



## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Agenda**

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#### **NOTICE OF MEETING**

An extraordinary meeting will be held via audio visual conference on Thursday 21 May 2020 at 10:00am for the purposes of considering ordinary business delayed due to COVID-19. Due to current COVID-19 restrictions this meeting will be held via video conference which means members of the public can't be physically present. All participating members count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002. This meeting will be recorded and made available on Council's Youtube Channel via a link on our [website](#). A summary of the meeting will be made available on our website shortly following the meeting in accordance with [clause 47A of the Local Government Official Information and Meetings Act 1987](#).

#### **MEMBERSHIP OF THE COMMITTEE**

Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Brenda West, Ross Vickery, Mayor Alex Beijen, and independent member Kit Nixon.

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#### **Open Section**

- A1.** Health and Safety Procedures
- A2.** Apologies
- A3.** Conflicts of interest
- A4.** Public participation  
*As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.*
- A5.** Actions from public participation
- A6.** Extraordinary business
- A7.** Minutes for Confirmation: Finance, Audit and Risk Committee  
Minutes of 11 December 2019  
***Proposed Resolution:*** *That the minutes of the Finance, Audit and Risk Committee meeting held on 11 December 2019 are confirmed as a true and correct record.*
- A8.** Notices of motion

Pages 1-4

<b>B.</b>	<b>Decision Reports</b>		
	<b>B1.</b>	Amendment to Financial Delegations Policy	Pages 5-39
	<b>B2.</b>	Grant Policy Report	Pages 40-64
	<b>B3.</b>	Ratepayer (NRB) Survey (to be tabled)	
<b>C.</b>	<b>Chairpersons Report</b>		
	<b>C1.</b>	Finance, Audit and Risk Committee Meeting Frequency	Pages 65-66
<b>D.</b>	<b>Information and Verbal Reports from Chief Executive and Staff</b>		
	<b>D1.</b>	Corporate Services Report	Pages 67-87



## **FINANCE, AUDIT AND RISK COMMITTEE**

### **Minutes from 11 December 2019**

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<b>Present:</b>	Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Ross Vickery, Cr Jephson (from 10:00am) and Mayor Alex Beijen.
<b>In Attendance:</b>	Jennie Mitchell (Group Manager Corporate Support, Katrina Neems (Finance Manager), Nigel Carter (Health and Safety Advisor), Suzanne Clark (Committee Advisor) and for part only Harry Wilson (Chief Executive Officer).
<b>Conduct of Business:</b>	The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 9:02am and 10:39am except where expressly noted.

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#### **Open Section**

**A1. Apologies**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/37) to accept apologies from Cr Brian Jephson and Cr Brenda West.*

*(Moved Cr Colenso/Seconded Cr Vickery)*

Carried

**A2. Conflicts of Interest**

There were no conflicts of interest declared.

**A3. Public Participation**

There was no public participation.

**A4. Actions from Public Participation**

There were no actions from public participation.

**A5. Extraordinary Business**

There was no extraordinary business.

**DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

**A6. Minutes for Receipt**

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/38)* to receive the Finance, Audit and Risk Committee minutes from the meeting held 28 August 2019.

*(Moved Cr Colenso/Seconded Cr Vickery)*

Carried

**A7. Notices of Motion**

There were no notices of motion.

**B Decision Reports from Chief Executive and Staff**

**B1. Terms of Reference for Review and Approval Report**

Member discussed the move towards increased transparency and the proposal to appoint an independent member to the FAR Committee to ensure robustness of Council decision making including the public excluded meeting process, and the process undertaken to identify suitable independent member candidates with Council officers.

Ms Mitchell discussed the terms of reference with members and noted amendments to the independent member's confidentiality agreement.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/39):*

1. To receive the Finance Audit and Risk (FAR) Committee Terms of Reference Review Report.

*(Moved Cr Emms/Seconded Mayor Beijen)*

Carried

2. To agree the proposed changes to the FAR Terms of Reference including appointment of an independent member (non-voting).

*(Moved Cr Vickery/Seconded Cr Emms)*

Carried

3. To recommend to Council that Chris (Kit) Nixon be appointed as the independent member of the FAR Committee for the 19-22 triennium.

*(Moved Cr Colenso/Seconded Mayor Beijen)*

Carried

4. Action 243: Arrange for FAR Committee members to meet Chris Nixon before the next FAR Committee meeting; Cr Hay

5. Action 244: Make corrections to the proposed Independent Member's Confidentiality Agreement as discussed (includes 2.3, 3.1, 5.2, 5.3); J Mitchell

**B2. Amendment to Financial Delegations Policy Report**

Ms Mitchell advised that the unplanned expenditure section of Appendix 1 should be corrected to \$100,000 from \$10,000 for both capital expenditure emergency works and other works and that this should include the use of reserve funds. CEO delegation to approve the use of reserves funds, for their specified purpose, without seeking Council approval to do so, and conditions for use of this delegation was discussed.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/40):*

1. To receive the Amendment to Financial Delegations Report.

*(Moved Cr Colenso/Seconded Cr Emms)*

Carried

**DISCLAIMER**

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2. To recommend that Council approve the changes to Policy O200 Financial Delegations with amendments to the unplanned expenditure delegations as agreed

*(Moved Cr Hay/Seconded Cr Vickery)*

Carried

3. Action 245: Review the relevant policies to establish a process for when use of the reserve funds would cause the fund to enter a negative balance; J Mitchell

## **C Information and Verbal Reports from Chief Executive and Staff**

### **C1. Corporate Services Report**

Ms Mitchell discussed the financial accounts, rates arrears and direct debit payments, delayed Citycare invoicing, balance of cash flow versus short term deposit income, Council grant allocations yet to be claimed, underspent capital expenditure and Council shareholdings with members.

Members discussed handling of investments exceeding the 30% threshold in any one financial institution (as per Council's Investment Policy) and agreed that the risk of going slightly over the threshold was minor, that the situation was always temporary, that provision for flexibility was important, and that officers should continue to report any instances where the threshold is breached.

Cr Jephson joined the meeting.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/41):*

1. To receive the Corporate Services Report.  
*(Moved Cr Emms/Seconded Cr Vickery)* Carried
2. To note the management responses to issues raised in the audit report.  
*(Moved Cr Emms/Seconded Cr Colenso)* Carried
3. Action 246: Review the Investment Policy in June 2020, specifically noting the opportunity to review investment opportunities to get a higher return versus a higher level of risk; J Mitchell

### **C2. Review of Operational and Strategic Risks Report**

Ms Mitchell discussed risks with members noting that water availability required reassessment, that the Waihinga Centre risk could be closed, that a clean and safe water supply risk needed to be added to the strategic risk register, and the Bonny Glen landfill risk.

Members agreed that the Committee should review both the strategic and operational risks at this point in time.

Cr Vickery left the meeting at 10:19am.

Cr Vickery returned to the meeting at 10:20am.

Mayor Beijen left the meeting at 10:23am.

Ms Mitchell discussed changes in the insurance market and members agreed that an insurance representative should brief all councillors.

Mayor Beijen returned to the meeting at 10:31am.

## **DISCLAIMER**

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*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/42):*

1. To receive the Risk Register Report.
2. To agree updates to the Operational and Strategic risks for South Wairarapa District Council.
3. To agree to review the risk register at every meeting.  
*(Moved Cr Colenso/Seconded Cr Jephson)* Carried
4. Action 247: Circulate a working draft of revised strategic risk register as well as an operational risk register to FAR members; J Mitchell
5. Action 248: Find out the background to the Bonny Glen landfill risk and update FAR Committee members; H Wilson

**C3. Audit NZ Audit Report and Management Responses**

Mr Wilson explained the Audit NZ role and noted that SWDC was in good financial shape. Members discussed ratepayer surveys and targets, the upgrade of consenting systems, earlier review of the Sensitive Expenditure Policy and the Procurement and Contract Management Policy.

*FINANCE, AUDIT AND RISK RESOLVED (FAR2019/43):*

1. To receive the Audit NZ Annual Audit Report.  
*(Moved Cr Emms/Seconded Cr Vickery)* Carried
2. To note the recommendations and management responses contained within the report.  
*(Moved Cr Colenso/Seconded Cr Vickery)* Carried
3. Action 249: Review the Sensitive Expenditure Policy in March 2020 to ensure best practice guidelines are followed; J Mitchell
4. Action 250: Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities; J Mitchell

**Confirmed as a true and correct record**

.....(Chair)

.....(Date)

**DISCLAIMER**

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# FINANCE, AUDIT AND RISK COMMITTEE

21 MAY 2020

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## AGENDA ITEM B1

### AMENDMENTS TO FINANCIAL DELEGATIONS POLICY O200

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#### **Purpose of Report**

To seek Finance Audit & Risk Committee (FA&R) approval of the proposed changes to Policy O200 Financial Delegations.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Amendment to Financial Delegations Policy O200 Report.*
2. *Recommend Council approve the changes to Policy O200 Financial Delegations.*

#### **1. Executive Summary**

Council approved minor changes to the O200 Financial Delegations Policy in February 2020. Due to further structural changes resulting in new roles of Chief Financial Officer, Policy and Governance Manager, and Human Resources and Corporate Services Manager and the disestablishment of the Group Manager Corporate Support role, officers have reviewed and updated the Policy for changes in titles and reviewed some delegation levels.

#### **2. Background**

Council approved changes to the O200 Financial Delegations Policy at the 5th February 2020 meeting.

Amendments are now being proposed to cover recent changes to job titles, and a number of other small changes.

#### **3. Discussion**

Attached at Appendix 1 is the revised Financial Delegations Policy which shows the proposed amendments as tracked changes. Appendix 2 shows the proposed amendments in clean (no markup) version for better readability.

Amendments include:

- Changes to job titles since the last review
- Addition of the Policy and Governance Manager delegations and changes to the delegations of Communications Manager and Human Resources Manager (now Human Resources and Corporate Support).

- Deletion of the Group Manger Corporate Support role due to this function now being restructured.
- Addition of the Policy and Governance Manager as a signatory on SWDC bank accounts and removal of Roothing Manager.

The review of the Financial Delegations Policy is now presented to FA&R for their review and recommendation to Council for their review and approval.

#### **4. Appendices**

Appendix 1 – O200 Financial Delegations Policy (Tracked changes)

Appendix 2 – O200 Financial Delegations Policy (Marked up version)

Contact Officer: Katrina Neems, Chief Financial Officer

Reviewed By: Harry Wilson, Chief Executive Officer



**Appendix 1 – O200 Financial  
Delegations Policy (tracked changes)**



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**  
*Kia Reretahi Tātau*

## **Financial Delegations Policy**

### **1. Introduction**

The South Wairarapa District Council (SWDC) Financial Delegations Policy sets out the delegations to the Chief Executive and staff of SWDC.

### **2. Financial Delegations**

2.1 Council's authority to delegate to Officers comes from Schedule 7 Clause 32 of the Local Government Act 2002.

2.2 The matters Council cannot delegate are also listed in Clause 32 as follows:

- a. the power to make a rate; or
- b. the power to make a bylaw; or
- c. the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- d. the power to adopt a long-term plan, annual plan, or annual report; or
- e. the power to appoint a chief executive; or
- f. the power to adopt policies required to be adopted and consulted on under the Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- g. the power to adopt a remuneration and employment policy.

2.3 Schedule 7 Clause 32(7) also states:

To avoid doubt, no delegation relieves the local authority, member, or officer of the liability or legal responsibility to perform or ensure performance of any function or duty.

The following section outlines financial delegations for the Chief Executive and sub-delegations to staff to approve transactions in a financial capacity.

#### **2.4 Delegation of authority and authority limits**

SWDC has specific responsibilities with regard to financial delegations of authority and authority limits.

#### **2.5 Expenditure Delegations**

~~The Chief Executive has a schedule of staff who have expenditure delegations.~~ The schedule of expenditure delegations to staff can be found in Appendix 1 of this policy.

All delegations are for expenditure that has been ~~budgeted for~~ approved by Council in the Annual Plan (AP) or the Long Term Plan (LTP).

Once every three years, Council prepares an LTP, in the other two years an AP is prepared. References to delegations for the LTP in this policy relate to expenditure that has been ~~approved budgeted for~~ in the **first year of the Long Term Plan (LTP)**.

Delegations for any unplanned expenditure or use of Reserves above in excess of approved Annual Plan or the Long Term Plan budgets amounts must be authorised of this policy.

All transactions must comply with the SWDC Procuring Goods & Services Policy (M500).

2.6 The Chief Executive sub-delegates the authority to raise purchase orders and authorise invoices ~~for payment to a maximum of \$100,000 to~~ the Executive Leadership Team (ELT):

~~2.6.2.1~~ for payment to a maximum of \$100,000 to

- Group Manager Partnerships and Operations (GMPO) and
- Chief Financial Officer (CFO) ~~Group Manager Corporate Support (GMCS)~~

2.6.2 for payment to a maximum of \$50,000 to:

- Policy and Governance Manager (PGM)
- Human Resources and Corporate Services Manager (HRCSM)
- Communications Manager (CM)

2.7 The ~~Group Managers~~ Executive Leadership Team ~~may further~~ sub-delegates the authority to raise purchase orders and authorise invoices for payment as per the table in Appendix 1:

- Building Team Manager
- Environmental Services Manager
- Roding Manager
- Amenities Manager
- Asset & Operations Manager
- Senior Financial Accountant ~~Finance Manager~~
- Planning Manager
- ~~Communications Manager~~

2.8 The Amenities Manager sub-delegates to the Branch Librarians at Featherston, Greytown and Martinborough Libraries, the authority to purchase books for their Library to the value of \$1,000 per transaction. These purchases are Capital Expenditure.

2.9 The Chief Executive delegates to the Featherston, Greytown and Martinborough Community Boards and the Maori Standing Committee annual budgets for Operational expenditure for them to use as appropriate in accordance with their delegated authority and any relevant Council policies. The Community Boards are also delegated Capital expenditure for them to use as appropriate in accordance with their delegated authority and any relevant Council policies. Purchase orders and Invoices for Community Board (CB) and Maori Standing Committee (MSC)

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expenditure will be approved by the ~~Finance Manager (FM)~~[Policy and Governance Financial Officer \(CFO\)](#) based on resolutions from CB and MSC meetings.

#### 2.10 Delegation Form and Specimen Signatures

All new Managers commencing in roles with ~~Financial Delegations~~ will complete and sign a Delegation form. This form provides a specimen signature for the Finance team and auditors. Originals of these forms will be held by the Accounts Payable Officer.

Temporary delegation forms will be completed where a person has been asked to "~~a~~Act" in a role for a period of more than one week while the incumbent is on leave. If a delegation form has not been completed then all expenditure will need to be authorised by the Manager one up from the person who is absent. For example, the CEO will sign on behalf of the GM Planning & Environment, the GMPE will sign on behalf of the Building Team Manager etc.

The Delegation form is attached as Appendix ~~4-3~~ of this policy.

#### 2.11 Financial Management

The Chief Executive has delegated authorisation to manage SWDC finances within the Council approved annual budget. This includes:

- Opening and operating accounts with the Council's selected bankers as necessary for the conduct of Council business
- Reviewing the services provided by the selected banker, opening and operating accounts with, and accepting banking services from, other registered banks (if and when required)
- Investing Council funds in accordance with investment policies, strategies, limits and security requirements
- Monitoring the circumstances of approved institutions and reporting back to Council should they be, or appear likely to be required to be, excluded from use for investment purposes

The Chief Executive can sub-delegate any of these ~~authorities~~[powers and functions](#) to the ~~Group Manager Corporate Support~~[Chief Financial Officer](#).

#### 2.12 Contracts

The Chief Executive is delegated authority to enter, sign, go to market, and vary contracts for the supply of goods or services on behalf of the Council to the value of \$500,000 that have been ~~budgeted for~~[approved](#) in the Annual Plan or Long Term Plan.

The Chief Executive has delegated authority to enter, sign, and go to market ~~to vary for~~ programmed infrastructure renewal and maintenance contracts (\$500,000 or more) that have been ~~budgeted for~~[approved](#) in the Annual Plan or Long Term Plan.

[All transactions must comply with the Procuring Goods & Services Policy \(M500\).](#)

~~2.132.12.1~~ The Chief Executive sub-delegates the authority to enter, sign, go to market vary contracts to a maximum of \$100,000 to:

- Group Manager Planning and Environment
- Group Manager Partnerships and Operations and
- ~~Group Manager Corporate Support~~ Chief Financial Officer

~~2.142.12.2~~ All delegations in this clause are for expenditure that is budgeted for in the

See Appendix 1 for further detail on the financial delegation limits for various transactions.

