



FINANCE, AUDIT AND RISK COMMITTEE

Agenda

NOTICE OF MEETING

An ordinary meeting will be held in the Supper Room, Waihinga Centre, Martinborough, on Wednesday 28 August 2019 at 9:00am. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

MEMBERSHIP OF THE COMMITTEE

Councillors Brian Jephson (Chair), Pam Colenso, Ross Vickery and Colin Wright.

Open Section

- A1.** Apologies
 - A2.** Conflicts of interest
 - A3.** 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.
 - A4.** Actions from public participation
 - A5.** Extraordinary business
 - A6.** Minutes for Confirmation: Finance, Audit and Risk Committee
Minutes of 5 June 2019
Proposed Resolution: *That the minutes of the Finance, Audit and Risk Committee meeting held on 5 June 2019 are a true and correct record.*
 - A7.** Notices of motion
- Pages 1-4

B. Decision Reports

- B1.** Council and Committees Policy Review Report Pages 5-40

C. Information and Verbal Reports from Chief Executive and Staff

- C1.** NZTA Investment Audit Final Report Pages 41-57
C2. Corporate Support Report Pages 58-94
C3. Project Summary Report Pages 95-97
C4. Action Items Report Pages 98-102

Public Excluded

***Proposed Resolution:** That the public be excluded from the following parts of the proceedings of this meeting, namely:*

- D1.** Public Excluded Finance, Audit and Risk Committee Minutes from 5 June 2019

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

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Public Excluded Finance, Audit and Risk Committee Minutes from 5 June 2019	Good reason to withhold exists under section 7(2)(a)	Section 48(1)(a)

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

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
a) to protect the privacy of natural persons, including that of deceased natural persons	Section 7(2)(a)



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

FINANCE, AUDIT AND RISK COMMITTEE

MINUTES 5 June 2019

- Present:** Councillors Brian Jephson (Chair), Pam Colenso, Colin Wright and Ross Vickery.
- In Attendance:** Mayor Viv Napier, Harry Wilson (Chief Executive), Jennie Mitchell (Group Manager Corporate Services, Katrina Neems (Finance Manager) and Suzanne Clark (Committee Advisor).
- Conduct of Business:** The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 9:04am and 11:04am except where expressly noted.
- Also in Attendance:** Cr Mike Gray (from 10:34am).

Open Section

- A1. Apologies**
There were no apologies.
- 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.
- A5. Minutes for Confirmation**
Members discussed the projects list and agreed that the level of information required by the Committee should be sufficient to review risk and to discuss mitigations.

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/09) that the Finance, Audit and Risk Committee minutes from meeting held 27 March 2019 are a true and correct record.

(Moved Cr Wright/Seconded Cr Colenso)

Carried

A6. Notices of Motion

There were no notices of motion.

B Decision Reports from Chief Executive and Staff

B1. Destination Wairarapa Report

The report was not available for discussion and the item was deferred.

C Information and Verbal Reports from Chief Executive and Staff

C1. Financial Report for period ending 31 March 2019

Ms Mitchell outlined highlights of the Financial Report noting that under the highlights in paragraph 2.1, the second bullet point should read:

- Total budget surplus to date is \$1,177k vs. budget deficit of \$120k, favourable by \$1,057k.

Members discussed the all-time low rates arrears outstanding amount and budget surpluses.

Members recommended that a review of water race rating be undertaken, with the water race purpose and public vs. private benefit defined. Currently rates calculation was on land value regardless of the length of channel through a property with no regard to whether it was being used. The water races served as a stormwater channel for the Greytown urban area and properties with a water race in the Greytown urban area were not being rated.

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/10) to receive the financial report for the period ended 31 March 2019.

(Moved Cr Vickery/Seconded Cr Colenso)

Carried

C2. Project Summary Report

Ms Mitchell discussed the project summary report and provided updates to members.

Risks associated with the Featherston Wastewater to Land Project, including uncertainties due to the GWRC Proposed Natural Resources Plan were discussed.

Members agreed good engagement and communication was required.

The Committee wanted it made clear that erosion risk may eventuate at Whatarangi Cliffs; members discussed putting the margin of setback onto LIM reports.

Cr Vickery left the meeting at 10:28am.

