ensuring that the asset revaluation reserve related to disposed assets is identified and transferred to retained earnings.</p>	<p>(First raised at June 2019)</p> <p>In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).</p>	<p>Finance fully agree with the findings and recommendations. An asset disposal form is available for use by managers to inform Finance, however it is accepted that this process has not been routinely followed. GMCS to continue to work with GMDA on a process. DA agree there are some areas for improvement. Review of the Fixed Asset Registers (FAR) would be beneficial to try and better align FAR data with their "Points of truth"</p>	<p>Disposal forms are being received by Finance, however whether this is all disposals cannot be determined by Finance and requires Staff to follow this process. Regular reminders are sent out to staff about completing these forms.</p> <p>The response to this is included in 3 below.</p>
<p>3 <u>Monitoring Asset valuation reserves</u></p> <p>Recommendation was raised that the asset valuation reserve for each class of assets should be monitored and determined as there was inability to provide the balance in the reserve for each asset class.</p>	<p>(First raised at June 2019)</p> <p>In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).</p>	<p>Management agreed with the recommendation.</p>	<p>In Progress - No revaluations due for the financial year end 2019/2020. Will work towards having this in place for year ended 2020/2021 when revaluations will be due. Each asset in the FAR shows the amount of revaluation, so Finance do not understand how Audit could not determine the revaluation reserves.</p>
<p>4 <u>Expenditure approval limits</u></p>	<p>(First raised at June 2019)</p>		

	Recommendation was raised to ensure that the delegations manual is kept upto date. Recommendation was also raised to ensure that purchase order approval limits within MagiQ are supported by formal written documentation.	In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).	Management are looking at an automated process through our Human Resources system to send a workflow request through to the EA to update the delegations manual and then the MagiQ system.	The Delegations Manual was last updated on the 17 February 2020 to reflect an increase in a staff member's increase in delegation amount as approved by the CE on the 16.02.20. A copy of the Delegations Manual was then placed on Wiki and an email forwarded to IT to advise of the update on the 17.02.20. IT will make no changes until the above is carried out.
5	<u>Liability Management Policy compliance</u>	<u>(First raised at June 2019)</u>		
	Exposure to interest rate risk is managed and mitigated through the risk control limits in the Liability Management Policy. Specifically, minimum and maximum thresholds have been set for fixed borrowings. As at 30 June 2019, Council's fixed portion was 51% which is below the minimum policy threshold of 55%. The Council was aware of and is monitoring this issue. The recommendation is raised to ensure that the interest rate risk control limits are adhered to or consider altering the rates in the current environment.	In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).	Management commented that this has been discussed with PwC, and at present they are comfortable with a departure from the limits due to the low interest rates. A report is being taken to Council to approve the departure until the 12 month debt forecast can be determined, at the present time this has been changing. Once this figure is locked down PwC will determine the best strategy going forward.	Completed - PwC have reviewed the policies and updated strategy. Audit and Risk Committee adopted updated Liability Management Policy and Investment Policy March 2020. Monitoring of this is ongoing with changes to debt limits this could potentially change the strategy
6	<u>Risk Register</u>	<u>(First raised at June 2019)</u>		
	The recommendation was raised to incorporate the following in the register: a) include a risk after controls column to show the residual risk. b) identify the top 10 risks and review those monthly rather than the whole register and only review the whole register annually or six monthly. c) include some graphical representation of the top 10 risks and track movements in those as part of monitoring.	In progress. Raised at the Final report at 2019 Financial year. (In Section 4 of the 2019 final report).	Management agreed with the recommendation and commented that the risk management software has been improved recently and will provide all the information being suggested to be included. Regarding timing, management will work with the newly formed Audit and Risk Committee and Independent Chair to determine what they would like to review and the timings of those reviews.	Completed - The Quantate system is fully operational, and staff are reviewing risks regularly. The A&R Committee was provided with a full register at the first meeting and staff requested direction of what they require. It has been determined that top 10 risks will be provided on a quarterly basis with a full register review annually. Top 10 movements are being included.
7	<u>Preparation for the audit.</u>	<u>(First raised at June 2018)</u>		