#### ~~2.152.13~~ Ruamahanga Roads

~~From~~ On 1 July 2019, South Wairarapa District Council (SWDC) and Carterton District Council (CDC) have entered into a joint contract to provide roading maintenance and capital works as part of a joint network covering the roads in both districts. The two roading teams will work as one to deliver this contract via the lead contractor Fulton Hogan. On a day to day basis, the SWDC Roading Manager may authorise roading works to occur within the Carterton District. Likewise, the CDC Senior Roading Officer may authorise roading works to be done in the South Wairarapa District. Delegated authority is given to these two positions up to \$75,000 for work covered by the joint contract. Anything over the delegated amount, or which is not covered by the joint contract, will be approved in line with normal delegation policies for each respective council. ~~Clear-R~~ Records will be kept to ensure that expenditure on roading in one district is paid for by that district and that claims from NZTA for that district are received by that district. The purpose of this delegation is to ensure the smooth running of the roading shared service between SWDC and CDC known as Ruamahanga Roads.

#### ~~2.162.14~~ Wellington Water Limited

On 1 October 2019, SWDC became a shareholder of Wellington Water Limited (WWL). This means that WWL carries out the day to day operating of SWDC's three waters networks. As part of this relationship the Service Level Agreement (SLA) with WWL provides for the following statutory powers to be delegated to WWL to enable them to manage the three waters networks

##### Exercise of Statutory Powers

~~2.16.12.14.1~~ Council by this agreement appoints the Chief Executive Officer of Wellington Water (CEO) as its officer and gives the CEO the following powers to exercise on the Council's behalf:

~~2.16.22.14.2~~ the general powers of entry given to a local authority by section 171 of the LGA 2002;

~~2.16.32.14.3~~ the powers given to a local authority in an emergency or where there is danger, by section 173 of the LGA 2002, provided Wellington Water notifies Council of the event as soon as possible; and

~~2.16.42.14.4~~ the powers in relation to construction of works on private land given to a local authority by section 181 of the LGA 2002.

~~2.16.52.14.5~~ Council (acting through its Chief Executive) shall delegate to Wellington Water and Wellington Water Personnel such further Statutory Powers as are necessary to enable Wellington Water to provide the Management Services.

~~2.16.62.14.6~~ The CEO may, subject to the terms of any delegation, delegate any of the powers set out in clause ~~2.14.12-16.4~~ and ~~2.14.72-16.7~~ to Wellington Water other than the power to further delegate the power.

~~2.16.72.14.7~~ Council may, by separate written delegation, delegate additional powers to the CEO.

~~2.16.82.14.8~~ Council may from time to time issue initial or additional sealed warrants to Wellington Water Personnel identified by Wellington Water as suitable to hold a warrant as are required to enable Wellington Water to provide the Management Services.

#### 2.172.15 **Payment Authorisation**

The Chief Executive or Manager responsible for an operational area may authorise payments for goods and services, provided these have been purchased in accordance with Council policy.

Any two of the following signatories must sign together to operate the Council's accounts, endorse cheques or other lodgements for credit or debit:

- Chief Executive
- Group Manager Planning and Environment
- Group Manager Partnerships and Operations and ~~Group Manager Corporate Support~~ Chief Financial Officer
- ~~Finance Manager~~ Senior Financial Accountant
- ~~Roading Manager~~
- Governance and Policy Manager

All electronic funds transfers must be authorised by designated signatories, one of whom must include the ~~Group Manager Corporate Support~~ Chief Financial Officer or the ~~Finance Manager~~ Senior Financial Accountant.

### 3. Chief Executive Delegations

Under section 42 (2) of the Local Government Act 2002, the Chief Executive has delegated authority and responsibility for:

- Implementing the decisions of the local authority;
- Providing advice to members of the local authority;
- Ensuring that all responsibilities, duties, and powers delegated to any person employed by SWDC, or imposed or conferred by an Act, regulation, or bylaw, are properly performed or exercised;
- Ensuring the effective and efficient management of the activities of SWDC;
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority;
- Providing leadership for the staff of SWDC;
- Employing the staff of SWDC; and
- Negotiating the terms or employment of the staff of SWDC.

#### 3.1 Staffing Matters

All SWDC staff are employed by the Chief Executive.

#### 3.2 Planning Documents

The Chief Executive has delegated authority to implement any proposal or matter included in a Long-Term Plan or Annual Plan that has been adopted by Council.

#### 3.3 Delegation to facilitate Council borrowing generally

The Chief Executive has delegated authority to facilitate Council borrowing with recognised banking institutions including the Local Government Funding Authority (LGFA).

#### 3.4 Delegation to the Chief Executive under Local Government Official Information and Meetings Act 1987

The Chief Executive has authority under the Local Government Official Information and Meetings Act 1987, to determine:

- Whether a request for information is to be refused; and/or
- Whether a charge is to be imposed
- Whether a request for information should be transferred.

#### 3.5 Civil Defence Emergency Management

The Chief Executive has delegated authority for undertaking planning, operational and co-ordination measures to ensure effective and efficient use of resources before and during a state of civil defence emergency, including an overview of the Council's participation in the civil Defence Emergency Management Group.

The GMPO is the Response Manager in the event of a declared emergency.

The ~~GMCs~~ [HRCSM](#) is the Recovery Manager in the event of a declared emergency.

The Mayor has the authority to declare a civil emergency for the district if necessary.

### 4. Affixing the Common Seal

Any two of the following are authorised to execute documents under seal:

- The Mayor

- Deputy Mayor
- Chief Executive

## 5. Finance Department Delegations

The Finance function of SWDC is responsible for financial and accounting management, revenue and rates, and internal financial audit, as well as internal IT systems.

### 5.1 Fees and Charges

The Chief Executive sub-delegates to the Group Manager Partnerships and Operations, the Group Manager Planning and Environment and the ~~Group Manager Corporate Services~~ Chief Financial Officer authority to determine fees and charges for any of the Council's facilities and services and vary any of the fees and charges on reasonable grounds. Where fees for services are required to be consulted upon with ratepayers (e.g. Resource Management Act), the relevant Group Manager will make recommendations and approval will be granted by Council once the consultation process has been completed.

The Chief Executive sub-delegates to the ~~Group Manager Corporate Support (GMCS)~~ Chief Financial Officer (CFO) authority to write-off bad debts as considered appropriate, subject to all reasonable steps having been taken to obtain recovery. The Chief Executive or ~~GMCS~~ CFO will report to the Finance Audit and Risk Committee any write-offs of rates debts and sundry debtor accounts over the value of \$5,000 for any one ratepayer or debtor.

### 5.45.3 Rates

Under Section 132 of the Local Government (Rating) Act (2002) the Council delegates the exercise of functions, powers or duties conferred by this Act, to the Chief Executive, the ~~Group Manager Corporate Support and~~ Chief Financial Officer the ~~Finance Manager~~ Senior Financial Accountant. This delegation is specific to the administration of rates collection, rates rebate eligibility, rates remissions, postponement and relief from paying rates.



**Appendix 1**  
**South Wairarapa District Council - Delegations Schedule for**  
planned approved expenditure

Financial delegation	Council	CEO	Group Manager ELT	Managers	Other
<b>Planned operating expenditure within a Contract for Service</b>					
\$0 to \$10,000		√	√	√	<del>Finance Manager</del> Senior Financial Accountant
\$10,001 to \$20,000		√	√	√	<del>Roading Manager</del> Amenities & Solid Waste Manager
<u>\$20,001 to \$50,000</u>		√	√	√	<del>Communications Manager</del> <del>Human Resources &amp; Corporate Services Manager</del> <del>Policy and Governance Manager</del>
\$20,001 to \$75,000		√	√	√	Roading Manager with regard to Ruamahanga Roads contract
\$75,001 to \$100,000		√	√		<del>CFO, GMPO, GMPE</del>
\$100,001 to \$500,000		√			
Over \$500,000	√				
<b>Other Planned operating expenditure</b>					
\$0 to \$100		√	√	√	Branch Librarians
\$101 to \$3,000		√	√	√	All Managers
\$3,001 to \$10,000		√	√	√	<del>Finance Manager</del> Senior Financial Accountant, Amenities & Solid Waste Manager, Roading Manager,
<u>\$10,001 to \$50,000</u>		√	√		<del>PGM, HRCSM, CM</del>
<del>\$50,001 to \$75,000</del> \$50,001 to \$75,000		√	√	√	Roading Manager with regard to Ruamahanga Roads contract
\$75,001 to \$100,000		√	√		<del>CFO, GMPO, GMPE</del>
Over \$100,000		√			
<b>Planned capital expenditure</b>					
Up to \$1,000		√	√	√	Branch Librarians
\$1,001 to \$3,000		√	√	√	<del>Finance Manager</del> , Communications Manager

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Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

O200

Financial delegation	Council	CEO	Group Manager/ELT	Managers	Other	
\$3,001 to \$10,000		√	√	√	Finance Manager, Amenities Manager, Roading Manager All Managers	
<del>\$10,001 to \$50,000</del>		<del>√</del>	<del>√</del>		PGM, HRCSM, CM	
<del>\$50,001 to \$75,000</del>		√	√	<del>√</del>	Roading Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√		CFO, GMPO, GMPE	
\$100,001 to \$500,000		√				
Over \$500,000	√					
<b>Unplanned expenditure, Use of reserves</b>						
<del>Capital expenditure— emergency works or use of reserves up to \$100,000</del>		<del>√</del>			<del>Use of reserves in consultation with Mayor and after advising Councillors. If Reserve is in credit and will remain in credit after the transaction. If the Reserve will be in deficit Council approval is required.</del>	
<del>Unplanned other work or use of reserves over \$100,000</del>	<del>√</del>					
<b>Unplanned use of Reserves</b>						
<del>Unplanned use of reserves over \$100,000</del>	<del>√</del>					
<b>Signing authority</b>						
For payment of expenditure and payroll by cheque or electronic transfer. Two signatures, one must be a Group Manager, CFO, PGM or CEO.		√	√		Finance Manager Roading Manager Senior Financial Accountant Policy and Governance Manager HR and Corporate Services Manager Communications Manager	
<b>Sale/disposal of obsolete, surplus or non-repairable fixed assets</b>						
Land and buildings	√					
Vehicles		√				

Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

O200

Financial delegation	Council	CEO	Group Manager ELT	Managers	Other	
Plant and equipment up to \$2,000 net book value		√	√			
Plant and equipment over \$2,000 net book value		√				
Computer equipment		√	√			
Sale or disposal of library books					Branch Librarians, Amenities Manager	
<b>Stock</b>						
Sale of surplus/obsolete or damaged stock		√	√			
Write off stock			√ In consultation with <a href="#">GMCS CFO</a>	<a href="#">Finance Manager</a> <a href="#">Senior Financial Accountant</a>	Two to review and approve	
<b>Transfer/Investment of Reserve Funds</b>						
Transfer and payments – approved within the Annual Plan		√	<a href="#">Group Manager</a> <a href="#">Corporate Support</a> <a href="#">Chief Financial Officer</a>			
Transfer funds between Council's bank accounts		√	<a href="#">Chief Financial Officer</a> <a href="#">Group Manager</a> <a href="#">Corporate Support</a>		<a href="#">Finance Manager</a> <a href="#">Senior Financial Accountant</a>	
Invest surplus funds (within Policy)		√	<a href="#">Chief Financial Officer</a> <a href="#">Group Manager</a> <a href="#">Corporate Support</a>		<a href="#">Finance Manager</a> <a href="#">Senior Financial Accountant</a>	
<b>Debtors</b>						
Write off debts up to \$5,000		√	<a href="#">Chief Financial Officer</a> <a href="#">Group Manager</a> <a href="#">Corporate Support</a>			
Write off debts excluding rates \$5,001 to \$10,000		√				

Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

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Financial delegation	Council	CEO	<del>Group Manager</del> <u>ELT</u>	Managers	Other	
Write off debts over \$10,000					Finance, Audit & Risk	
Write off additional water usage accounts (in line with water leaks policy)			<del>Group Manager</del> <del>Corporate Support</del> <u>Chief Financial Officer</u>  Group Manager Partnerships & Operations	<del>Finance Manager</del> <u>Senior Financial Accountant</u>	Two to review and approve	
Rates penalty remission within Policy			<del>Group Manager</del> <del>Corporate Support</del> <u>Chief Financial Officer</u>	<del>Finance Manager</del> <u>Senior Financial Accountant</u>		
Rates penalty remission outside Policy		v	<del>Group Manager</del> <del>Corporate Support</del> <u>Chief Financial Officer</u>			

Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

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Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

O200

**Appendix 2**  
**South Wairarapa District Council - Schedule of Delegations for**  
**Unplanned ~~approved~~ Expenditure and Use of Reserves**

<u>Financial delegation</u>	<u>Council</u>	<u>CEO</u>	<u>ELT</u>	<u>Managers</u>	<u>Other</u>	
<u>Unplanned <del>approved</del> expenditure</u>						
<u>Operational expenditure – emergency works up to \$100,000</u>		<u>√</u>				
<u>Capital expenditure – emergency works up to \$100,000</u>		<u>√</u>				
<u>Unplanned other work over \$100,000</u>	<u>√</u>					
<u>Unapproved <del>planned</del> use of Reserves</u>						
<u>Unapproved <del>planned</del> use of reserves up to \$100,000</u>		<u>√</u>			Use of reserves in consultation with Mayor and after advising Councillors. If Reserve is in credit and will remain in credit after the transaction. If the Reserve will be in deficit Council approval is required.	
<u>Unapproved <del>planned</del> use of reserves over \$100,000</u>	<u>√</u>					

Reviewed: ~~February 2020~~ May 2020 Next review: ~~February 2020~~ May 2022

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### Appendix 32

## South Wairarapa District Council - Schedule of Delegations by Cost centre

The following schedule indicates which Managers have the ability to authorise expenditure on which cost centres (please see Key on following page for explanation of Roles). The [Chief Executive](#) can authorise expenditure for any cost centre.

Cost centre	Cost centre Name	Roles that can sign for this Cost centre*
001	General	GMCS, FMCFO, FA
002	Finance and Corporate Support	GMCS, FM
	Finance	CFO, FA
	Communications	CM**
	Human Resources	HRCSM**
	Health and Safety	HRCSM**
	Human Resources & Health and Safety Corporate Services	HRCSM, HRM**
003	Professional Services	GMPO
105	Elected Members	GMCS, FMCFO, FA, PGM
106	Community Board Featherston	FCB, GMCS, FMCFO, FA, PGM
107	Community Board Greytown	GCB, GMCS, FMCFO, FA, PGM
108	Community Board Martinborough	MCB, GMCS, FMCFO, FA, PGM
109	Maori Standing Committee	MSC, GMCS, FMCFO, FA, PGM
211	Public Protection & Health	GMPE, ESM
212	Building & Construction	GMPE, BM
213	Animal Control	GMPE, ESM
215	Emergency Management	GMPO, HRCSM
319	Resource Management	GMPE, PM
425	Economic, Cultural & Community Development	GMCS, FMCFO, FA Grants per Annual plan/LTP
426	Community Wellbeing	GMCS, FMCFO, FA
530	Parks & Reserves	AM, GMPO
532	Campgrounds	AM, GMPO
536	Swimming Pools	AM, GMPO
540	Library Featherston	LF, AM, GMPO
541	Library Greytown	LG, AM, GMPO
542	Library Martinborough	LM, AM, GMPO
546	Community Buildings	AM, GMPO
547	Greytown Town Centre	AM, GMPO
548	Waihinga Centre	AM, GMPO
552	Cemeteries	AM, GMPO
554	Housing	AM, GMPO
557	Rental Properties	AM, GMPO
558	Pain Farm	AM, GMPO
559	Toilets	AM, GMPO

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660	Land Transport	GMPO , RM
665	Unsubsidised Land Transport	GMPO , RM
770	Water Supply	GMPO
876	Solid Waste Management	GMPO, <u>AM</u>
977	Wastewater	GMPO
980	Stormwater	GMPO

**\* Key to Roles**

AM	Amenities & <u>Solid Waste</u> Manager
BM	Building Manager
CM	Communications Manager
FCB	Featherston Community Board
GCB	Greytown Community Board
MCB	Martinborough Community Board
CEO	Chief Executive Officer
ESM	Environmental Services Manager
<u>FAM</u>	<del>Finance Manager</del> Senior Financial Accountant
<u>GMCSFCFO</u>	<del>Group Manager Corporate Support</del> Chief Financial Officer
GMPO	Group Manager Partnerships & Operations
GMPE	Group Manager Planning & Environment
<u>HRCSMAM</u>	Human Resources & <u>Corporate Services</u> Manager
<u>PGM</u>	<u>Policy and Governance Manager</u>
LF	Librarian – Featherston
LG	Librarian – Greytown
LM	Librarian – Martinborough
RM	Roading Manager
PM	Planning Manager

\*\* The Communications Manager and Human Resources & Corporate Services Manager have delegation to approve appropriate costs in other cost centres. E.g. reprinting of new brochures (CM), advertising for new staff (HRCSMAM) as well as delegation for their own cost centre budgets.