Cr Vickery returned to the meeting at 10:33am.

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/11):

1. To receive the Project Summary Report.
(*Moved Cr Jephson/Seconded Cr Colenso*) Carried
2. Action 401: Provide an update to members on the grazing income vs interest cost of the loan for the Featherston Golf Club; J Mitchell
3. Action 402: Advise members on the outcome of investigations into Council's spraying contractors following health and safety procedures; M Allingham
4. Action 403: Follow-up on the release of the Using Volunteers Healthy and Safety Guideline; J Mitchell

C3. Health and Safety Report

Members discussed releasing a Health and Safety Guideline for volunteers and expressed interest in volunteers undertaking work in the community.

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/12) to receive the Health and Safety Report

(*Moved Cr Wright/Seconded Cr Jephson*) Carried

C4. Audit Plan Report

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/13) to receive the Audit Plan Report.

(*Moved Cr Colenso/Seconded Cr Vickery*) Carried

Public Excluded

FINANCE, AUDIT AND RISK RESOLVED (FAR2019/14) that the public be excluded from the following parts of the proceedings of this meeting, namely:

D1. Rates Penalty Remission

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

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Rates Penalty Remission	Good reason to withhold exists under section 7(2)(a)	Section 48(1)(a)

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

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
a) to protect the privacy of natural persons, including that of deceased natural persons	Section 7(2)(a)

(Moved Cr Jephson/Seconded Cr Vickery)

Carried

Confirmed as a true and correct record

.....(Chair)

.....(Date)

FINANCE, AUDIT AND RISK COMMITTEE

28 AUGUST 2019

AGENDA ITEM B1

COUNCIL AND COMMITTEES (A100) POLICY REVIEW

Purpose of Report

The purpose of this report is to present the amended A100 Council and Committees Policy to the Committee; seeking a recommendation to Council to approve the amendments.

Recommendations

Officers recommend that the Committee:

1. *Receive the Review of Council and Committees A100 Policy Report.*
2. *Recommend that Council adopt the amended A100 Council and Committees Policy noting that it has been amended to reflect the governance structure adopted on the 20 February 2019 and appointments made on 18 March 2019.*
3. *Recommend to Council that the next review be completed by February 2020.*

1. Executive Summary

The Council and Committees Policy is overdue for alignment with the governance structure adopted on the 20 February 2019 and associated councillor appointments made on the 18 March 2019.

The Finance, Audit and Risk Committee are asked to review the Policy and recommend its adoption to Council.

2. Background

The Council and Committees A100 Policy is a snapshot of the governance structure of South Wairarapa District Council. The Policy includes the names of appointed members and basic terms of reference information. Functions of the community boards, committees and working groups can be found in individual Terms of Reference documents, but delegations are replicated in the Council and Committees Policy for transparency.

As Council undertook a significant governance review in 2018, the Council and Committees Policy needs amending to reflect those changes. The amended Policy is shown in Appendix 1, and a summary of the Council structure and appointments is shown in Appendix 2.

Another review of this policy is expected within four months of the start of the October 2019 triennium to reflect any changes made by the incoming Mayor and Council.

It was noted that some Terms of Reference documents need reviewing and that this would be the first job in the new triennium for the new mayor and councillors.

3. Supporting Information

3.1 Significance, Engagement and Consultation

There are no significance and engagement issues.

3.2 Options Considered

There are no other options, it is appropriate for the Committee to recommend to Council to adopt the Policy with amendments, so the incoming Mayor and Council have the most up to date information available.

3.3 Financial Implications

There are no financial implications.

3.4 Communications/Engagement Plan

Public communications were released explaining the new governance structure on the 18 March 2019, nothing further is planned.

4. Conclusion

The Council and Committees Policy needs to be aligned to the current governance structure. The Committee are being asked to make a recommendation to Council to support this change.

5. Appendices

Appendix 1 – Council and Committees Policy A100

Appendix 2 – Summary of Council Structure and Appointments

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Jennie Mitchell, Group Manager Corporate Support

Appendix 1 – Council and Committees Policy A100

COUNCIL COMMITTEES AND WORKING PARTIES

Rationale

This policy includes the governance structure which details how South Wairarapa District Council will carry out its governance functions according to the provisions and requirements of the Local Government Act 2002.