	<p>(Original recommendation).</p> <p>The recommendation was raised to prepare a complete substantiation file to support the information in the Annual Report and to review year-end adjustments and the completeness and accuracy and changes to provisions.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. In the 2019 financial year, we commented that substantiation information was available, although could be improved for in-house valuations with documentation and rationale for assumptions used retained.</p> <p>There remains opportunity to improve year end accrual processes. We noted a revenue accrual that did not relate to 2019. There was a similar issue in 2018. Also accruals were made including GST and prepayments were recognised for amounts not paid at year end.</p>	<p>Management commented that accruals and pre-payment process will be reviewed.</p>	<p>A substantiation file will be prepared as in last year with relevant supporting documents to back up the numbers in the annual report.</p>
8	<u>Service request system</u>	<u>(First raised at June 2018)</u>		
	<p>(Original recommendation).</p> <p>The recommendation was raised for the Council to improve its asset information, ensure the condition information is considered as part of the 2018/19 infrastructure valuations and work to address the shortcoming in the current asset management practises, as identified through the LTP process.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. In the 2019 financial year, we commented that Asset finda system is being developed for use in this area, however this will take some time and is not yet available.</p> <p>Furthermore, Guidance has been developed that assists staff to identify what amounts to a complaint and how this should be recorded in the service request system. We noted that there were two items in the guidance that are not consistent with DIA requirements – water leaks and toby faults. The guidance will need to be amended to address the errors as this impacts directly on the water supply customer satisfaction measure.</p>	<p>Management commented that some changes in internal processing of service requests have been made in order to expedite processing. Management is also continuing to develop the Assetfinda system and planning to implement Assetfinda Service requests through the Maintenance contracts and this will also facilitate removal of the MagiQ system from the Contractors for those areas. Initial training has been carried out.</p>	<p>No updates received from DA</p>
9	<u>Traffic counts</u>	<u>(First raised at June 2018)</u>		
	<p>(Original recommendation).</p> <p>As part of the new arrangements with Beca, the Council put in place an appropriate, formal traffic count programme for calculating smooth travel exposure reporting.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. In the 2019 financial year, we commented that for the FY 2019, Council did not had a formal traffic count programme in place and we understand that Beca will undertake this in 2020.</p>	<p>No management comments were documented for this recommendation.</p>	<p>No updates received from DA</p>
10	<u>Asset and Asset revaluation.</u>	<u>(First raised at June 2018)</u>		

	<p>(Original recommendation).</p> <p>The recommendations included:</p> <p>1-All assets within a class should be revalued to ensure compliance with accounting standards. This includes assets in subsidiaries.</p> <p>2-Consider aggregating and revising the existing asset classes for land and buildings.</p> <p>3-Management to carry out regular reviews of the fixed assets register (FAR) to confirm the existence and ownership of assets.</p> <p>4-Management need to improve the in-house fair value assessment in 2019.</p> <p>5-Infrastructure assets be revalued in 2019.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. In the 2019 financial year, we commented that the Council revalued its roading, three waters infrastructure, and reserve improvement assets at 30 June 2019 and all assets within these classes of assets were revalued and a fair value assessment for land and buildings was undertaken.</p> <p>However, a review is yet to be performed by management to ensure that asset records within RAMM and AssetFinda are complete. Similarly, aggregation the existing asset classes for land and buildings remains outstanding.</p>	<p>Management commented that RAMM data is currently under review and being updated by Beca as part of the AMP improvement plan process. Assetfinda Valuation has identified a number of areas for review/improvement that will also be undertaken between now and the next valuation. All alterations/changes will be tracked.</p>	<p>Finance staff regularly review the FAR, however until a revaluation takes place Finance is unlikely to be able to determine whether an asset still exists as a physical stock take is not undertaken. Smaller value non infrastructure assets are easier to track and are regularly disposed of.</p>
11	<u>NZTA Claims process.</u>	<u>(First raised at June 2018)</u>		
	<p>(Original recommendation).</p> <p>The recommendations included:</p> <p>1-Improving the process for compiling NZTA subsidy claims to ensure they align to the GL.</p> <p>2-Introducing an independent, evidenced review of the claim before it is submitted.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. No further comment was made.</p>	<p>Management commented that work is ongoing in this area.</p>	<p>No updates received from DA</p>
12	<u>Information systems.</u>	<u>(First raised at June 2018)</u>		