Appendix 43

**South Wairarapa District Council Delegation Form**

To be completed when new Managers appointed at SWDC.

I agree to abide by all South Wairarapa District Council policies with regard to incurring expenditure and to stay within my delegation limit when exercising this delegation. I have read and understood the Financial Delegations Policy and agree to abide by the delegations appropriate to my role as outlined in Appendices 1, 2, and 3 and ~~1 and 2~~ of the Financial Delegations Policy:

Name of employee: \_\_\_\_\_ whilst performing the Role of:

\_\_\_\_\_

Date Delegation commences \_\_\_\_\_

Date Delegation ceases (for temporary delegations) \_\_\_\_\_

**Signed by the Delegatee:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Initials)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

**Witnessed by:**

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

# **Appendix 1 – O200 Financial Delegations Policy (no mark-up)**



## **Financial Delegations Policy**

### **1. Introduction**

The South Wairarapa District Council (SWDC) Financial Delegations Policy sets out the delegations to the Chief Executive and staff of SWDC.

### **2. Financial Delegations**

2.1 Council's authority to delegate to Officers comes from Schedule 7 Clause 32 of the Local Government Act 2002.

2.2 The matters Council cannot delegate are also listed in Clause 32 as follows:

- a. the power to make a rate; or
- b. the power to make a bylaw; or
- c. the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- d. the power to adopt a long-term plan, annual plan, or annual report; or
- e. the power to appoint a chief executive; or
- f. the power to adopt policies required to be adopted and consulted on under the Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- g. the power to adopt a remuneration and employment policy.

2.3 Schedule 7 Clause 32(7) also states:

To avoid doubt, no delegation relieves the local authority, member, or officer of the liability or legal responsibility to perform or ensure performance of any function or duty.

The following section outlines financial delegations for the Chief Executive and sub-delegations to staff to approve transactions in a financial capacity.

#### **2.4 Delegation of authority and authority limits**

SWDC has specific responsibilities with regard to financial delegations of authority and authority limits.

#### **2.5 Expenditure Delegations**

The schedule of expenditure delegations to staff can be found in Appendix 1 of this policy.

**All delegations are for expenditure that has been approved by Council in the Annual Plan (AP) or the Long Term Plan (LTP).**

Once every three years, Council prepares an LTP, in the other two years an AP is prepared. References to delegations for the LTP in this policy relate to expenditure that has been approved in the **first year of the Long Term Plan (LTP)**.

**Delegations for any unplanned expenditure or use of Reserves in excess of approved Annual Plan or the Long Term Plan budgets can be found in Appendix 2 of this policy.**

All transactions must comply with the SWDC Procuring Goods & Services Policy (M500).

2.6 The Chief Executive sub-delegates the authority to raise purchase orders and authorise invoices the Executive Leadership Team (ELT):

2.6.1 for payment to a maximum of \$100,000 to

- Group Manager Planning and Environment (GMPE)
- Group Manager Partnerships and Operations (GMPO) and
- Chief Financial Officer (CFO)

2.6.2 for payment to a maximum of \$50,000 to:

- Policy and Governance Manager (PGM)
- Human Resources and Corporate Services Manager (HRCSM)
- Communications Manager (CM)

2.7 The Executive Leadership Team sub-delegates the authority to raise purchase orders and authorise invoices for payment as per the table in Appendix 1:

- Building Team Manager
- Environmental Services Manager
- Roading Manager
- Amenities Manager
- Asset & Operations Manager
- Senior Financial Accountant
- Planning Manager

2.8 The Amenities Manager sub-delegates to the Branch Librarians at Featherston, Greytown and Martinborough Libraries, the authority to purchase books for their Library to the value of \$1,000 per transaction. These purchases are Capital Expenditure.

2.9 The Chief Executive delegates to the Featherston, Greytown and Martinborough Community Boards and the Maori Standing Committee annual budgets for Operational expenditure for them to use in accordance with their delegated authority and any relevant Council policies. The Community Boards are also delegated Capital expenditure for them to use in accordance with their delegated authority and any relevant Council policies. Purchase orders and Invoices for Community Board (CB) and Maori Standing Committee (MSC) expenditure will be approved by the Policy and Governance Manager (PGM) or Chief Financial Officer (CFO) based on resolutions from CB and MSC meetings.

2.10 **Delegation Form and Specimen Signatures**

All new Managers commencing in roles with financial delegations will complete and sign a Delegation form. This form provides a specimen signature for the Finance team and auditors. Originals of these forms will be held by the Accounts Payable Officer.

Temporary delegation forms will be completed where a person has been asked to “act” in a role for a period of more than one week while the incumbent is on leave. If a delegation form has not been completed then all expenditure will need to be authorised by the Manager one up from the person who is absent. For example, the CEO will sign on behalf of the GM Planning & Environment, the GMPE will sign on behalf of the Building Team Manager etc.

The Delegation form is attached as Appendix 4 of this policy.

## 2.11 **Financial Management**

The Chief Executive has delegated authorisation to manage SWDC finances within the Council approved annual budget. This includes:

- Opening and operating accounts with the Council’s selected bankers as necessary for the conduct of Council business
- Reviewing the services provided by the selected banker, opening and operating accounts with, and accepting banking services from, other registered banks (if and when required)
- Investing Council funds in accordance with investment policies, strategies, limits and security requirements
- Monitoring the circumstances of approved institutions and reporting back to Council should they be, or appear likely to be required to be, excluded from use for investment purposes

The Chief Executive can sub-delegate any of these powers and functions to the Chief Financial Officer.

## 2.12 **Contracts**

The Chief Executive is delegated authority to enter, sign, go to market, and vary contracts for the supply of goods or services on behalf of the Council to the value of \$500,000 that have been approved in the Annual Plan or Long Term Plan.

The Chief Executive has delegated authority to enter, sign, and go to market to vary programmed infrastructure renewal and maintenance contracts (\$500,000 or more) that have been approved in the Annual Plan or Long Term Plan.

All transactions must comply with the Procuring Goods & Services Policy (M500).

2.12.1 The Chief Executive sub-delegates the authority to enter, sign, go to market and vary contracts to a maximum of \$100,000 to:

- Group Manager Planning and Environment
- Group Manager Partnerships and Operations and
- Chief Financial Officer

## 2.12.2

See Appendix 1 for further detail on the financial delegation limits for various transactions.

### 2.13 Ruamahanga Roads

On 1 July 2019, South Wairarapa District Council (SWDC) and Carterton District Council (CDC) entered into a joint contract to provide roading maintenance and capital works as part of a joint network covering the roads in both districts. The two roading teams will work as one to deliver this contract via the lead contractor Fulton Hogan. On a day to day basis, the SWDC Roading Manager may authorise roading works to occur within the Carterton District. Likewise, the CDC Senior Roading Officer may authorise roading works to be done in the South Wairarapa District. Delegated authority is given to these two positions up to \$75,000 for work covered by the joint contract. Anything over the delegated amount, or which is not covered by the joint contract, will be approved in line with normal delegation policies for each respective council. Records will be kept to ensure that expenditure on roading in one district is paid for by that district and that claims from NZTA for that district are received by that district. The purpose of this delegation is to ensure the smooth running of the roading shared service between SWDC and CDC known as Ruamahanga Roads.

### 2.14 Wellington Water Limited

On 1 October 2019, SWDC became a shareholder of Wellington Water Limited (WWL). This means that WWL carries out the day to day operating of SWDC's three waters networks. As part of this relationship the Service Level Agreement (SLA) with WWL provides for the following statutory powers to be delegated to WWL to enable them to manage the three waters networks

#### **Exercise of Statutory Powers**

- 2.14.1 Council by this agreement appoints the Chief Executive Officer of Wellington Officer of Wellington Water (CEO) as its officer and gives the CEO the following powers to exercise on the Council's behalf:
- 2.14.2 the general powers of entry given to a local authority by section 171 of the LGA 2002;
- 2.14.3 the powers given to a local authority in an emergency or where there is danger, by section 173 of the LGA 2002, provided Wellington Water notifies Council of the event as soon as possible; and
- 2.14.4 the powers in relation to construction of works on private land given to a local land given to a local authority by section 181 of the LGA 2002.
- 2.14.5 Council (acting through its Chief Executive) shall delegate to Wellington Water and Wellington Water Personnel such further Statutory Powers as are necessary to enable Wellington Water to provide the Management Services.

~~2.15.6~~2.14.6 The CEO may, subject to the terms of any delegation, delegate any of the powers set out in clause ~~2.14.12-16.1~~ and ~~2.14.72-16.7~~ to Wellington Water Personnel, other than the power to further delegate the power.

~~2.15.72~~2.14.7 Council may, by separate written delegation, delegate additional powers to the CEO.

~~2.15.82~~2.14.8 Council may from time to time issue initial or additional sealed warrants to Wellington Water Personnel identified by Wellington Water as suitable to hold a warrant as are required to enable Wellington Water to provide the Management Services.

#### ~~2.16~~2.15 **Payment Authorisation**

The Chief Executive or Manager responsible for an operational area may authorise payments for goods and services, provided these have been purchased in accordance with Council policy.

Any two of the following signatories must sign together to operate the Council's accounts, endorse cheques or other lodgements for credit or debit:

- Chief Executive
- Group Manager Planning and Environment
- Group Manager Partnerships and Operations and
- Chief Financial Officer
- Senior Financial Accountant
- Human Resources and Corporate Services Manager
- Governance and Policy Manager

All electronic funds transfers must be authorised by designated signatories, one of whom must include the Chief Financial Officer or the Senior Financial Accountant.

### 3. **Chief Executive Delegations**

Under section 42 (2) of the Local Government Act 2002, the Chief Executive has delegated authority and responsibility for:

- Implementing the decisions of the local authority;
- Providing advice to members of the local authority;
- Ensuring that all responsibilities, duties, and powers delegated to any person employed by SWDC, or imposed or conferred by an Act, regulation, or bylaw, are properly performed or exercised;
- Ensuring the effective and efficient management of the activities of SWDC;
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority;
- Providing leadership for the staff of SWDC;
- Employing the staff of SWDC; and
- Negotiating the terms or employment of the staff of SWDC.

#### 3.1 **Staffing Matters**

All SWDC staff are employed by the Chief Executive.

#### 3.2 **Planning Documents**

The Chief Executive has delegated authority to implement any proposal or matter included in a Long-Term Plan or Annual Plan that has been adopted by Council.

#### 3.3 **Delegation to facilitate Council borrowing generally**

The Chief Executive has delegated authority to facilitate Council borrowing with recognised banking institutions including the Local Government Funding Authority (LGFA).

#### 3.4 **Delegation to the Chief Executive under Local Government Official Information and Meetings Act 1987**

The Chief Executive has authority under the Local Government Official Information and Meetings Act 1987, to determine:

- Whether a request for information is to be refused; and/or
- Whether a charge is to be imposed
- Whether a request for information should be transferred.

#### 3.5 **Civil Defence Emergency Management**

The Chief Executive has delegated authority for undertaking planning, operational and co-ordination measures to ensure effective and efficient use of resources before and during a state of civil defence emergency, including an overview of the Council's participation in the civil Defence Emergency Management Group.

The GMPO is the Response Manager in the event of a declared emergency.

The HRCSM is the Recovery Manager in the event of a declared emergency.

The Mayor has the authority to declare a civil emergency for the district if necessary.

### 4. **Affixing the Common Seal**

Any two of the following are authorised to execute documents under seal:

- The Mayor



- Deputy Mayor
- Chief Executive

## 5. Finance Department Delegations

The Finance function of SWDC is responsible for financial and accounting management, revenue and rates, and internal financial audits as well as internal IT systems.

### 5.1 Fees and Charges

The Chief Executive sub-delegates to the Group Manager Partnerships and Operations, the Group Manager Planning and Environment and the Chief Financial Officer authority to determine fees and charges for any of the Council's facilities and services and vary any of the fees and charges on reasonable grounds. Where fees for services are required to be consulted upon with ratepayers (e.g. Resource Management Act), the relevant Group Manager will make recommendations and approval will be granted by Council once the consultation process has been completed.

### 5.2 Debts

The Chief Executive sub-delegates to the Chief Financial Officer (CFO) authority to write-off bad debts as considered appropriate, subject to all reasonable steps having been taken to obtain recovery. The Chief Executive or CFO will report to the Finance Audit and Risk Committee any write-offs of rates debts and sundry debtor accounts over the value of \$5,000 for any one ratepayer or debtor.

### 5.3 Rates

Under Section 132 of the Local Government (Rating) Act (2002) the Council delegates the exercise of functions, powers or duties conferred by this Act, to the Chief Executive, the Chief Financial Officer the Senior Financial Accountant. This delegation is specific to the administration of rates collection, rates rebate eligibility, rates remissions, postponement and relief from paying rates.

**Appendix 1**  
**South Wairarapa District Council - Delegations Schedule for approved expenditure**

Financial delegation	Council	CEO	ELT	Managers	Other	
<b>Planned operating expenditure within a Contract for Service</b>						
\$0 to \$10,000		√	√	√	Senior Financial Accountant	
\$10,001 to \$20,000		√	√	√	Amenities & Solid Waste Manager	
\$20,001 to \$50,000		√	√	√	Communications Manager Human Resources & Corporate Services Manager Policy and Governance Manager	
\$20,001 to \$75,000		√	√	√	Roading Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√		CFO, GMPO, GMPE	
\$100,001 to \$500,000		√				
Over \$500,000	√					
<b>Other Planned operating expenditure</b>						
\$0 to \$100		√	√	√	Branch Librarians	
\$101 to \$3,000		√	√	√	All Managers	
\$3,001 to \$10,000		√	√	√	Senior Financial Accountant, Amenities & Solid Waste Manager, Rooding Manager	
\$10,001 to \$50,000		√	√		PGM, HRCSM, CM	
\$50,001 to \$75,000		√	√	√	Rooding Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√		CFO, GMPO, GMPE	
Over \$100,000		√				
<b>Planned capital expenditure</b>						
Up to \$1,000		√	√	√	Branch Librarians	
\$1,001 to \$3,000		√	√	√		
\$3,001 to \$10,000		√	√	√	All Managers	
\$10,001 to \$50,000		√	√		PGM, HRCSM, CM	

Financial delegation	Council	CEO	ELT	Managers	Other	
\$50,001 to \$75,000		√	√	√	Roading Manager with regard to Ruamahanga Roads contract	
\$75,001 to \$100,000		√	√		CFO, GMPO, GMPE	
\$100,001 to \$500,000		√				
Over \$500,000	√					
<b>Signing authority</b>						
For payment of expenditure and payroll by cheque or electronic transfer. Two signatures, one must be a Group Manager, CFO, PGM or CEO.		√	√		Senior Financial Accountant Policy and Governance Manager HR and Corporate Services Manager Communications Manager	
<b>Sale/disposal of obsolete, surplus or non-repairable fixed assets</b>						
Land and buildings	√					
Vehicles		√				
Plant and equipment up to \$2,000 net book value		√	√			
Plant and equipment over \$2,000 net book value		√				
Computer equipment		√	√			
Sale or disposal of library books					Branch Librarians, Amenities Manager	
<b>Stock</b>						
Sale of surplus/obsolete or damaged stock		√	√			
Write off stock			√ In consultation with CFO	Senior Financial Accountant	Two to review and approve	
<b>Transfer/Investment of Reserve Funds</b>						
Transfer and payments – approved within the Annual Plan		√	Chief Financial Officer			

Financial delegation	Council	CEO	ELT	Managers	Other	
Transfer funds between Council's bank accounts		√	Chief Financial Officer		Senior Financial Accountant	
Invest surplus funds (within Policy)		√	Chief Financial Officer		Senior Financial Accountant	
<b>Debtors</b>						
Write off debts up to \$5,000		√	Chief Financial Officer			
Write off debts excluding rates \$5,001 to \$10,000		√				
Write off debts over \$10,000					Finance, Audit & Risk	
Write off additional water usage accounts (in line with water leaks policy)			Chief Financial Officer Group Manager Partnerships & Operations	Senior Financial Accountant	Two to review and approve	
Rates penalty remission within Policy			Chief Financial Officer	Senior Financial Accountant		
Rates penalty remission outside Policy		√	Chief Financial Officer			



**Appendix 2**  
**South Wairarapa District Council - Schedule of Delegations for Unapproved Expenditure and Use of Reserves**

Financial delegation	Council	CEO	ELT	Managers	Other	
<b>Unapproved expenditure</b>						
Operational expenditure – emergency works up to \$100,000		√				
Capital expenditure – emergency works up to \$100,000		√				
Unplanned other work over \$100,000	√					
<b>Unapproved use of Reserves</b>						
Unapproved use of reserves up to \$100,000		√			Use of reserves in consultation with Mayor and after advising Councillors. If Reserve is in credit and will remain in credit after the transaction. If the Reserve will be in deficit Council approval is required.	
Unapproved use of reserves over \$100,000	√					

### Appendix 3

## South Wairarapa District Council - Schedule of Delegations by Cost centre

The following schedule indicates which Managers have the ability to authorise expenditure on which cost centres (please see Key on following page for explanation of Roles). The Chief Executive can authorise expenditure for any cost centre.