Guidelines

1. Appointments are normally for the electoral triennium.
2. All appointments are decided by the Mayor in accordance with the Local Government Act 2002 or by resolution by Council.
3. The Mayor can remove or change an appointee.

Council Structure

1. The Council has a current structure comprising of the following community boards, committees, board, working parties and groups:
 - Martinborough Community Board
 - Featherston Community Board
 - Greytown Community Board
 - Māori Standing Committee
 - Hearings Committee
 - District Licensing Committee
 - Chief Executive Officer's Review Working Party Committee
 - Finance, Audit and Risk Working Party Committee
 - Infrastructure and Planning Working Party
 - Assets and Services Committee
 - Planning and Regulatory Committee
 - 57 Fitzherbert Street, Featherston Subcommittee
 - South Wairarapa Long Term/Annual Plan Working Party
 - Tenders Working Party
 - Community Safety and Resilience Working Party
 - Civic Awards Working Party

- ~~_____~~
- Sport NZ Rural Travel Fund Assessment Group
- ~~_____~~ ~~Martinborough Community Centre Steering Group~~ ~~Waingata Centre Construction working party~~
- Creative Communities Assessment Group
- ~~_____~~ ~~Water Race Users Group~~ ~~Subcommittee~~
~~_____~~ ~~Accommodation Wworking Pparty~~
- ~~_____~~ ~~Community Hhousing Wworking Pparty~~

2. The Council is a member of the following joint Wairarapa ecouncil working groups/committees:

- Wairarapa Library Service Joint ~~Working Group~~ Committee (with CDC)
- Wairarapa ~~District~~ Combined District Plan Joint Working Group (with CDC, MDC)
- Wairarapa Policies Working Group (CDC, MDC)
- Wairarapa Economic Development ~~Task~~ Governance Group (CDC, MDC)
- ~~_____~~ ~~Wairarapa Councils' Shared Services Working Party~~
- ~~_____~~ Wairarapa Trails Action Group

3. The Council is a member of the following joint Wellington region working groups/committees:

- ~~_____~~ Wellington Regional Waste Management and Minimisation Plan Joint Committee
- ~~_____~~ Wellington Region Waste Forum - Wellington Region
- ~~_____~~ Wellington Region Climate Change Working Group
- ~~_____~~ Wellington Region Transport Committee
- ~~_____~~ Wellington Regional Strategy Committee
- ~~_____~~ Remutaka Hill Road Working Party

3.4. The Council is a member of the following working groups/committees convened by Greater Wellington Regional Council:

- Awhea Opouawe Scheme Committee
- Lower Valley Development Scheme Advisory Committee
- Wairarapa Moana Wetlands Governance Group
- Ruamahunga Whaitua (Catchment) Committee
- ~~_____~~ ~~GWRC Public Transport Working Group~~
- ~~_____~~ ~~Waiohine Floodplain Management~~ ~~Committee~~ Plan Steering Group
- ~~_____~~ Wairarapa Committee

4.5. The Council ~~is appoints~~ members ~~of to~~ the following ~~or~~ ~~working groups~~ convened by other parties:

- Cobblestones Museum Trust
- Arbor House Trust Board
- Destination Wairarapa
- Wairarapa Safer Community Trust
- ~~Wairarapa Irrigation Governance Group~~
- ~~Wellington Regional Transport Committee~~
- ~~Wellington Regional Strategy Committee~~
- ~~Wairarapa Rural Fire District Board (until 30 June 2017)~~
- Wairarapa Road Safety Council Inc.
- ~~Wellington Region Waste Forum~~
- ~~Riēmutaka Hill Road Working Party~~
- ~~Pukaha to Palliser (P2P)~~
- ~~Waiconnect Steering Group~~

5.6. The Mayor unless specifically included or excluded, is ex officio a member of all committees, working parties and groups with the exception of the Hearings Committee.

6.7. All community boards, committees, working parties and groups make recommendations to Council, for matters beyond their delegations. The Chief Executive Officer or ~~g~~Group ~~M~~anagers convene the appropriate committee meetings, working parties or groups which come within their areas of responsibility unless otherwise indicated.