	<p>(Original recommendation).</p> <p>The recommendations included:</p> <p>1-Developing an information systems strategic plan.</p> <p>2-Developing an information security policy.</p> <p>3-Documenting user account security criteria and improve password strength.</p> <p>4-Reviewing vendor support accounts and ensure access is required.</p> <p>5-Improving change management processes – perhaps through the use of Spiceworks.</p> <p>6-Tracking and managing incidents – perhaps through the use of Spiceworks.</p> <p>7-Periodically testing back-ups.</p> <p>8-Updating the Disaster Recovery and IT Business Continuity Plans.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. We commented in the 2019 financial year that progress has been made on a number of these items and they will be followed up on the status of these at our interim audit visit in 2020.</p>	<p>Management commented that IS strategic plan is currently being developed as part of the WC4-G group, which is the shared services model of IS services. This is across all 4 councils and hence the process takes longer and a change management process is also being developed.</p> <p>Spiceworks is currently already being used to track incidents and working well. There is a current project being considered under WC4-G for a shared IT helpdesk across all four councils which may supersede Spiceworks.</p> <p>DRP and BCP are KPI's for the IT team this financial year.</p>	<p>Strategic Plan draft document completed and awaiting final checks. Was on hold in order to align with WC4 strategic plan, however WC4 plan on hold so WDC continuing with own plan.</p> <p>Information security policy not yet started.</p> <p>Document user account security criteria - no problems with password strength just need to document the policy.</p> <p>Vendor support accounts, completed and monitored to ensure only verified contractors can log on with credentials that limit access to only what is required.</p> <p>Change management processes are in progress using new Jira purpose built helpdesk and knowledge base.</p> <p>Tracking and managing incidents as in progress as in above point.</p> <p>Periodically testing backup completed as is an on-going process.</p> <p>DRP & BCP will commence once strategic plan is completed and back to BAU.</p> <p>It should be noted that COVID has been a big impact to IS services supporting staff working from home, this was very smooth and most staff had very few issues which</p>
13	<p><u>Inconsistent group accounting policy.</u></p> <p>(Original recommendation).</p> <p>The recommendation stated that the Council should ensure consistency in group accounting policies going forward.</p>	<p>(First raised at June 2018)</p> <p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. We commented in the 2019 financial year that WHL recorded land and building assets at cost in 2018/19 and we understand this is likely to change once Destination Westland Limited action recommendations relating to their airport related assets.</p>	<p>Management commented that WHL chair wrote to DWL requesting that they follow group policy. Internal discussion will need to take place to ensure all CCO's understand the requirements.</p>	<p>WHL have again addressed the issue with DWL.</p> <p>Council policy has been provided again to DWL.</p>
14	<p><u>Risk Management.</u></p> <p>(Original recommendation).</p> <p>The recommendation stated:</p> <p>1-Ensure continual review and update of the risk register and implementation of any mitigating actions identified.</p> <p>2-Ensure that the new risk management system, Quantate, is fully implemented to help better identify, evaluate, monitor and manage risk.</p>	<p>(First raised at June 2017)</p> <p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. We commented in the 2019 financial year that progress has been made on the recommendation, however training is still needed for risk managers before they can manage the risks in their areas.</p>	<p>Management commented that risk managers have had training, however the GMDA has resigned, therefore training will be required once a replacement is found.</p>	<p>Completed - system in use</p>
15	<p><u>Renewals under expenditure.</u></p>	<p>(First raised at June 2018)</p>		

	<p>(Original recommendation).</p> <p>The recommendation stated that the Council should ensure that planned renewal expenditure is sufficient to avoid significant failure of assets in future years due to delayed maintenance not being carried out.</p>	<p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. We commented in the 2019 financial year that renewals expenditure is an area of ongoing focus for both Council and management and we will follow up on progress during our 2020 audit.</p>	<p>Management commented that there is an ongoing process of condition data collection for the 3 waters assets and this is being utilised to help inform more robust renewals programs in future. Data gathering is an ongoing continual process that management needs to ensure is adequately funded.</p>	<p>No updates received from DA</p>
16	<p><u>Legislative compliance.</u></p> <p>(Original recommendation).</p> <p>The recommendation stated that the Council should develop and implements a sound legal compliance system for identifying and recording potential risks and assessing the likelihood of those risks across all activities of the organisation and relying solely on the knowledge of staff exposes the organisation to risk, especially when staff change.</p>	<p>(First raised at June 2016)</p> <p>The recommendation is marked as an open recommendation in Appendix 1 of the 2019 final report. We commented in the 2019 financial year that the Council intends to use its new Electronic Document Management System (in development) to provide staff with notifications of when key legislative dates are coming up to ensure compliance. The audit team will follow this up at the 2020 audit.</p>	<p>Management commented that this is a work in progress at the current time and various methods are being considered and management is comfortable that legislative compliance is being followed.</p>	<p>No further update, however Management are still of the opinion that legislative compliance is being followed in all instances.</p> <p>The eDRMS is still being considered as an opportunity to assist once implemented.</p>