Cost centre	Cost centre Name	Roles that can sign for this Cost centre*
001	General	CFO, FA
002	Finance and Corporate Support	
	Finance	CFO, FA
	Communications	CM**
	Human Resources	HRCSM**
	Health and Safety	HRCSM**
	Corporate Services	HRCSM **
003	Professional Services	GMPO
105	Elected Members	CFO, FA, PGM
106	Community Board Featherston	FCB, CFO, FA, PGM
107	Community Board Greytown	GCB,CFO, FA, PGM
108	Community Board Martinborough	MCB,CFO, FA, PGM
109	Maori Standing Committee	MSC,CFO, FA, PGM
211	Public Protection & Health	GMPE, ESM
212	Building & Construction	GMPE, BM
213	Animal Control	GMPE, ESM
215	Emergency Management	GMPO, HRCSM
319	Resource Management	GMPE,PM
425	Economic, Cultural & Community Development	CFO, FA Grants per Annual plan/LTP
426	Community Wellbeing	CFO, FA
530	Parks & Reserves	AM, GMPO
532	Campgrounds	AM, GMPO
536	Swimming Pools	AM, GMPO
540	Library Featherston	LF, AM, GMPO
541	Library Greytown	LG, AM, GMPO
542	Library Martinborough	LM, AM, GMPO
546	Community Buildings	AM, GMPO
547	Greytown Town Centre	AM, GMPO
548	Waihinga Centre	AM,GMPO
552	Cemeteries	AM, GMPO
554	Housing	AM, GMPO
557	Rental Properties	AM, GMPO
558	Pain Farm	AM, GMPO
559	Toilets	AM, GMPO
660	Land Transport	GMPO , RM
665	Unsubsidised Land Transport	GMPO , RM
770	Water Supply	GMPO
876	Solid Waste Management	GMPO, AM
977	Wastewater	GMPO
980	Stormwater	GMPO

<b>* Key to Roles</b>	
AM	Amenities & Solid Waste Manager
BM	Building Manager
CM	Communications Manager
FCB	Featherston Community Board
GCB	Greytown Community Board
MCB	Martinborough Community Board
CEO	Chief Executive Officer
ESM	Environmental Services Manager
FA	Senior Financial Accountant
CFO	Chief Financial Officer
GMPO	Group Manager Partnerships & Operations
GMPE	Group Manager Planning & Environment
HRCSM	Human Resources & Corporate Services Manager
PGM	Policy and Governance Manager
LF	Librarian – Featherston
LG	Librarian – Greytown
LM	Librarian – Martinborough
RM	Roading Manager
PM	Planning Manager

\*\* The Communications Manager and Human Resources & Corporate Services Manager have delegation to approve appropriate costs in other cost centres. E.g. reprinting of new brochures (CM), advertising for new staff (HRCSM) as well as delegation for their own cost centre budgets.



Appendix 4

**South Wairarapa District Council Delegation Form**

To be completed when new Managers appointed at SWDC.

I agree to abide by all South Wairarapa District Council policies with regard to incurring expenditure and to stay within my delegation limit when exercising this delegation. I have read and understood the Financial Delegations Policy and agree to abide by the delegations appropriate to my role as outlined in Appendices 1,2, and 3 of the Financial Delegations Policy:

Name of employee: \_\_\_\_\_ whilst performing the Role of:

\_\_\_\_\_

Date Delegation commences \_\_\_\_\_

Date Delegation ceases (for temporary delegations) \_\_\_\_\_

**Signed by the Delegatee:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Initials)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

**Witnessed by:**

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date signed: \_\_\_\_\_

# FINANCE, AUDIT AND RISK COMMITTEE

21 MAY 2020

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## AGENDA ITEM B2

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### GRANT POLICY REVIEW

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#### **Purpose of Report**

To seek agreement from the Committee to recommend that Council amend the Grants Policy.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Grant Policy Review Report.*
2. *Recommend to Council to endorse the amendments to the Grant Policy.*
3. *Recommend to Council that the Grant Policy is reviewed and consultation is undertaken as part of the 2021/2031 Long Term Plan.*

#### **1. Executive Summary**

Community and Youth Grant applications have previously been received and assessed as part of the Annual Plan (AP)/Long Term Plan (LTP) hearings and deliberations process. The community has been advised via the AP Consultation Document that Council will be changing the way it receives and considers grants to support community groups and youth for the 2020/21 year. From this year, Council will be setting the grant budget when it adopts the Annual Plan on 30 June and will consider grant applications after that date.

Council need to amend the Grants Policy in order to formalise this process change. It is proposed that a substantive review of the Policy be undertaken during the LTP year with a specific focus on eligibility and criteria.

The Finance, Audit and Risk Committee are asked to review the amended Grants Policy in Appendix 1 and recommend that Council endorse the amendments and agree to a further review. The current Grants Policy is provided in Appendix 2, and in Appendix 3 with all proposed changes tracked.

## **2. Background**

### **2.1 What are the objectives of the Grants Policy**

The Council Grants Policy guides the allocation of grants to groups and organisations delivering projects, activities and services that benefit the people of the South Wairarapa, and the objectives are:

- To provide a transparent process for applicants applying to the Community and Youth grants fund.
- To provide clear guidelines on applicant eligibility.
- To identify the governance mechanism in place for assessing applications.
- To provide clear criteria so that applications are assessed in a fair and equitable manner.

### **2.2 Why is the Grants Policy being reviewed?**

The previous process for receiving and assessing grant applications required applicants to submit an application for assessment as part of the AP or LTP process.

Running two significant and diverse processes concurrently risks confusion and insufficient consideration being given to either process. It was putting excessive pressure on Council officers and elected members; hearings and deliberations were extending out to three full days and officers had limited capacity to undertake analysis on applications.

Running a separate grants funding round allows targeted advertising to be put in place and makes the process more robust and transparent.

### **2.3 What are the proposed changes to the Policy?**

This review is focused on a change to process rather than changes to eligibility or criteria. The main change for the applicant is that they will submit their application during a dedicated funding round instead of during the Annual Plan consultation period in May. It is proposed that the applications be assessed by a new Subcommittee of the Finance, Audit and Risk Committee; makeup as per section 3 of the amended Grants Policy.

#### **2.3.1. Section 1 - Introduction**

Changes to the Introduction have been made to remove repetitiveness. Rather than a statement about grant funding supporting community outcomes clear links have been introduced in section 2.1 against each of the funding categories.

There are no substantial changes in this section.

#### **2.3.2. Section 2 - Discretionary Grants**

A new section 2 clearly outlines the two grant funding categories that Council will hold and links the funding categories to Council's Community Outcomes. Funding categories have been grouped when categories were similar.

Although this section is new, there are no substantive changes to the current Policy.

### **2.3.3. Section 3 - Allocation Decisions**

Section 3 outlines the new proposed process for receiving and assessing applications. It is proposed that a Subcommittee to the Finance, Audit and Risk Committee be created and delegated the authority to receive and assess applications.

The Policy outlines when the grant funding round/s will be held and clearly states that requests for funding will not be held outside this process. The Committee should note that the proposed Policy would exclude anything other than emergency or exceptional funding applications being made to Council (this includes Council committees).

The proposed new process is a substantial change from the existing process of applying through the AP/LTP process.

The community has already been advised that the process will be changing in the AP Consultation Document.

### **2.3.4. Section 4 - Eligibility**

Clarity and actual practice changes only have been made to section 4. Community consultation will need to be undertaken before changes to criteria can be made.

There are no substantial changes in this section.

### **2.3.5. Section 5 - The Process**

Section 5 is a new section that provides greater clarity and transparency for the proposed grant funding process and provides more detail on how the Subcommittee would assess applications.

It is proposed that applicants are not invited to provide a verbal account of their project prior to the Subcommittee deliberating on grant applications. The previous process permitted applicants to speak to Council during the AP/LTP hearing. Applications will need to stand on their own merit and the applicant will need to ensure that all the required information has been submitted. The Policy does permit further information to be sought by Council officers or the Subcommittee Chair.

### **2.3.6. Section 6 - Criteria for Community and Youth Grants**

Clarity changes only have been made to section 6. Community consultation will need to be undertaken before changes to criteria are made.

There are no substantial changes in this section.

### **2.3.7. Section 7 - Grants will not be distributed for**

Clarity changes only have been made to section 7. Community consultation will need to be undertaken before changes to exclusion criteria are made.

There are no substantial changes in this section.

### **2.3.8. Section 8 - Applicant's Responsibilities**

It is proposed that a full year (extended from nine months) be allowed for an accountability form to be returned, or prior to another application being made. This section now includes the accountability section.

There are no substantial changes to the information in this section. The section has been rewritten for clarity.

### **2.3.9. Section 9 - Payment of Grants**

There are no substantial changes in this section.

### **2.3.10. Proposed Policy Deletions**

Concessions are outlined in the [Concessions for Charitable and Like Community Organisations and Groups](#) Policy, all references to concessions have been removed for clarity.

Creative Communities Scheme and Sport NZ Rural Travel Fund grants are managed under their own scheme criteria and by contract to Creative NZ and Sport NZ respectively. These grant funds, have been removed from the Policy except in the eligibility section where they have been included for clarity.

## **2.4 Consultation**

Consultation is not required for the proposed process changes as a process change will not exclude applicants or projects beyond what is already an ineligible application.

Adopting new eligibility and other criteria may mean some organisations that are currently eligible would no longer be eligible. For this reason officers recommend that we undertake a substantive policy review in the LTP year and consult our community on further proposed changes.

## **2.5 Legal Implications**

There are no legal implications.

## **2.6 Financial Considerations**

There are no financial implications.

## **3. Options**

The Finance, Audit and Risk Committee are asked to review and discuss the proposed changes with a view to recommending their adoption to Council. The Committee has the option of recommending the Grants Policy be adopted with no changes, making minor changes to the proposed Grants Policy, or declining to recommend the changes to Council and request officers review the Policy further. If the Committee request that officers further review the Grants Policy with a view to bringing it back to the Committee for endorsement, then it is likely that the funding round opening date will be delayed.

The key change, to split the Annual Plan process from the Community and Youth Grant funding process, has already been made and advised to the public.

#### **4. Conclusion**

The public are awaiting an amended Grants Policy to inform how the Community and Youth Grants process will be run. For a grant funding round to open in July, an amended Policy needs to be adopted and made available to the public. It is recommended that the Committee review the Policy, recommend its adoption to Council at its meeting on 3 June and request Council endorse a substantive review for consultation with the community.

#### **5. Appendices**

Appendix 1 – Amended Grants Policy (tracked changes accepted)

Appendix 2 – Current Grants Policy

Appendix 3 – Amended Grants Policy (showing tracked changes)

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Karen Yates, Policy and Governance Manager

# **Appendix 1 – Amended Grants Policy (tracked changes accepted)**

## GRANTS POLICY

### 1. Introduction

The purpose of the Grants Policy is to outline a clear transparent process, to guide consistent allocation and management of discretionary grant funding, and to provide a framework to ensure fairness to all. South Wairarapa District Council grants support the delivery of a wide range of outcomes identified in the South Wairarapa Long Term Plan, Annual Plan, and other key strategic documents. .

Council's commitment to the provision of grants is one aspect of the Council's overall support function within the community. The total amount of annual funding to be allocated for the purpose of Community and Youth grants will be decided upon through the Council's Long Term Plan (LTP) and subsequent Annual Plans (APs). The Community and Youth Grants are a 100% rate-funded form of donation to a not-for-profit organisation.

It is recognised that Local Authorities are one of the few organisations that can levy a tax, and in this context we are receiving revenue from the ratepayer who has little choice and transferring it to another person or group.

Council's policy seeks to support and resource initiatives that meet identified community needs, which contribute to community empowerment and strengthen communities. Community and Youth grants are primarily for the benefit of the district's residents. .

### 2. Discretionary Grants

The South Wairarapa District Council will award grants to not-for-profit, charitable and voluntary organisations for the purposes of those groups providing services, events and activities that benefit residents in the South Wairarapa. These groups are often referred to collectively as 'community organisations' because they are established with the primary purpose of providing a benefit to the communities they serve.

South Wairarapa District Council has funding programmes as follows:

#### 2.1. Community Grants

Grants will be allocated to organisations which contribute to the community in at least one of the following areas. The funding categories are aligned to the five community outcomes as outlined in the Long Term Plan (LTP):



## Funding Categories

- » Arts, museums, heritage and culture (including Māoritanga)
- » Environment
- » Events
- » Sport and Recreation
  
- » Social and Educational Services
  
- » Economic Development

## Linked to LTP community outcome

- Vibrant and Strong Communities
- Sustainable South Wairarapa
- Vibrant and Strong Communities
- Accessible Communities, Vibrant and Strong Communities, Healthy and Economically Secure
- Educated and Knowledgeable, Healthy and Economically Secure, Vibrant and Strong Communities
- Healthy and Economically Secure, Accessible Communities

The activities must benefit the South Wairarapa district, or, at the discretion of the Council, the Wairarapa region. Regional funding will be considered on a per capita basis and must show a tangible direct or indirect benefit to South Wairarapa.

## 2.2. Youth Grants (a subset of community grants)

Targeted funding to support activities that encourage development and enable participation of young people in the South Wairarapa.

## 3. Allocation Decisions

Allocation decisions will be made by a Grants Subcommittee, a subcommittee of the Finance, Audit and Risk Committee. The Finance, Audit and Risk Committee will establish a Grants Subcommittee with Terms of Reference that will include the following:

- » Membership to include the Mayor and two councillor/s from each ward.
- » Delegation to make a decision on the distribution of the Community and Youth Grants
- » The Mayor will be the chairperson
- » Standing orders apply.

The Grants Subcommittee will meet once a year to make the allocation decisions, generally this meeting will be held in August of each year. If funds remain unallocated a second funding round will be held in February of the following year.

Applications for funding outside of this process and budget allocation will not be received by the Subcommittee or other committees. Council may receive applications for funding of an urgent nature or where exceptional circumstances apply on approval of the Mayor and Chief Executive.

## 4. Eligibility

- 4.1 Organisations and groups making an application must be not-for-profit, and not involved with any commercial activity. They must be South Wairarapa based or with a distinct activity in the district and be in line with the objectives and community outcomes of the South Wairarapa District Council.
- 4.2 They should preferably be incorporated in their own right or directly linked to another incorporated organisation.
- 4.3 Individuals may not apply.
- 4.4 Applicants may not be in receipt of any other Council concessionary or financial support, approved or given for the same financial year. Not-for-profits may apply for Community Board, Maori Standing Committee, Creative Communities Scheme, or Sport NZ Rural Travel grants in addition to Community or Youth grants.

## 5. The Process

- 5.1. All completed community and youth grant applications will be submitted to Council by a date determined by Council officers that enables allocation decisions to be made in August. Where the fund is not fully allocated in August, an additional funding round will be held to enable allocation decisions to be made in February of the following year.
- 5.2. Applications will not be considered by the Subcommittee if the fund has been fully allocated or outside of a grant funding round.
- 5.3. A report will be provided to the Subcommittee detailing:
- » The total amount available for allocation and the total amount requested.
  - » A copy of the grant criteria so that the Subcommittee can assess if the application meets the criteria and how the application relates to the community outcomes.
  - » The organisations requesting a grant, a brief summary of the project, how much they are requesting, what category they are applying under, and the amount given to each organisation for the last three years (if applicable).
  - » Any applications that do not meet the policy, with the reasons why.
  - » Any other information required that will assist the Subcommittee in their deliberation.
- 5.4. The Subcommittee will meet to consider applications. The meeting will be in public, unless there are reasons under the Local Government Official Information and Meetings Act that justify conducting the meeting with the exclusion of the public.
- 5.5. Applicants will not be invited to speak to their application, however an applicant may be contacted prior to the meeting by Council officers or the Chair of the Subcommittee for purposes of clarification.

- 5.6. Where the Subcommittee decides to make a grant it may include conditions. A standard condition should be included requiring completion of an accountability form on the success, or otherwise, of the project or activity, as well as information on how the funds were spent.
- 5.7. The Subcommittee will consider applications on their merit and against criteria and SWDC community outcomes.
- 5.8. Where the Subcommittee decides to decline an application, or to grant less funding than applied for, it will specify its reasons.
- 5.9. Decisions of the Subcommittee will be reported to applicants as soon as possible following the Committee's decisions.
- 5.10. No appeals on the decision of the Subcommittee will be considered.