7.8. Committees, working parties and groups should only be formed with at least the following information:

- a. Membership
- b. Consideration to chairperson appointment/election
- c. Meeting frequency
- d. Quorum
- e. Functions/Delegations
- f. Responsibility for convening/hosting/minuting the meeting
- g. Terms of Reference

8.9. Working parties or groups often have a sunset or winding up clause to ensure they are not on-going beyond their original brief, which if not sooner will be at the start of every triennium.

Council, Committees, Working Parties and Groups

Council

Chairperson:	Mayor (Deputy Mayor as alternative).
Membership:	The Mayor and all councillors. The Māori Standing Committee chairperson may attend and participate in debate but does not have voting rights.
Meeting Frequency:	6-weekly, dates as per an adopted schedule of meetings. Extraordinary meetings may be held on occasions.
Convened by:	Chief Executive Officer.
Quorum:	6-Five members.
Meeting Order:	Conducted in accordance with Standing Orders and the Local Government Official Meetings and Information Act 1987.

Functions:

The Local Government Act 2002 shows the purpose of local government is:

- To enable democratic local decision-making and action by, and on behalf of, communities.
- To meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses. (Local Government Act 2002, section 10 (1)).

Council makes its own decisions about how it will structure or organise itself to work for and on behalf of its community.

Activities that can only be decided by the full Council, include:

- Setting rates and making bylaws.
- Borrowing money, or buying or selling land, unless already approved under the long-term plan.
- Adopting a long-term plan, annual plan or annual report.
- Adopting policies in response to LTP or by the local governance statement.
- Appointing a Chief Executive.
- To hear and consider matters as related to but not limited to the Resource Management Act, the Dog Control Act, Wairarapa Gambling Policy and the Reserves Act.

Martinborough Community Board

Chairperson:	An elected member appointed by Martinborough Community Board members.
Membership:	Four Martinborough ward members elected by the community. Two councillors appointed by the Mayor.
2016-2019 Appointments:	Cr s Pip Maynard and Cr Pam Colenso.
Meeting Frequency:	6-weekly, dates as per an adopted schedule of meetings. Extraordinary meetings may be held on occasions.
Convened by:	Chief Executive Officer.
Quorum	Three 3 members.
Meeting Order:	Conducted in accordance with Standing Orders and the Local Government Official Meetings and Information Act 1987.
Terms of Reference (TOR) status	TOR to be under reviewed as part of LTP process under review

Functions:

- Refer to the Community Board Terms of Reference.

Delegations:

- All matters relating to urban reserves, urban amenities and town main streets that meet current Council policy or management plans and fall within the Annual Plan/Long Term Plan budget.
- ~~Determination of priorities for footpath maintenance and priority locations for new footpaths.~~
- ~~R~~ecommendations ~~to Council for~~ ~~n~~aming ~~for~~ public roads, private roads and rights of way. ~~This power may not be sub-delegated and is undertaken according to policy.~~
- ~~Discretionary spend on projects and c~~ommunity ~~g~~Grants.
- ~~R~~ecommendations to Council on the governance of the Pain Farm Estate, and on the distribution of income from the Pain Farm Estate in accordance with the Pain Farm Estate Policy ~~Pain Farm income distribution in accordance with the Bequest.~~
- Determination of priorities for and expenditure of town beautification fund.

Featherston Community Board

Chairperson:	An elected member appointed by Featherston Community Board members.
Membership:	Four Featherston ward members elected by the community. Two councillors appointed by the Mayor.
2016-2019 Appointments:	Cr Colin Olds and Dayle Harwood Cr Ross Vickery
Meeting Frequency:	6-weekly, dates as per an adopted schedule of meetings. Extraordinary meetings may be held on occasions.
Convened by:	Chief Executive Officer.
Quorum:	Three 3 members.
Meeting Order:	Conducted in accordance with Standing Orders and the Local Government Official Meetings and Information Act 1987.
Terms of Reference Status	TOR to be reviewed as part of LTP process under review under review.

Functions:

- Refer to the Community Board Terms of Reference.