## 2.5 Other Grants (retain but move to the end)

### 2.5.4 Community Board Grants

Each community board (CB) has their own funds and policy to support the distribution of their funds. These can be found on [www.swdc.govt.nz](http://www.swdc.govt.nz)

### 2.5.5 Maori Standing Committee Grants

From the 2018/19 financial year, the Maori standing committee (MSC) has been allocated grant funding to be administered in a similar format to that of the CB grants. These will need to meet the grant criteria set by the MSC and application and accountability forms will be required to be completed.

## 6. Criteria for Community and Youth Grants

- » Organisations must demonstrate the ability to responsibly plan and administer the project.
- » The organisation must be a non-profit organisation, except in relation to economic development and heritage grants.
- » The project must be of economic, environmental, social or cultural good to the community or district, consistent with community priorities established in the current LTP or AP.
- » Grants must support Council's objectives of achieving equity and fairness throughout the district.
- » When considering applications Council will give recognition to funds already approved, including base funding before making allocations from the funding pool.
- » Council may seek comments and recommendations from the Community Board or Maori Standing Committee should it be deemed necessary.

- » Funds must be used only for the purpose for which they were sought and/or approved, and in accordance with any terms or conditions imposed.
- » The level of compliance with the requirements by the applicant on any previous grant from the South Wairarapa District Council or grant distributor.
- » Collaboration or partnerships with other groups or organisations and minimising of duplicated services.
- » The ability of the applicant to successfully deliver the services (demonstrated by the adequacy of the organisation's structures, its financial and management practices and previous track record for services or projects).
- » Other possible sources of funding available to the applicant and its fundraising capabilities.
- » The applicant's compliance with all relevant legislative requirements and standards of good practice.

## 7. Grants will not be distributed for

- » Overseas travel.
- » Reducing debt servicing.
- » Private expenses outside of the agreed project scope.
- » Services or projects seeking to promote commercial, political or religious objectives, including political advocacy projects or commercial enterprises.
- » Costs associated with fundraising events where profits are redistributed to another group.
- » Applications in retrospect .
- » The complete cost of a project.
- » Rates as these are covered under the rates remission policy.

## 8. Applicants' Responsibilities

All applications are required to be completed in full on the correct form and delivered to the South Wairarapa District Council offices physically or by email by the closing time on the closing day as advertised.

- » All applications must be signed; an electronic signature is acceptable.
- » The last set of financial accounts and a full project budget need to be attached to all applications over \$5,000.
- » A completed accountability form must be returned to Council within 12 months of the date of the grant being paid out, or prior to any future grant application being made.
- » Any unspent funds must be returned to SWDC within one year of receipt unless there is prior agreement to carry over such funds.
- » Any discrepancies in funding (e.g. funds spent on other than the intended project) may result in an audit of the organisation's accounts and a request to return the grant funding to SWDC.
- » Organisations receiving a grant over \$5,000 must provide Financial Statements disclosing the grant and the purpose to which the grant was put.

## 9. Payment of Grants

9.1 All applicants will be notified in writing of the outcome of their application for funding.

9.2 Grants are payable upon receipt of the necessary documentation from the applicant:

- » a GST invoice, will be required from GST registered organisations;
- » For applicants not GST registered, payment will be made to the account number and organisation as submitted in the application.
- » Evidence of any conditions imposed being fulfilled.

9.3 The recipient is required to inform the grant distributors if any difficulties and/or potential difficulties arise which may compromise the service or project.

## **Appendix 2 – Current Grants Policy**



# GRANTS POLICY

## 1. INTRODUCTION

The purpose of the Grants Policy is the consistent allocation and management of contestable and discretionary community grants awarded at the local or regional level ensuring fairness to all. These grants support the delivery of a wide range of outcomes identified in the South Wairarapa Long Term Plan, Annual Plan, and other key strategic documents.

South Wairarapa District Council's commitment to the provision of grants is one aspect of the Council's overall support function within the community. The total amount of annual funding to be allocated for the purpose of community grants will be decided upon through the Council's Long Term Plan (LTP) and subsequent annual plans (APs). A Community Grant is a 100% rate-funded form of donation to a not-for-profit organisation.

It is recognised that Local Authorities are one of the few organisations that can levy a tax, and in this context we are receiving revenue from the ratepayer who has little choice and transferring it to another person or group.

The Policy will ensure that the allocation and distribution of grant funding:

- Is clear on who can apply and for what
- Occurs in a consistent, efficient, effective manner
- Is transparent, equitable, fair and accountable
- Supports the direction outlined in the LTP/AP
- Best meets Community Outcome objectives
- Contributes to the social, cultural and environmental well-being of the community
- Contributes to Council's vision, mission, values and strategic plan
- Assists in strengthening the community and developing self-reliance
- Allows Council and/or its community partners to target areas of highest need.

Throughout this policy "Council" means:

- South Wairarapa District Council (SWDC)
- Community Boards, Committees and Sub-Committees of SWDC

Council's policy seeks to support and resource initiatives that meet identified community needs, which contribute to community empowerment and strengthen communities. Community grants are primarily for the benefit of the district's residents.

Grants will be allocated to organisations which contribute to the community in at least one of the following areas:

- Social
- Environmental
- Recreational
- Cultural
- Arts
- Sport
- Heritage Preservation
- Maori
- Economic Development
- Events

The activities must benefit the South Wairarapa District, or, at the discretion of the Council, the Wairarapa region. Regional funding will be considered on a per capita basis and must show a tangible direct or indirect benefit to South Wairarapa.

## 2.1 Eligibility

- 2.1.1 Organisations and groups making an application must be not-for-profit, and not involved with any commercial activity. They must be South Wairarapa based or with a distinct activity in the District and be in line with the objectives and community outcomes of the South Wairarapa District Council.
- 2.1.2 They should preferably be incorporated in their own right or directly linked to another incorporated organisation.
- 2.1.3 Individuals may not apply.
- 2.1.4 Applicants may not be in receipt of any other Council concessionary or financial support, approved or given for the same financial year. Not-for-profits may apply for Community Board grants in addition to Council grants.

## 2.2 Concession for Charitable and like community organisations and groups

Services and Facilities for which a Concession may be given.

### 2.2.1. Planning and Regulatory.

2.2.1.1 Applications for Resource, Building or Plumbing Consents and Licences and Bylaws Permits are not eligible for a concession, either monetarily or otherwise. However, affected organisations may seek a grant from the Council in accordance with its policies and practices in respect to grants.

2.2.1.2 Road closures for street days or other fund-raising activities are eligible for a concession of up to 50% of the cost of any related advertising that is placed by the Council.

### 2.2.2 Council Halls, Parks and Reserves.

2.2.2.1 A concession of up to 50% of the cost or a charge for rent or similar fee payable for the short term use of a Council owned facility may be given. Except where a concession is already built in and disclosed in the charge.

2.2.2.2 Deposits or bonds required against due performance may not receive a concession.



## 2.3 Annual Grants

As part of the Long term Plan or Annual Plan process Council nominates funds to support Community organisations delivering against Council objectives. These funds can be applied for through the Long Term Plan and Annual Plan submission process. Applicants need to complete a grant application form and provide an accountability form once the grant has been allocated. Copies of these forms can be found on SWDCs website.

## 2.5 Special Grants

### 2.5.1 Creative Communities Grant

The Creative Communities Scheme supports and encourages local communities to create and present diverse opportunities for accessing and participating in arts activities within the South Wairarapa. The scheme is a partnership between Creative NZ and the Council who administer the scheme. Recipients must show that the proposed project meets one or more of the funding criteria: Broad community involvement, diversity and/or young people. . Individuals may apply for these grants.

Applications are considered 2-4 times per year by the Local Assessment Committee.

### 2.5.2 Sport NZ Grants

The Sport NZ (formerly SPARC) Rural Travel Fund is open to South Wairarapa sports clubs and school teams with young people aged between 5 and 19 years who require subsidies to assist with transport expenses to local sporting competitions. The scheme is a partnership between Council and Sport NZ and was developed in response to concerns about the lack of participation in sport by young people living in rural communities. Individuals may not apply for these grants.

Applications are considered annually by the Local Assessment Committee.

### 2.5.4 Community Board Grants

Each community board (CB) has their own funds and policy to support the distribution of their funds. These can be found on [www.swdc.govt.nz](http://www.swdc.govt.nz)

### 2.5.5 Maori Standing Committee Grants

From the 2018/19 financial year, the Maori standing committee (MSC) has been allocated grant funding to be administered in a similar format to that of the CB grants. These will need to meet the grant criteria set by the MSC and application and accountability forms will be required to be completed.

### 2.5.6 Youth Grants

From the 2018/19 financial year, SWDC will allocate grants targeted at youth development in addition to the general community grants. These will require application and accountability

forms to be completed. These grants will be allocated as part of the LTP or AP process along with general community grants.

### **3. CRITERIA FOR GRANTS**

- Organisations must demonstrate the ability to responsibly plan and administer the project
- The organisation must be a non-profit organisation, except in relation to economic development and heritage grants.
- Except for Sport NZ (formerly SPARC), grants cannot be for individuals.
- The project must be of economic, environmental, social or cultural good to the community or district, consistent with community priorities established in the current LTP or AP
- Grants must support Council's objectives of achieving equity and fairness throughout the district
- When considering applications Council will give recognition to funds already approved, including base funding before making allocations from the funding pool.
- Council may seek comments and recommendations from the Community Board or Maori standing committee should it be deemed necessary.
- Funds must be used only for the purpose for which they were sought and/or approved, and in accordance with any terms or conditions imposed by the grant distributors (e.g. Creative communities or Sport NZ)

Further considerations to be made when deciding on Community Grant distribution:

- The level of compliance with the requirements by the applicant on any previous grant from the South Wairarapa District Council or grant distributor
- Collaboration or partnerships with other groups or organisations and minimising of duplicated services
- The ability of the applicant to successfully deliver the services (demonstrated by the adequacy of the organisation's structures, its financial and management practices and previous track record for services or projects)
- Other possible sources of funding available to the applicant and its fundraising capabilities
- The applicant's compliance with all relevant legislative requirements and standards of good practice.

### **4. GRANTS WILL NOT BE DISTRIBUTED FOR**

- Overseas travel
- Reducing debt servicing
- Private expenses outside of the agreed project scope
- Services or projects seeking to promote commercial, political or religious objectives, including political advocacy projects or commercial enterprises
- Costs associated with fundraising events where profits are redistributed to another group

4.2 Applications in retrospect

4.3 The complete cost of a project

4.4 Rates as these are covered under the rates remission policy.

## **5. APPLICATION**

5.1 Applications must state in writing using the SWDC grant application form:

- Description of the project
- Benefit to the community or district
- Total cost of the project
- Reason for the project
- Outcomes of the project
- Contribution, if any, by applicant or other organisations

5.2 Applications over the amount of \$5,000 must have accompanying financial statements and a full project budget

5.3 Applications must be received at least 2 weeks prior to the event/activity.

5.4 Applications will not be considered in retrospect.

5.5 A decision made in respect to an application for a concession is final and there is no right of appeal

## **6. PAYMENT OF GRANTS**

6.1 All applicants will be notified in writing of the outcome of their application for funding.

6.2 Grants are payable upon receipt of the necessary documentation from the applicant:

- a GST invoice, where applicable, for the grant
- proof of expenditure, such as invoices if requested at the time the grant is approved
- a deposit slip with account number and organisation's name

6.3 The recipient is required to inform the grant distributors if any difficulties and/or potential difficulties arise which may compromise the service or project.

## **7. ACCOUNTABILITY**

7.1. An accountability report is required from an organisation receiving funding, either:

- as soon as the funds are spent, or
- within 9 months of receipt of funds, whether spent or not

7.2. Any unspent funds must be returned to SWDC within one year of receipt unless there is prior agreement to carry over such funds.

7.3 Any discrepancies in funding (e.g. funds spent on other than the intended project) may result in an audit of the organisation's accounts and a request to return the grant funding to SWDC.

7.4 Organisations receiving a grant over \$5,000 must provide Financial Statements disclosing the grant and the purpose to which the grant was put.

# **Appendix 3 – Amended Grants Policy (showing tracked changes)**

## GRANTS POLICY

### 1. Introduction

The purpose of the Grants Policy is to outline a clear transparent process, to guide consistent allocation and management of discretionary grant funding, and to provide a framework to ensure fairness to all. South Wairarapa District Council grants support the delivery of a wide range of outcomes identified in the South Wairarapa Long Term Plan, Annual Plan, and other key strategic documents.

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Council's policy seeks to support and resource initiatives that meet identified community needs, which contribute to community empowerment and strengthen communities. Community and Youth grants are primarily for the benefit of the district's residents.

### 2. Discretionary Grants

The South Wairarapa District Council will award grants to not-for-profit, charitable and voluntary organisations for the purposes of those groups providing services, events and activities that benefit residents in the South Wairarapa. These groups are often referred to collectively as 'community organisations' because they are established with the primary purpose of providing a benefit to the communities they serve.

South Wairarapa District Council has funding programmes as follows:

#### 2.1. Community Grants

Grants will be allocated to organisations which contribute to the community in at least one of the following areas. The funding categories are aligned to the five community outcomes as outlined in the Long Term Plan (LTP):

- Deleted: the
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- Deleted: The Policy will ensure that the allocation and distribution of grant funding: ¶
- Is clear on who can apply and for what ¶
- Occurs in a consistent, efficient, effective manner ¶
- Is transparent, equitable, fair and accountable ¶
- Supports the direction outlined in the LTP/AP ¶
- Best meets Community Outcome objectives ¶
- Contributes to the social, cultural and environmental well-being of the community ¶
- Contributes to Council's vision, mission, values and strategic plan ¶
- Assists in strengthening the community and developing self-reliance ¶
- Allows Council and/or its community partners to target areas of highest need. ¶
- Throughout this policy "Council" means: South Wairarapa District Council (SWDC) Community Boards, Committees and Sub-Committees of SWDC ¶

### Funding Categories

<u>Funding Categories</u>	<u>Linked to LTP community outcome</u>
» <u>Arts, museums, heritage and culture (including Māoritanga)</u>	<u>Vibrant and Strong Communities</u>
» <u>Environment</u>	<u>Sustainable South Wairarapa</u>
» <u>Events</u>	<u>Vibrant and Strong Communities</u>
» <u>Sport and Recreation</u>	<u>Accessible Communities, Vibrant and Strong Communities, Healthy and Economically Secure</u>
» <u>Social and Educational Services</u>	<u>Educated and Knowledgeable, Healthy and Economically Secure, Vibrant and Strong Communities</u>
» <u>Economic Development</u>	<u>Healthy and Economically Secure, Accessible Communities</u>

The activities must benefit the South Wairarapa district, or, at the discretion of the Council, the Wairarapa region. Regional funding will be considered on a per capita basis and must show a tangible direct or indirect benefit to South Wairarapa.

### 2.2. Youth Grants (a subset of community grants)

Targeted funding to support activities that encourage development and enable participation of young people in the South Wairarapa.

## 3. Allocation Decisions

Allocation decisions will be made by a Grants Subcommittee, a subcommittee of the Finance, Audit and Risk Committee. The Finance, Audit and Risk Committee will establish a Grants Subcommittee with Terms of Reference that will include the following:

- » Membership to include the Mayor and two councillor/s from each ward.
- » Delegation to make a decision on the distribution of the Community and Youth Grants
- » The Mayor will be the chairperson
- » Standing orders apply.

The Grants Subcommittee will meet once a year to make the allocation decisions, generally this meeting will be held in August of each year. If funds remain unallocated a second funding round will be held in February of the following year.

Applications for funding outside of this process and budget allocation will not be received by the Subcommittee or other committees. Council may receive applications for funding of an urgent nature or where exceptional circumstances apply on approval of the Mayor and Chief Executive.

Adopted: 3 June 2015  
Reviewed: June 2020  
Next review: June 2021

Page 2

M/700

**Deleted:** <#>Social¶  
Environmental ¶  
Recreational ¶  
Cultural ¶  
Arts ¶  
Sport ¶  
Heritage Preservation ¶  
Maori ¶  
Economic Development ¶  
Events ¶

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## 4. Eligibility

4.1 Organisations and groups making an application must be not-for-profit, and not involved with any commercial activity. They must be South Wairarapa based or with a distinct activity in the district and be in line with the objectives and community outcomes of the South Wairarapa District Council.

4.2 They should preferably be incorporated in their own right or directly linked to another incorporated organisation.

4.3 Individuals may not apply.

4.4 Applicants may not be in receipt of any other Council concessionary or financial support, approved or given for the same financial year. Not-for-profits may apply for Community Board, Maori Standing Committee, Creative Communities Scheme, or Sport NZ Rural Travel grants in addition to Community or Youth grants.

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## 5. The Process

5.1. All completed community and youth grant applications will be submitted to Council by a date determined by Council officers that enables allocation decisions to be made in August. Where the fund is not fully allocated in August, an additional funding round will be held to enable allocation decisions to be made in February of the following year.

5.2. Applications will not be considered by the Subcommittee if the fund has been fully allocated or outside of a grant funding round.

5.3. A report will be provided to the Subcommittee detailing:

- » The total amount available for allocation and the total amount requested.
- » A copy of the grant criteria so that the Subcommittee can assess if the application meets the criteria and how the application relates to the community outcomes.
- » The organisations requesting a grant, a brief summary of the project, how much they are requesting, what category they are applying under, and the amount given to each organisation for the last three years (if applicable).
- » Any applications that do not meet the policy, with the reasons why.
- » Any other information required that will assist the Subcommittee in their deliberation.

5.4. The Subcommittee will meet to consider applications. The meeting will be in public, unless there are reasons under the Local Government Official Information and Meetings Act that justify conducting the meeting with the exclusion of the public.

5.5. Applicants will not be invited to speak to their application, however an applicant may be contacted prior to the meeting by Council officers or the Chair of the Subcommittee for purposes of clarification.

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### 2.2 Concession for Charitable and like community organisations and groups¶

Services and Facilities for which a Concession may be given.¶

2.2.1. Planning and Regulatory.¶

2.2.1.1 . Applications for Resource, Building or Plumbing Consents and Licences and Bylaws Permits are not eligible for a concession, either monetarily or otherwise. However, affected organisations may seek a grant from the Council in accordance with its policies and practices in respect to grants.¶

2.2.1.2 Road closures for street days or other fund-raising activities are eligible for a concession of up to 50% of the cost of any related advertising that is placed by the Council.¶

2.2.2 . Council Halls, Parks and Reserves.¶

2.2.2.1 A concession of up to 50% of the cost or a charge for rent or similar fee payable for the short term use of a Council owned facility may be given. Except where a concession is already built in and disclosed in the charge.¶

2.2.2.2 . Deposits or bonds required against due performance may not receive a concession.¶

Commented [AC2]: This is contrary to what is currently permitted. Applicants currently speak at AP hearings.

- 5.6. Where the Subcommittee decides to make a grant it may include conditions. A standard condition should be included requiring completion of an accountability form on the success, or otherwise, of the project or activity, as well as information on how the funds were spent.
- 5.7. The Subcommittee will consider applications on their merit and against criteria and SWDC community outcomes.
- 5.8. Where the Subcommittee decides to decline an application, or to grant less funding than applied for, it will specify its reasons.
- 5.9. Decisions of the Subcommittee will be reported to applicants as soon as possible following the Committee's decisions.
- 5.10. No appeals on the decision of the Subcommittee will be considered.

**2.5 Other Grants (retain but move to the end)**

**2.5.4 Community Board Grants**

Each community board (CB) has their own funds and policy to support the distribution of their funds. These can be found on [www.swdc.govt.nz](http://www.swdc.govt.nz)

**2.5.5 Maori Standing Committee Grants**

From the 2018/19 financial year, the Maori standing committee (MSC) has been allocated grant funding to be administered in a similar format to that of the CB grants. These will need to meet the grant criteria set by the MSC and application and accountability forms will be required to be completed.

**6. Criteria for Community and Youth Grants**

- » Organisations must demonstrate the ability to responsibly plan and administer the project.
- » The organisation must be a non-profit organisation, except in relation to economic development and heritage grants.
- » The project must be of economic, environmental, social or cultural good to the community or district, consistent with community priorities established in the current LTP or AP.
- » Grants must support Council's objectives of achieving equity and fairness throughout the district.
- » When considering applications Council will give recognition to funds already approved, including base funding before making allocations from the funding pool.
- » Council may seek comments and recommendations from the Community Board or Maori Standing Committee should it be deemed necessary.

**Deleted: 2.3 Annual Grants¶**  
As part of the Long term Plan or Annual Plan process Council nominates funds to support Community organisations delivering against Council objectives. These funds can be applied for through the Long Term Plan and Annual Plan submission process. Applicants need to complete a grant application form and provide an accountability form once the grant has been allocated. Copies of these forms can be found on SWDCs website.¶

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**Commented [AC3]:** These grants have their own process and criteria.

**Deleted: 2.5.1 Creative Communities Grant ¶**  
The Creative Communities Scheme supports and encourages local communities to create and present diverse opportunities for accessing and participating in arts activities within the South Wairarapa. The scheme is a partnership between Creative NZ and the Council who administer the scheme. Recipients must show that the proposed project meets one or more of the funding criteria: Broad community involvement, diversity and/or young people. . Individuals may apply for these grants.¶  
Applications are considered 2-4 times per year by the Local Assessment Committee.¶

**2.5.2 Sport NZ Grants ¶**  
The Sport NZ (formerly SPARC) Rural Travel Fund is open to South Wairarapa sports clubs and school teams with young people aged between 5 and 19 years who require subsidies to assist with transport expenses to local sporting competitions. The scheme is a partnership between Council and Sport NZ and was developed in response to concerns about the lack of participation in sport by young people living in rural communities. Individuals may not apply for these grants.¶  
. Applications are considered annually by the Local Assessment Committee.¶

**Deleted: 2.5.6 Youth Grants¶**  
From the 2018/19 financial year, SWDC will allocate grants targeted at youth development in addition to the general community grants. These will require application and accountability forms to be completed. These grants will be allocated as part of the LTP or AP process along with general community grants.

**Deleted: <#>Except for Sport NZ (formerly SPARC), grants cannot be for individuals. ¶**

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- » Funds must be used only for the purpose for which they were sought and/or approved, and in accordance with any terms or conditions imposed.
- » The level of compliance with the requirements by the applicant on any previous grant from the South Wairarapa District Council or grant distributor.
- » Collaboration or partnerships with other groups or organisations and minimising of duplicated services.
- » The ability of the applicant to successfully deliver the services (demonstrated by the adequacy of the organisation's structures, its financial and management practices and previous track record for services or projects).
- » Other possible sources of funding available to the applicant and its fundraising capabilities.
- » The applicant's compliance with all relevant legislative requirements and standards of good practice.

**Deleted:** by the grant distributors (e.g. Creative communities or Sport NZ)

**Deleted:** <#> Further considerations to be made when deciding on Community Grant distribution: ¶

## 7. Grants will not be distributed for

- » Overseas travel.
- » Reducing debt servicing.
- » Private expenses outside of the agreed project scope.
- » Services or projects seeking to promote commercial, political or religious objectives, including political advocacy projects or commercial enterprises.
- » Costs associated with fundraising events where profits are redistributed to another group.
- » Applications in retrospect.
- » The complete cost of a project.
- » Rates as these are covered under the rates remission policy.

## 8. Applicants' Responsibilities

All applications are required to be completed in full on the correct form and delivered to the South Wairarapa District Council offices physically or by email by the closing time on the closing day as advertised.

- » All applications must be signed; an electronic signature is acceptable.
- » The last set of financial accounts and a full project budget need to be attached to all applications over \$5,000.
- » A completed accountability form must be returned to Council within 12 months of the date of the grant being paid out, or prior to any future grant application being made.
- » Any unspent funds must be returned to SWDC within one year of receipt unless there is prior agreement to carry over such funds.
- » Any discrepancies in funding (e.g. funds spent on other than the intended project) may result in an audit of the organisation's accounts and a request to return the grant funding to SWDC.
- » Organisations receiving a grant over \$5,000 must provide Financial Statements disclosing the grant and the purpose to which the grant was put.

**Deleted: 5. APPLICATION ¶**

5.1 Applications must state in writing using the SWDC grant application form: ¶

Description of the project ¶

Benefit to the community or district ¶

Total cost of the project ¶

Reason for the project ¶

Outcomes of the project ¶

Contribution, if any, by applicant or other organisations ¶

5.2 Applications over the amount of \$5,000 must have accompanying financial statements and a full project budget ¶

5.3 Applications must be received at least 2 weeks prior to the event/activity. ¶

5.4 Applications will not be considered in retrospect. ¶

5.5 A decision made in respect to an application for a concession is final and there is no right of appeal

## 9. Payment of Grants

9.1 All applicants will be notified in writing of the outcome of their application for funding.

9.2 Grants are payable upon receipt of the necessary documentation from the applicant:

- » a GST invoice, will be required from GST registered organisations;
- » For applicants not GST registered, payment will be made to the account number and organisation as submitted in the application.
- » Evidence of any conditions imposed being fulfilled.

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9.3 The recipient is required to inform the grant distributors if any difficulties and/or potential difficulties arise which may compromise the service or project.

**Deleted:** <#>proof of expenditure, such as invoices if requested at the time the grant is approved¶  
a deposit slip with account number and organisation's name ¶

**Deleted:** <#> Accountability )¶  
7.1. An accountability report is required from an organisation receiving funding, either: ¶  
as soon as the funds are spent, or ¶  
within 9 months of receipt of funds, whether spent or not ¶  
7.2. Any unspent funds must be returned to SWDC within one year of receipt unless there is prior agreement to carry over such funds. ¶  
10.1

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## AGENDA ITEM C1

### CHAIRPERSON REPORT THE FINANCE, AUDIT AND RISK COMMITTEE (FAR) MEETING FREQUENCY

#### **Purpose of Report**

To seek agreement from the Committee to change frequency of FAR meetings.

#### **Recommendations**

The Chairperson recommends that the Committee:

1. *Receive the FAR Committee Meeting Frequency Report.*
2. *To recommend to Council to change the frequency of meetings of the FAR Committee from quarterly to bi-monthly (6 times per year).*
3. *To recommend to Council that members of the FAR Committee receive monthly financial statements for review and should the need arise to hold extraordinary meetings.*

#### **1. Executive Summary**

In discussion with the Independent member of FAR (Kit Nixon) and Philip Jones, (PJ & Associates) it was felt that best practice was to increase the frequency of meetings of FAR from quarterly to bi-monthly (6 times per year). It was further recommended that members of the FAR committee receive monthly financial statements for review and should the need arise to hold extraordinary meetings. The Chair (FAR) recommends that this change in frequency is approved.

#### **2. Background**

On 5th February 2020 council approved the appointment of Chris (Kit) Nixon as an independent (non-voting) member of FAR committee for the triennium. Following this appointment he reviewed the delegations and scope of FAR. In particular he questioned the frequency of meetings which was at odds with the other committees and in his view not best practice for financial, audit and risk management. He also recommended that members of FAR receive monthly financial statements. The chair of the FAR sought further advice from Philip Jones, (PJ & Associates). Mr Jones is an accountant and advisor to LGNZ. He is also an independent Chair for several other councils on their FAR committees. He agreed with this recommendation and also

suggested that should the need arise, we should hold extraordinary meetings (which may be needed during current Covid-19 emergency).

### **3. Discussion**

Council has adopted a regular schedule of meetings for committees (quarterly for FAR) and the TOR which outlines that meetings would be held quarterly (both would need to be updated).

#### **3.1 Existing Policy**

Currently FAR meetings are held quarterly.

#### **3.2 Legal Implications**

None.

#### **3.3 Financial Considerations**

Minor increases for member mileage claims, advertising. Staff support time may be a little higher, if there are financial implications not agreed in the AP or LTP budget they need to be clearly identified.

### **4. Conclusion**

The Chair of FAR recommends that this is best practice and should be adopted.

Contact: Leigh Hay - Chair Finance, Audit and Risk Committee

# FINANCE, AUDIT AND RISK COMMITTEE

21 MAY 2020

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## AGENDA ITEM D1

### FINANCE REPORT

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#### **Purpose of Report**

To present the Finance Report for 31 March 2020.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the Finance Report.*

#### **1. Executive Summary**

Officers present the following Reports for review by the Finance, Audit and Risk Committee:

- Financial statements and commentary to 31 March 2020 (Appendix 1)
- Investment policy update
- Rates arrears report to 30 April 2020
- Health and Safety Report (Appendix 2)

#### **2. Financial and Other Reports**

##### **2.1 Financial Statements**

The financial statements for the nine months ending 31 March 2020 are presented at this meeting for review. (See Appendix 1). Commentary on material variances is also included with the March financial reports.

## 2.2 Investment Policy

SWDC's investment policy provides that investments should be spread around a number of financial institutions to reduce the risk of loss to Council.

Clause 2 of the Investment policy covers the 30% rule:

- *The maximum amount to be invested with any one approved institution is 30% of Council's total investments except for the Wairarapa Building Society which shall be 10%.*
- *Occasional and short term exceedances of the 30% rule are allowed, such exceedances are to be reported to the Audit and Risk Working Party.*

It should be noted that since the last report there has been 1 incident of investments exceeding the 30% threshold at the end of the month:

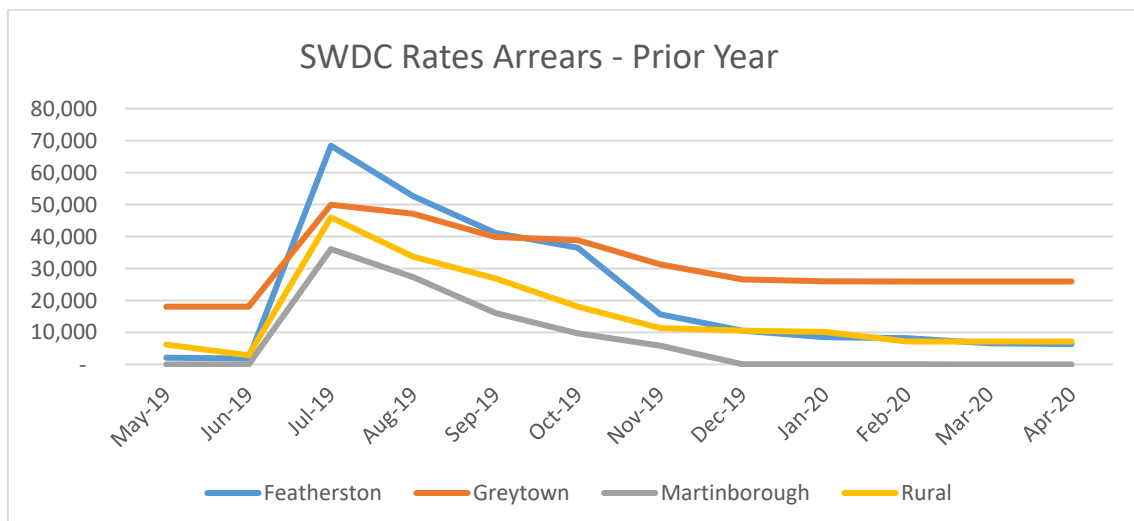
March 2020 BNZ Term Deposits – 31%

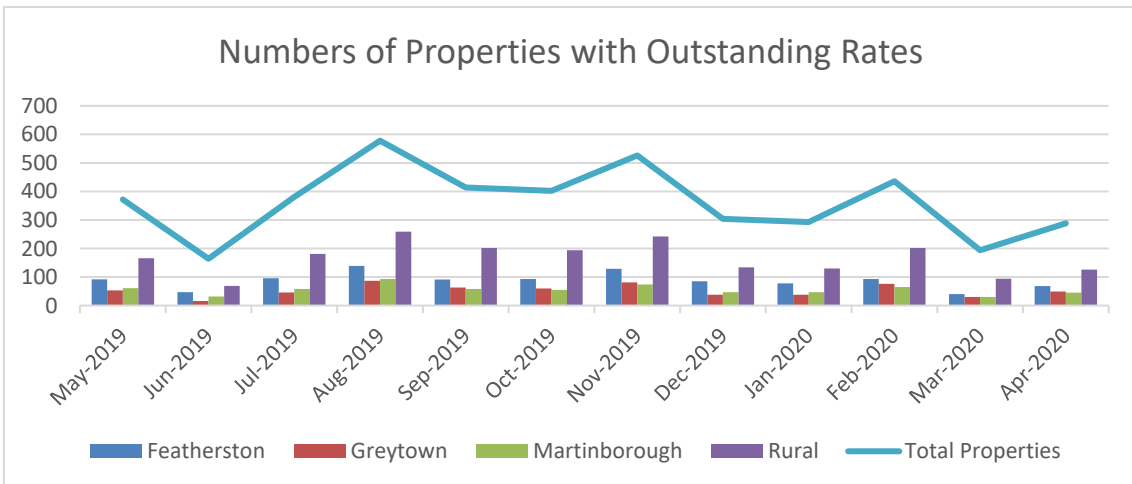
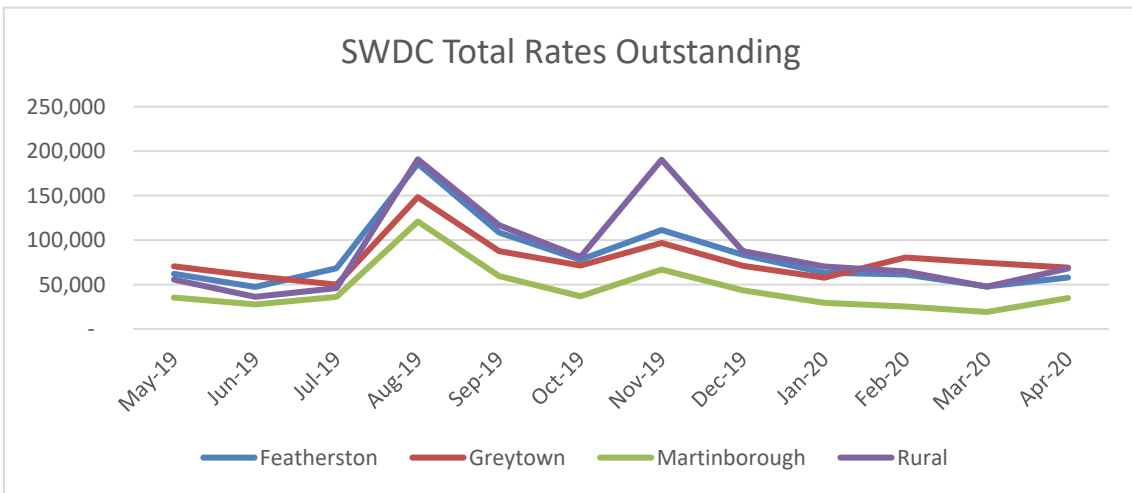
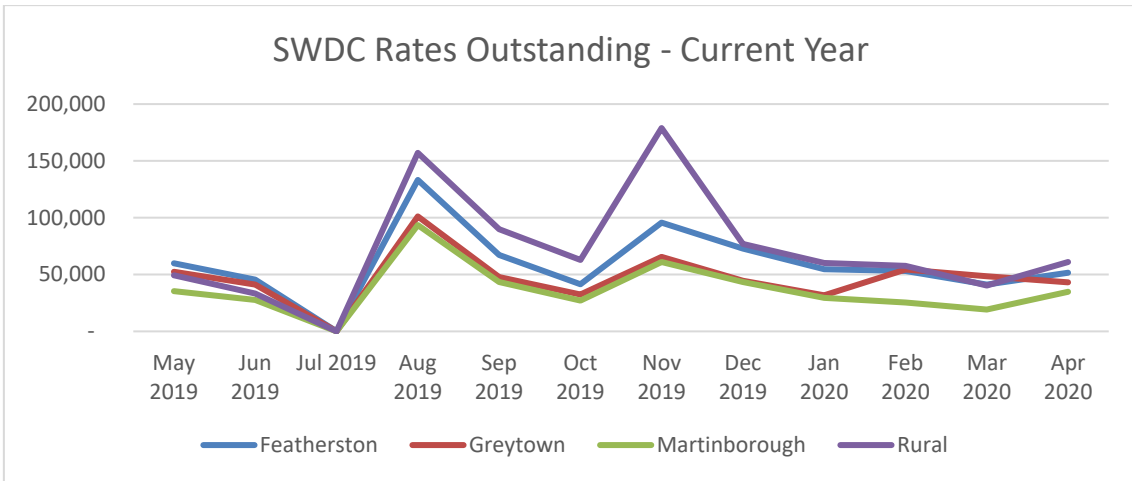
Council staff choose investments to maximise the return via interest payments which sometimes necessitates exceeding the 30% rule.

## 2.3 Rates Arrears

The rates arrears graphs below show continued improvement in the recovery of overdue rates which is due to a consistent approach to dealing with our overdue debtors.

Please see below the graphs as at 30 April 2020.





At the end of April 2020, the arrears amount was \$39k.

There are now only five ratepayers with arrears dating back to the 2018 year and earlier. Of these 2 have issues with the title of their property and are pending sale, one is bankrupt and we are working with the official assignee, and 2 are lodged with debt collectors.

We have had a good response to the rates rebate scheme already this year with 328 rebates processed to date. Last years total was 369 rebates, so we have processed 89% of the likely rebates to date.

We now have 37% of ratepayers paying by Direct debit, and will continue to work on increasing this percentage as this reduces administration costs considerably.

### **3. Appendices**

Appendix 1 – Financial statements to 28 February 2020

Appendix 2 – Health and Safety Report

Contact Officer: Katrina Neems, Chief Financial Officer

Reviewed by: Harry Wilson, Chief Executive Officer





**SOUTH WAIRARAPA  
DISTRICT COUNCIL**

*Kia Reretahi Tātau*

Monthly Financial Statements

For the period ended

31 March 2020

Summary Financial Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cashflows

Schedule of Investments

Schedule of Capital Expenditure

South Wairarapa District Council  
For the nine months to 31 March 2020

## Financial Report

### 1. Summary and Highlights

#### Purpose

The purpose of this report is to provide Council with a commentary on:

Year to date budget vs actual financial results.

Commentary on material variances.

Full year risks (if any) for each significant activity.

#### Highlights

Operating Surplus year to date is underbudget (\$1,490K). Year to date operating deficit of \$1,742K against a budgeted year to date deficit of \$251K.

Total Surplus year to date is underbudget (\$1,122K). Total surplus YTD is \$92K vs. budget surplus of \$1,214K.

Operating income is underbudget by (\$20K).

Operating Expenditure is overbudget by (\$1,470K).

Working Capital which expresses the ability of council to meet its short term obligations is strong with a ratio in excess of 2.9 times, and a total value of \$11,230K.

Interest cost 4.13% of rates revenue, SWDC maximum 12%.

Current Net debt \$19,900K, at 3.15% average borrowing rate.

Budgets have been phased based on last year's actual spend. Some variances are due to actual spending patterns being different between years.

### 2. Statement of Financial Performance

#### Operating Income

##### Rates

Overbudget \$45K.

##### Rates Penalty

Revenue from rates penalties is underbudget (\$22K).

##### Interest Revenue

Interest received on term deposits underbudget (\$162K) variance YTD. This is a reflection of lower short term deposit rates, and timings of investments and capital expenditure.

### User Levies

Overbudget by \$6K.

### Fees & Licences

Underbudget by (\$39K). Dog Licences underbudget by (\$14K) due to a prior year adjustment. Animal Control Fines underbudget by (\$8K). Resource consents and fines underbudget (\$7K). Building consents underbudget (\$4K). Public protection & health fees & licences underbudget (\$14K).

### NZTA Subsidy

Overbudget by \$57K, Capital Income overbudget \$44K.

### Rental / Hire

Underbudget (\$6K).

### Miscellaneous Income

Overbudget \$93K, part of this being an unbudgeted dividend from Civic Assurance.

### Operating Expenditure

#### Corporate Services

Overbudget by (\$134K).

- (\$107K) in personnel expenses. There are several reasons for this. Firstly, extra resourcing was added being a part time Health and Safety Officer, short term Communications Assistant, Property and Policy Coordinator, and more recently a Customer Services/Enquiries Administrator. The recent restructure has changed some reporting lines and also added two new roles of Policy and Governance Manager (formerly P&P Coordinator) along with a HR and Corporate Services Manager (formerly HR Manager). At the same time internal salaries of some staff were reassessed to better align them with the current market.

- (\$20K) overbudget for legal expenses which is a combination of employment advice, and a late invoice for the LGFA Guarantor accession work from 2019.

#### In-house Professional Services

Overbudget (\$342K).

Salaries & wages including Wellington Water Management fee overbudget (\$320K). There are several factors contributing to this. Two new positions were established being a temporary fixed term role for a Transition Manager and also a Water Races Coordinator. Some existing roles had salary reassessments to ensure they were aligned with current market expectations and an employment matter was settled. In addition there was a necessity to increase the resources for Wellington Water.

Legal expenses were overbudget (\$27K) and relate to resourcing.

#### Governance, Leadership & Advocacy

Overbudget (\$26K), mainly due to the increase requirement for advertising. Additionally election expenses are \$49K over budget. The cost of this years election is to be split over three years and an adjustment will be made in April accounts once a full reconciliation is completed. Also contributing to this overspend is the unbudgeted costs for the Community Boards byelections. Costs are still

coming in for this however were quoted at \$18K for each contested byelection and \$2-3K if uncontested.

#### Public Protection

Overall Public Protection is overbudget by (\$29K). Building fees income is lower than expected coupled with increased costs of external consultants.

#### Resource Management

Overbudget (\$68K). Recruitment (\$17K) due to recruitment agency fees not budgeted. Consultants (\$67K) - \$20k of this relates to cover while recruiting planning manager.

#### Economic Cultural & Community Development

Underbudget \$40K. Not all community grants have been claimed but have been budgeted year to date.

#### Amenities

Overbudget (\$124K). Some notable variances are:

##### *Swimming Pools*

Overbudget (\$20K), due to essential maintenance work required before the start of the new season.

##### *Community Buildings - includes Wahinga Centre, and Greytown Town Hall*

On budget.

##### *Cemeteries*

Underbudget \$20k.

##### *Rental Properties*

Overbudget (\$22K). \$16K of this being for building repairs and maintenance.

##### *Parks, Reserves, and Campgrounds*

Overbudget (\$17K) due to playground, fencing repairs, path and tree maintenance.

##### *Libraries*

Overbudget (\$28K), due to personnel costs.

##### *Pain Farm*

Overbudget (\$46K). \$41K unbudgeted cost for repairs and maintenance. This will be transferred to the Pain Farm Reserve at year end.

##### *Toilets*

Underbudget \$20K. Routine Maintenance is under budget due to phasing.

## Land Transport

Overbudget (\$53K), Mainly due to timing of work. It may be difficult to complete the full programme of works, however 76% of operational budgets have been spent YTD. A forecast will be provided next meeting.

## Solid Waste Management

Overbudget (\$79K). Further analysis on the reasons for this are being carried out and an update will be provided when available.

## Water Supply

Overbudget (\$363K).

City Care - \$100k due to an extra claim from City Care for unbilled work in progress at the end of their contract.

Wellington Water – 49% (\$229k) over budget YTD and forecast to be 54% (\$323k) over budget for the full year due to the following:

### Risk reduction (\$64K):

- Boar Bush emergency water supply study
- Waiohine treatment plant investigation
- Catchment risk assessment
- Improvements to comply with drinking water standards at Pirinoa, such as filter replacements, chemical dosing and eventual replacement of UV system components
- Critical spares for the treatment plants

### Significant failures (\$30K):

- Pirinoa failures and boil water notice
- Pump and variable speed drive unit failure at Martinborough bore #4

### BAU job Increases (\$145K):

- Increase in job numbers and 10 of these jobs required state highway traffic management
- Deferred maintenance and approx. 30 backlog jobs from Citycare
- Reactive capex reinstatements incorrectly charged to opex

Other - A \$17K unbudgeted increase in insurance costs has also contributed.

## Wastewater

Unfavourable \$163K.

City Care - \$40K due to an extra claim from City Care for unbilled work at the end of their contract.

Wellington Water - 50% (\$119k) over budget YTD and forecast to be 40% (\$122k) over budget for the full year due to:

### Risk reduction (\$70K):

- Assessment and improvement of wastewater treatment plant operations and development of O&M manuals
- Increased monitoring and sampling
- Critical spares for the treatment plants

Significant failures (\$80K):

- Water quality investigations
- Martinborough wastewater treatment plant irrigator failures and deferred maintenance
- Greytown wastewater treatment plant irrigator failures and commissioning problems

Stormwater Drainage

Unfavourable \$46K.

City Care – \$20K due to an extra claim from City Care for unbilled work at the end of their contract.

Wellington Water - 70% (\$17k) over budget YTD and forecast to be 84% (\$26k) over budget for the full year due to:

Risk reduction:

- Increased monitoring and sampling (\$14k)

## Capital Expenditure Income

### NZ Transport Agency

Favourable \$43K.

### Grants

Total grants \$67K to date which is (\$133K) overbudget. This is due to the delay in completion of the Waihinga Centre Playground and receipts of expected donations. An update will be provided next month.

### Contributions

Underbudget \$427K. 76% of full year budgeted revenue earned.

## **3. Statement of Financial Position**

### Working Capital

Working capital (current assets less current liabilities) is \$11,230K (30 June 2019 \$8,804K).

### Prepayments and Receivables

Prepayments and receivables total \$1,700K. Key components are General Debtors \$437K, Water debtors \$105K, NZTA subsidies and petrol tax receivable of \$434K, Rates Receivable \$328K.

### Investments

Term deposits exceeded the maximum amount to be invested any one institution with BNZ deposits being 31% at 31 March 2020. Maximum allowed 30%. This was mainly due to a timing issue.

### Payables and Accruals

Payables and accruals total \$5,687K. Key items are Sundry Creditors \$2,539K, Rates in advance \$437K, Rates owing to GWRC \$190K, Contract retentions \$125K.

### Gross Public Debt

Total public debt stands at \$19,900K which is unchanged from 30 June 2019

## South Wairarapa District Council

### Statement of Financial Performance

For the Period End 31 March 2020

Last Year <i>Actual</i>		Current Year			Full Year	
		<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Budget</i>	<i>%</i>
	<b><u>Operating Income</u></b>					
10,521,053	Rates	11,115,023	11,070,030	44,993	(14,760,039)	75.3%
99,014	Rates Penalty	86,297	108,176	(21,879)	(128,000)	67.4%
331,869	Interest	294,224	456,264	(162,040)	(613,601)	48.0%
15,674	Internal Interest Loans	15,732	15,683	49	(20,885)	75.3%
956,562	Fees & Licences	967,211	1,005,908	(38,697)	(1,275,531)	75.8%
446,498	User Levies	459,428	453,154	6,274	(733,008)	62.7%
56,279	Commissions	57,732	56,791	941	(75,350)	76.6%
729,160	NZ Transport Agency Subsidy	1,037,114	979,722	57,392	(1,306,292)	79.4%
74,335	Petrol Tax	73,705	62,323	11,382	(84,729)	87.0%
16,867	Grants, Donations & Subsidies	7,800	12,651	(4,851)	(15,198)	51.3%
409,919	Rental / Hire	449,889	456,060	(6,171)	(615,630)	73.1%
(1,956)	Miscellaneous Income	137,803	45,192	92,611	(87,778)	157.0%
13,655,274		14,701,959	14,721,954	(19,995)	19,716,041	74.6%
	<b><u>Operating Expenditure</u></b>					
1,496,152	Corporate Services	1,825,135	1,691,138	(133,997)	2,282,419	80.0%
817,055	In-House Professional Services	1,222,584	880,351	(342,233)	1,163,872	105.0%
431,760	Governance, Leadership & Advocacy	456,377	430,776	(25,601)	592,933	77.0%
992,641	Public Protection	1,140,950	1,112,107	(28,843)	1,539,097	74.1%
345,750	Resource Management	518,826	450,773	(68,053)	611,287	84.9%
347,071	Economic, Cultural & Community Developme	348,916	388,834	39,918	466,482	74.8%
2,109,090	Amenities	2,357,262	2,232,779	(124,483)	2,877,375	81.9%
3,270,463	Land Transport	3,592,224	3,538,858	(53,366)	4,728,960	76.0%
1,890,657	Water Supply	2,124,080	1,761,051	(363,029)	2,332,828	91.1%
1,091,664	Solid Waste Management	1,131,187	1,051,794	(79,393)	1,497,401	75.5%
1,300,336	Sewerage	1,440,941	1,277,920	(163,021)	1,806,971	79.7%
123,500	Stormwater Drainage	180,854	134,878	(45,976)	173,927	104.0%
14,131	Rate Debtors Written Off	15,344	22,500	7,156	30,000	51.1%
4,282	Bad Debts	163	-	(163)	-	0.0%
461,131	Loss on Sale of Assets	89,392	-	(89,392)	-	0.0%
14,695,684		16,444,234	14,973,759	(1,470,475)	20,103,552	81.8%
<b>(1,040,410)</b>	<b>Operating Surplus/(Deficit)</b>	<b>(1,742,276)</b>	<b>(251,805)</b>	<b>(1,490,471)</b>	<b>(387,511)</b>	<b>449.6%</b>
	<b><u>Other Income</u></b>					
644,242	NZTA CAPEX Subsidy	873,293	829,723	43,570	1,106,148	78.9%
417,578	Grants, Donations & Subsidies	66,619	200,000	(133,381)	200,000	33.3%
566,851	Contributions	863,199	436,531	426,668	1,135,828	76.0%
589,137	Assets Vesting in Council	31,000	-	31,000	-	0.0%
2,217,808		1,834,111	1,466,254	367,857	2,441,976	75.1%
	<b><u>Other Expenditure</u></b>					
-		-	-	-	-	0.0%
<b>1,177,398</b>	<b>Total Surplus/(Deficit)</b>	<b>91,835</b>	<b>1,214,449</b>	<b>(1,122,614)</b>	<b>2,054,465</b>	<b>4.5%</b>
	Included in the operating expenditure is:					
3,359,394	Depreciation	3,581,705	3,432,758	(148,947)	4,614,493	77.6%
451,193	Interest Expnese	459,035	514,231	55,196	706,767	64.9%