Delegations:

- All matters relating to urban reserves, urban amenities and town main streets that meet current Council policy or management plans and fall within the Annual Plan/Long Term Plan budget.
- ~~Determination of priorities for footpath maintenance and priority locations for new footpaths.~~
- ~~Recommendations to Council re Naming for public roads, private roads and rights of way. This power may not be sub-delegated and is undertaken according to policy.~~
- ~~Discretionary spend on projects and cCommunity gGrants.~~
- ~~Determination of priorities for and expenditure of town beautification fund.~~
- ~~Recommendations to Council on suitable projects for funds received from the sale of 57 Fitzherbert Street, Featherston.~~

Greytown Community Board

Chairperson:	An elected member appointed by Greytown Community Board members.
Membership:	Four Greytown ward members elected by the community Two councillors appointed by the Mayor.
2016-2019 Appointments:	Cr's Paora Ammunson and Margaret Craig-Mike Gray and Cr Colin Wright
Meeting Frequency:	6-weekly, dates as per an adopted schedule of meetings. Extraordinary meetings may be held on occasions.
Convened by:	Chief Executive Officer.
Quorum:	Three 3 members.
Meeting Order:	Conducted in accordance with Standing Orders and the Local Government Official Meetings and Information Act 1987.
Terms of Reference Status	TOR to be reviewed as part of LTP process under review under review

Functions:

- Refer to the Community Board Terms of Reference.

Delegations:

- All matters relating to urban reserves, urban amenities and town main streets that meet current Council policy or management plans and fall within the Annual Plan/Long Term Plan budget.
- ~~Determination of priorities for footpath maintenance and priority locations for new footpaths.~~
- ~~R~~ecommendations ~~to Council re~~ naming for public roads, private roads and rights of way. ~~This power many not be sub-delegated and is undertaken according to policy.~~
- ~~Discretionary spend on projects and c~~ommunity ~~g~~Grants.
- Determination of priorities for and expenditure of town beautification fund.
- ~~R~~ecommendation to Council on the appointment of a representative to the Arbor House Trust Board.

Māori Standing Committee

Commented [SC-CA1]: TOR in review

Chairperson:	The chairperson and deputy chairperson are elected by the Committee.
Membership:	<p>Two-Three councillors appointed by the Mayor.</p> <p>Two representatives from each of the three South Wairarapa district marae, <u>two representatives from Pae tu Mokai o Tauira</u>, and one representative from each of the two Wairarapa iwi. Nominations must be received in writing from each participating body.</p> <p>Membership is ratified by Council.</p>
2016-2019 Appointments:	Cr Pip Maynard, <u>Cr Brian Jephson and Cr Ross Vickery and Paera Amunson</u> .
Meeting Frequency:	6-weekly, dates as per an adopted schedule of meetings. Extraordinary meetings may be held on occasions.
Convened by:	Chief Executive Officer.
Quorum:	7 5 members.
Meeting Order:	Conducted in accordance with Standing Orders and the Local Government Official Meetings and Information Act 1987.

Functions:

- Refer to the Māori Standing Committee Terms of Reference, and the Maori Policy (under review).

Delegations:

- ~~-~~Discretionary spend on community grants and projects.
- Determination of criteria and allocation of marae development fund granted in the 19/20 Annual Plan to local marae.

Hearings Committee

Chairperson:	A Councillor who holds the 'chair' and hearings commissioner ¹ accreditation except when independent hearings commissioners are appointed for hearings under the Resource Management Act (RMA). An appointed councillor for all other hearings.
Membership: <i>(on RMA matters)</i>	Up to three councillors who hold the hearings commissioner accreditation which may include appointments from Carterton or Masterton District Councils. Independent commissioners will be appointed for specific hearings as required.
Membership: <i>(on other matters such as but not limited to, hearings under the Dog Control Act, Wairarapa Gambling Policy and Reserves Act)</i>	Above members <i>PLUS</i> other councillors if appointed (by the Mayor).
Membership: <i>(on Reserve Management Plan Hearings)</i>	Mayor and all councillors.
Meeting Frequency:	As required.
Convened by:	Group Manager Planning and Environment.

Notes:

- Hearings commissioner accreditation is required for Resource Management Act hearings only.
- Current **RMA** accredited members: Mayor Viv Napier, expiry 30 June 2022 and Deputy Mayor Brian Jephson, expiry 30 June 2020.
- ~~3. Deputy Mayor Brian Jephson and Councillor Colin Olds will be available for hearings under the Resource Management Act 1991 once accredited.~~

Functions

- To hear and consider matters as related to but not limited to the Resource Management Act, the Dog Control Act, Wairarapa Gambling Policy and the Reserves Act.

District Licensing Committee

Chairperson:	Commissioner.
Membership:	One c Councillor, one commissioner and seven external members appointed by Council.
Chairperson:	Commissioner.
Membership:	One c Councillor, one commissioner and seven external members appointed by Council.
2016-2019 Appointments:	Julie Riddell (Chair), Cr Margaret Craig (Deputy chair), Damien Pivac, Gregory Ariell, Jessie Hunt, Catherine Rossiter-Stead, Bruce Farley, Andrew Beck, Donald Adams (until 30th June 2023 17). <u>Note: Chair appointed until 30 June 2023, but appointment subject to a review on 30 June 2021</u>
Meeting Frequency:	As required.
Convened by:	Group Manager Planning and Environment.

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Functions and delegations:

- s187 of the Sale and Supply of Alcohol Act 2012.

Chief Executive Officer's Review ~~Working Party~~Committee

Chairperson:	Mayor.
Membership:	Mayor, Deputy Mayor and two-three councillors appointed by the Mayor. All councillors to participate in a pre-review workshop to discuss performance matters.
2016-2019 Appointments:	Mayor Viv Napier, Crs Margaret Craig , Colin Olds, Cr Brian Jephson , Cr Pip Maynard and Cr Colin Wright and external advisor.
Meeting Frequency:	As required.
Convened by:	Mayor in conjunction with an external advisor .
Quorum	2-Three members.
TOR status	TOR to be agreed by 30th June 2017 adopted by Council August February 2019 .

Functions:

- Refer to the Chief Executive Officer's Review Committee Terms of Reference.
- ~~To review the Chief Executive's performance and to recommend to the Council the terms and conditions of the CE's employment including any performance agreement measures and annual remuneration.~~

Finance, Audit and Risk Working Party Committee

Chairperson:	Deputy Mayor.
Membership:	Deputy Mayor and three councillors appointed by the Mayor.
2016-2019 Appointments:	Crs Brian Jephson, Cr Colin Wright, Dayle Harwood Cr Ross Vickery and Margaret Craig Cr Pam Colenso.
Meeting Frequency:	Monthly excluding December and January Quarterly
Convened by:	Chief Executive Officer Group Manager Corporate Support.
Quorum	Two 2 members.

Commented [SC-CA2]: The TOR needs to have the mayor removed as a member. Mayor is exofficio a member

Functions:

- Refer to the Finance, Audit and Risk Working Party Committee Terms of Reference.

Infrastructure and Planning Working Party

Chairperson:	Cr Brian Jephson
Deputy Chairperson:	Cr Colin Olds
Membership:	Mayor and all councillors, chair of each community board, chair of the Maori Standing Committee.
Meeting Frequency:	6 weekly.
Convened by:	Group Manager Infrastructure and Services.
Quorum:	2 members.
TOR Status	TOR to be agreed by 30th June 2017.

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Functions:

- ~~To provide direction to Council officers on Infrastructure and Planning matters to enable policy or reports to be prepared and then received by Council.~~

Assets and Services Committee

<u>Chairperson:</u>	<u>Cr Jephson</u> <u>The chair is appointed by the Mayor.</u>
<u>Membership:</u>	<u>Six councillors (one ward based with the remainder skill based), chair of each community board and the chair of the Māori Standing Committee appointed by the Mayor.</u>
<u>Appointments:</u>	<u>Cr Jephson, Cr Gray, Cr Carter, Cr Colenso, Cr Olds, Cr Wright</u> <u>Community Board Chairs: Lisa Cornelissen, Robyn Ramsden, Leigh Hay</u> <u>Māori Standing Committee Chair: Raihānia Tipoki</u>
<u>Meeting Frequency:</u>	<u>6-weekly, dates as per an adopted schedule of meetings.</u> <u>Extraordinary meetings may be held on occasions.</u>
<u>Convened by:</u>	<u>Group Manager Infrastructure and Services</u>
<u>Quorum:</u>	<u>Five members (half the appointed members).</u>

Commented [SC-CA3]: TOR needs to have Mayor removed as a member, Mayor is exofficio a member.