# South Wairarapa District Council

## Statement of Financial Position

As at 31 March 2020

	March 2020	June 2019	Movement
<b><u>Assets</u></b>			
<b><i>Current Assets</i></b>			
Cash and Bank	1,167,941	649,448	518,494
Short Term Deposits	14,374,134	12,607,033	1,767,101
Prepayments and Receivables	1,700,086	2,265,538	(565,452)
Inventories	42,714	11,809	30,906
Properties Intended for Sale	-	1,500,000	(1,500,000)
	<u>17,284,876</u>	<u>17,033,827</u>	<u>251,049</u>
<b><i>Non-Current Assets</i></b>			
Intangible Assets	61,406	87,061	(25,655)
Investment Properties	8,846,350	9,100,000	(253,650)
Investments	460,298	410,298	50,000
Property Plant and Equipment	449,921,911	447,073,128	2,848,783
	<u>459,289,965</u>	<u>456,670,487</u>	<u>2,619,478</u>
<b>Total Assets</b>	<b><u>476,574,841</u></b>	<b><u>473,704,314</u></b>	<b><u>2,870,527</u></b>
<b><u>Liabilities</u></b>			
<b><i>Current Liabilities</i></b>			
Payables and Accruals	5,686,675	3,042,749	2,643,926
Employee Entitlements	367,919	233,153	134,766
Provisions - Current Portion	-	34,334	(34,334)
	<u>6,054,594</u>	<u>3,310,236</u>	<u>(2,744,358)</u>
<b><i>Non-Current Liabilities</i></b>			
Public Debt - Non Current Portion	19,900,000	19,900,000	-
Provisions - Non Current Portion	458,401	424,067	34,334
	<u>20,358,401</u>	<u>20,324,067</u>	<u>(34,334)</u>
<b><i>Equity</i></b>			
Public Equity	152,791,807	151,443,213	1,348,593
Special Separate and Trust Funds	25,517,397	25,517,397	-
Asset Revaluation Reserve	271,852,397	273,109,155	(1,256,758)
Other Reserves	245	245	-
	<u>450,161,846</u>	<u>450,070,011</u>	<u>91,835</u>
<b>Total Liabilities &amp; Equity</b>	<b><u>476,574,841</u></b>	<b><u>473,704,314</u></b>	<b><u>(2,870,527)</u></b>

# South Wairarapa District Council

## Statement of cashflows

AS AT 31 MARCH 2020

		31 MARCH 2020	31 MARCH 2019	30 JUNE 2019
<b>OPERATING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
Rates		11,403,247	11,782,374	14,570,014
Grants & Subsidies		1,898,864	3,027,624	3,711,861
Petrol Tax		73,654	48,536	99,934
Other Income		3,820,374	3,113,396	3,143,992
Interest on Investments		197,464	249,718	419,625
<b>Total Operating Cash Inflow</b>		<b>17,393,602</b>	<b>18,221,648</b>	<b>21,945,426</b>
<b>Cash was applied to:</b>				
Payments to Suppliers & Employees		9,926,569	12,467,105	15,925,247
Interest Paid		359,958	412,140	615,420
<b>Total Operating Cash Outflow</b>		<b>10,286,526</b>	<b>12,879,245</b>	<b>16,540,666</b>
<b>Net Cashflow from Operating Activities</b>		<b>7,107,076</b>	<b>5,342,403</b>	<b>5,404,759</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
Sale of Property, Plant & Equipment		-	-	-
Term Investments, Shares & Advances		2,638,094	4,263,449	16,643,406
<b>Total Investing Cash Inflow</b>		<b>2,638,094</b>	<b>4,263,449</b>	<b>16,643,406</b>
<b>Cash was applied to:</b>				
Purchase of Property, Plant & Equipment		4,870,575	7,807,759	9,555,789
Term Investments, Shares & Advances		2,669,000	461,131	14,638,000
<b>Total Investing Cash Outflow</b>		<b>7,539,575</b>	<b>8,268,890</b>	<b>24,193,789</b>
<b>Net Cashflow from Investing Activities</b>		<b>(4,901,479)</b>	<b>(4,005,439)</b>	<b>(7,550,383)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
Public Debt		-	4,400,000	6,400,000
<b>Total Financing Cash Inflow</b>		<b>-</b>	<b>4,400,000</b>	<b>6,400,000</b>
<b>Cash was applied to:</b>				
Repayment of Public Debt		-	2,000,000	4,000,000
<b>Total Financing Cash Outflow</b>		<b>-</b>	<b>2,000,000</b>	<b>4,000,000</b>
<b>Net Cash Flow from Financing Activities</b>		<b>-</b>	<b>2,400,000</b>	<b>2,400,000</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>2,205,597</b>	<b>3,736,965</b>	<b>254,377</b>
<b>OPENING CASH BALANCE</b>	1 JULY 2019	<b>13,336,480</b>	<b>4,211,621</b>	<b>4,211,179</b>
<b>CLOSING CASH BALANCE</b>	31 MARCH 2020	<b>\$ 15,542,077</b>	<b>\$ 7,948,587</b>	<b>\$ 4,465,554</b>
<b>REPRESENTED BY:</b>				
Cash and Cash equivalents		15,542,077	7,948,587	4,465,554
		-	-	-
		<b>\$ 15,542,077</b>	<b>\$ 7,948,587</b>	<b>\$ 4,465,554</b>

## SUMMARY OF INVESTMENTS

ORGANISATION	INTEREST RATE	INVESTED DATE	MATURITY DATE	Term	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
<b>SHORT TERM FUNDS</b>							
<b>ASB Bank</b>							
ASB Call account					\$376,235.74		
Term Deposit	3.24%	29-Apr-19	28-Apr-20	365 days	\$1,000,000.00		
Term Deposit	2.77%	28-Jan-20	26-Jul-20	180 days	\$1,000,000.00		
Term Deposit	2.63%	31-Oct-19	19-Oct-20	354 days	\$225,000.00		
Term Deposit	2.70%	22-Nov-19	21-Nov-20	365 days	\$1,500,000.00		
					<b>\$4,101,235.74</b>	<b>29%</b>	<b>30%</b>
<b>ANZ Bank</b>							
ANZ Call Account					\$51.59		
Term Deposit	3.45%	4-Apr-19	6-Apr-20	367 days	\$225,000.00		
Term Deposit	3.00%	21-Aug-19	17-Apr-20	240 days	\$1,000,000.00		
Term Deposit	2.85%	22-Aug-19	21-Aug-20	365 days	\$1,000,000.00		
					<b>\$2,225,051.59</b>	<b>15%</b>	<b>30%</b>
<b>BNZ Bank</b>							
BNZ Call Account					\$489,062.11		
Term Deposit	3.17%	28-May-19	27-May-20	365 days	\$1,000,000.00		
Term Deposit	2.81%	22-Nov-19	23-Nov-20	367 days	\$1,000,000.00		
Term Deposit	2.82%	27-Jan-20	25-Jul-20	180 days	\$1,000,000.00		
Term Deposit	2.76%	21-Feb-20	22-Feb-21	367 days	\$1,000,000.00		
					<b>\$4,489,062.11</b>	<b>31%</b>	<b>30%</b>
<b>Wairarapa Building Society</b>							
WBS Call Account					\$1.32		
Term Deposit	3.05%	22-Nov-19	21-Nov-20	365 days	\$197,570.44		
Term Deposit	3.05%	25-Nov-19	24-Nov-20	365 days	\$191,452.32		
	3.05%	21-Dec-19	20-Dec-20	366 days	\$155,325.00		
					<b>\$544,349.08</b>	<b>4%</b>	<b>10%</b>
<b>Westpac Bank</b>							
Westpac Call Account					\$14.61		
Term Deposit	3.15%	31-May-19	29-May-20	365 days	\$700,000.00		
Term Deposit	3.05%	24-Jun-19	24-Jun-20	365 days	\$1,314,421.02		
Term Deposit	2.75%	21-Aug-19	20-Aug-20	365 days	\$1,000,000.00		
					<b>\$3,014,435.63</b>	<b>21%</b>	<b>30%</b>
<b>TOTAL</b>					<b>\$14,374,134.15</b>	<b>100%</b>	<b>100%</b>
<b>INVESTMENTS</b>							
LGFA Borrower Bonds	3.01%	20-Jun-16	15-Apr-23		\$28,800.00		
LGFA Borrower Bonds	2.81%	20-Jun-16	15-May-21		\$91,200.00		
LGFA Borrower Bonds	2.98%	20-Feb-17	15-Apr-20		\$32,000.00		
LGFA Borrower Bonds	1.95%	15-Mar-19	15-Apr-20		\$48,000.00		
LGFA Borrower Bonds	2.03%	15-Mar-19	15-Apr-20		\$22,400.00		
LGFA Borrower Bonds	2.47%	15-Mar-19	15-Apr-20		\$32,000.00		
LGFA Borrower Bonds	2.98%	21-Aug-17	15-May-22		\$40,000.00		
LGFA Borrower Bonds	3.08%	19-Feb-18	15-Apr-23		\$24,000.00		
					<b>\$318,400.00</b>		
<b>FORESTRY</b>							
Plantation - Hurupi Stock					\$9,305.00		
					<b>\$9,305.00</b>		
<b>SHARES</b>							
Farmlands					\$1,159.00		
NZ Local Government Insurance Company					\$81,434.30		
Wellington Water Limited					\$50,000.00		
					<b>\$132,593.30</b>		
<b>TOTAL INVESTMENTS</b>					<b>\$14,834,432.45</b>		

**SOUTH WAIRARAPA DISTRICT COUNCIL**  
**SCHEDULE OF CAPITAL EXPENDITURE**  
**FOR THE PERIOD ENDED 31 MARCH 2020**

<b>DESCRIPTION</b>	<b>Year to Date</b>		<b>Annual</b>	<b>Budget</b>	<b>Total Budget Available</b>	<b>Percentage spent</b>	<b>Carry</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Brought Forward from Prev Years</b>		<b>Year to date</b>	<b>Forward to 2020/21</b>
<b>Baseline CAPEX:</b>							
Amenities	833,525	312,097	1,248,386	1,119,102	2,367,488	35%	1,533,962
Water Supply	1,145,987	605,494	2,547,854	716,290	3,264,144	35%	2,118,157
Solid Waste Management	266,012	31,230	124,920	331,355	456,275	58%	190,262
Stormwater Reticulation	-	14,057	56,226	108,379	164,605	0%	164,605
Wastewater	574,984	278,305	1,113,220	1,931,507	3,044,727	19%	2,469,743
Land Transport	1,272,574	595,072	2,380,289	-	2,380,289	53%	1,107,715
Information Technology	50,362	19,779	79,116	53,753	132,869	38%	82,507
Council Property	53,158	22,797	91,189	636,433	727,622	7%	674,464
	<b>\$ 4,196,603</b>	<b>\$ 1,878,830</b>	<b>\$ 7,641,200</b>	<b>\$ 4,896,818</b>	<b>\$ 12,538,018</b>	<b>33%</b>	<b>\$ 8,341,416</b>

**Appendix 1 –  
Financial statements to  
31 March 2020**

# **Appendix 2 – Health and Safety Report**

# South Wairarapa District Council Health and Safety Report

## 12 December 2019 – 12 May 2020

### HEALTH AND SAFETY STRATEGY

Continued progress on implementing our health and safety strategy and work plan.

### RESOURCING

New first aider trained for Kitchener St office.

### COVID-19: SWDC STAFF SAFETY

Response & recovery team stood up prior to Level 4 lockdown. Team includes: CEO, HR Manager, H&S Advisor, P&O Administrator, Communications Manager, IT/systems Administrator, Payroll Accountant (H&S Rep). All response & recovery activities and information based on information from official guidance: the Ministry of Health, the All of Government website, Worksafe, SLOGM, etc.

Level 4: CEO addressed staff prior to lockdown to provide clarity on SWDC operations during lockdown, and employment security. SWDC staff set up to work from home. Essential staff working on locations for: Animal control, roading, water, amenities management. Various staff members assisting in the Wairarapa EOC. Response team members regularly meeting with CDC & MDC via video call to ensure a consistent approach where appropriate.

Level 3: Staff continue to mainly work from home. A limited number of staff working on location with manager approval. Protocols enacted for: contact tracing, hygiene, physical distancing, cleaning, etc. Staff given both summary & full versions of operational protocols. Staff working on non-SWDC controlled locations informed of the extra measures for distancing, hygiene & contact tracing to enable them to complete their tasks safely, within the MoH guidelines. Extra cleaning arrangements in place. Extra supplies made available (cleaning products & wipes, sanitisers, gloves, masks). Cleaning and sanitising stations set up. Various staff members assisting in the Wairarapa EOC. Response team members regularly meeting with CDC & MDC via video call to ensure a consistent approach where appropriate.

Level 2: Staff work based in a mix of remote and on location. Extra locations and potential shift patterns identified to assist in distancing. Extra cleaning arrangements in place. Extra supplies made available (cleaning products & wipes, sanitisers, gloves, masks). Office & libraries/service centres open to the public with contact tracing, hand sanitisation, spit screens, reduced hours. Various staff members assisting in the Wairarapa EOC. Response team members regularly meeting with CDC & MDC via video call to ensure a consistent approach where appropriate.

### HEALTH AND SAFETY – DRIVING CONTINUOUS IMPROVEMENT (lead indicators)

#### Training

Library staff completed de-escalation training with Police Community Sergeant Ian Osland. New staff members provided with abbreviated version of Personal safety risk & Conflict de-escalation in webinar format to complete during lockdown.

#### Engaging with our people

Health and Safety at Work Team have recently:

- Reviewed incident reports and made improvement recommendations.
- Reviewed & given feedback on H&S related operational procedures.

Working groups have been consulted on:

- Duress alarm process for 19 Kitchener St
- Departmental risk profiling exercises.
- Covid-19 alert level arrangements.

#### Near Miss reports

6 near miss reports for the period 12 December 2019 to 12 May 2020.

#### Wellness

Organisations that prioritize wellbeing have better engagement, reduced absenteeism and higher productivity, while people have improved wellbeing, greater morale and higher job satisfaction.

- Continued promotion of our EAP service.
- All staff offered annual wellness payment of \$200.

**Working with our Contractors**

5 Contractor audits and safety interactions undertaken with council engaged contractors and contractors working within SWDC Roading corridor	0 Contractor met expectations	3 Did not meet expectations and remedial actions taken	2 Minor remedial actions taken
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Council continue to implement the contractor management system.

- Council staff continue to evaluate contractor’s health and safety systems.
- Council staff who engage contractors continue to engage with contractors through pre-start meetings, inductions and safety audits, promoting Councils health and safety expectations.
- Work being done to review our contractor management system to ensure all staff who are engaging with contractors undertake the appropriate actions on health and safety.

**HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)**

6 personal injury incidents reports received during the period 12 December 2019 to 12 May 2020. All incident, accident and near miss reports, including contractor incidents, are referred to the Health and Safety at Work Team and Management, who review and satisfy themselves appropriate actions have been taken and where necessary, appropriate additional controls are put in place



## RISK MANAGEMENT

Work on hazard registers is ongoing, controls are currently being reviewed by the H&S at Work Team, and staff are encouraged to report new hazards through the Health and Safety at Work Team communications and staff meetings.

We will be providing updates on how we are managing our biggest risks. To give you the assurance that we understand our biggest risks, what controls and reduction measures are required, and actions we are taking.

Here is an update on two key risks we are currently focussing on:

Risk	Description of risk	Controls and reduction measures	Actions
<b>Security of Kitchener St buildings.</b>	The SWDC office buildings in Kitchener St used basic door locks giving low security assurance and were regularly being bypassed with doors being left open. The front entrance area has been reviewed for security and isn't able to be separated from the staff areas in its current configurations. Various staff members accessing the building resulted in inconsistent setting of the alarm.	Swipe card access was installed at the back door of #19 to increase the security of the entrance and give a clearer understanding of who is accessing the building. The alarm was upgraded to integrate with the swipe cards resulting in a more consistent security environment.	Extend swipe card use to other entrances, and prepare for use when front entrance/ reception security measures are upgraded. Extend swipe cards to photocopiers to improve hygiene and reduce accidental access of incorrect user print profiles containing potentially sensitive information.
<b>Public interactions, SWDC staff personal safety</b>	Council staff who interact with the public while providing services are at times vulnerable to physical and emotional harm.	<p>Personal safety risk and Conflict de-escalation training online training provided for new staff and staff who were yet to complete.</p> <p>Front reception security review put on hold while councillors consider council accommodation.</p> <p>Argus vehicle tracking installed to help keep track of lone workers.</p> <p>Duress alarm process practice drill held with relevant staff members.</p> <p>Librarians completed de-escalation training with Police Community Sargent.</p>	Decide on timeline for council accommodation project, consider temporary measures for reception area.