Functions:

- Refer to the Assets and Services Committee Terms of Reference

Planning and Regulatory Committee

<u>Chairperson:</u>	<u>Cr Olds</u> <u>The chair is appointed by the Mayor.</u>
<u>Membership:</u>	<u>Six councillors (one ward based with the remainder skill based), chair of each community board and the chair of the Māori Standing Committee appointed by the Mayor.</u>
<u>Appointments:</u>	<u>Cr Olds, Cr Carter, Cr Vickery, Cr Jephson, Cr Maynard, Cr Wright</u> <u>Community Board Chairs: Lisa Cornelissen, Robyn Ramsden, Leigh Hay</u> <u>Māori Standing Committee Chair: Raihānia Tipoki</u>
<u>Meeting Frequency:</u>	<u>6-weekly, dates as per an adopted schedule of meetings.</u> <u>Extraordinary meetings may be held on occasions.</u>
<u>Convened by:</u>	<u>Group Manager Infrastructure and Services</u>
<u>Quorum:</u>	<u>Five members (half the appointed members)</u>

Commented [SC-CA4]: TOR needs to have Mayor removed as a member, Mayor is exofficio a member.

Functions:

- Refer to the Planning and Regulatory Committee Terms of Reference

57 Fitzherbert Street Subcommittee

<u>Chairperson:</u>	<u>Robyn Ramsden</u> <u>The chair is elected from within the Subcommittee.</u>
<u>Membership:</u>	<u>Three Featherston councillors and the chair of the Featherston Community Board.</u>
<u>Appointments:</u>	<u>Cr Vickery, Cr Olds and Cr Carter</u> <u>Featherston Community Board Chair: Robyn Ramsden.</u>
<u>Meeting Frequency:</u>	<u>As and when required in order to progress the purpose in a timely manner.</u>
<u>Convened by:</u>	<u>SWDC Amenities Manager.</u>
<u>Quorum:</u>	<u>Three members.</u>

Commented [SC-CA5]: TOR says the chair, should be an officer for a formal meeting.

Note:

The SWDC Chief Executive and SWDC Amenities Manager will attend as officers to work with the Subcommittee.

Functions:

- Refer to the 57 Fitzherbert Street, Featherston Subcommittee Terms of Reference
- Reports directly to Council.

South Wairarapa Annual Plan/Long Term Plan Working Party

<u>Chairperson:</u>	<u>Mayor.</u>
<u>Membership:</u>	<u>Mayor and all councillors, chair one chair member of each eCommunity Board, one representative of the Māori Standing Committee.</u>
<u>Meeting Frequency:</u>	<u>As required in the six months prior to the release of the Annual/Long Term Plan.</u>
<u>Convened by:</u>	<u>-Group Manager Corporate Support</u>
<u>Quorum:</u>	<u>Seven6 members (half the appointed members)-</u>
<u>TOR Status:</u>	<u>Draft TOR to be agreed adopted by Council by 30th June August 2017.</u>

Commented [SC-CA6]: TOR doesn't specify. WP's aren't covered by standing orders so 7 members is a guide. TOR needs updating

Functions:

- Refer to the South Wairarapa Annual Plan/Long Term Plan Working Party Terms of Reference.

Tenders Working Party

Chairperson:	Mayor.
Membership:	Mayor and one councillor.
Appointments:	Councillor to be co-opted based on availability.
Meeting Frequency:	As required.
Convened by:	Any of the Group Managers as required.
Quorum:	Two 2 members.

Functions:

- ~~To oversee the opening of tenders-~~ [Refer to Procurement of Goods and Services Policy M500.](#)

Community Safety and Resilience Working Party

Chairperson:	Cr Colin Olds Pam Colenso <u>Chair appointed by the Mayor</u>
Membership:	Two-Three councillors, one representative from each community board, others as per the Terms of Reference.
2016-2019 Appointments:	Cr Lee Carter, Cr Pip Maynard, Margaret Craig and Cr Pam Colenso.
Meeting Frequency:	As required- <u>Quarterly</u>
Convened by:	Amenities Manager- <u>Infrastructure and Services Group Manager</u>
Quorum:	Four 4 members, two 2 to be an elected members.

Commented [SC-CA7]: TOR says 6 for quorum, 3 to be elected members. TOR needs reviewing.

Functions:

- Refer to the Community Safety and Resilience Working Group Terms of Reference.

Civic Awards Working Party

Chairperson:	Cr Margaret Craig <u>Chair appointed by the Mayor.</u>
Membership:	Mayor and three councillors (<u>one councillor from each ward</u>) appointed by the Mayor.
2016-2019 Appointments:	Mayor Viv Napier, Crs Pam Colenso, <u>Cr Margaret Craig</u> and <u>Cr Lee Carter</u> .
Meeting Frequency:	As required. <u>As and when required for holding awards biennially.</u>
Convened by:	Mayor.
Quorum:	<u>Two</u> 2 members.
FOR Status:	FOR to be agreed by 30th June 2017 <u>adopted by Council June 2017.</u>

Functions:

- Refer to the Civic Awards Working Party Terms of Reference. Community Awards
- —

Sport NZ Rural Travel Fund Assessment Group

Chairperson:	Deputy Mayor
Membership:	Deputy Mayor and three <u>two</u> councillors appointed by the Mayor.
2016-2019 Appointments:	Crs Brian Jephson, Dayle Harwood, Cr Lee Carter, Margaret Craig and <u>Cr Pip Maynard</u>
Meeting Frequency:	As required but generally once a year.
Convened by:	Committee Secretary <u>Advisor.</u>
Quorum:	<u>Two</u> 2 members.

Functions:

- Refer to the Grants Policy and Sport NZ Rural Travel Fund Assessment Group Terms of Reference.

Martinborough Community Centre Steering Group

Chairperson:	Mayor.
Deputy Chairperson:	Councillor appointed by the Mayor.
Membership:	Mayor, three Martinborough ward councillors. Other non-elected members as per the Martinborough Community Centre Steering Group Terms of Reference.
2016-2019 Appointments:	All councillors.
Meeting Frequency:	As required.
Convened by:	Chief Executive Officer.
Quorum:	2 members, 1 to be an elected member.
TOR Status:	TOR drafted. To be approved by Council before 30 April 2017, September 2017.

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Functions:

Refer to the Martinborough Community Centre Steering Group, Terms of Reference.

Waihinga Centre Construction working party

Chairperson:	Mayor.
Deputy Chairperson:	Councillor appointed by the Mayor.
Membership:	Mayor, three Martinborough ward councillors. Other non-elected members as per the g Group Terms of Reference.
2016-2019 Appointments:	All councillors.
Meeting Frequency:	As required.
Convened by:	Chief Executive Officer.
Quorum:	2 members, 1 to be an elected member.
TOR Status:	TOR drafted. To be approved by Council September 2017.

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Functions:

The Waihinga Centre Construction working party. The steering group was disbanded and replaced by the Construction working party once construction commenced in early 2017. To make decisions

on construction matters.

Creative Communities Scheme Assessment Group

Chairperson:	Elected from within the group on a yearly basis.
Membership:	Councillor appointed by the Mayor. Other non-elected members appointed as per the contract with Creative NZ.
2016-2019 Appointment:	Cr Lee Carter.
Meeting Frequency:	Between two four 4 times per year.
Convened by:	Committee Secretary Advisor.
Quorum:	Three 3 members.

Functions:

- Refer to the Grants Policy and the Creative Communities Scheme Assessment Group Terms of Reference.

Water Race ~~Users Group~~ Subcommittee

Chairperson:	Elected from within the group on a yearly basis. Cr Olds Chair appointed by the Mayor.
Membership:	Two c Councillors appointed by the Mayor. Other non-elected members appointed <u>selected as per the</u> Terms of Reference: <ul style="list-style-type: none">• <u>Three representatives from Moroa Water Race area (one must be a Greytown urban representative)</u>• <u>Two representatives from Longwood Water Race area</u>
2016-2019 Appointments:	Cr Colin Olds and Cr Mike Gray.
Meeting Frequency:	Between 2-4 times per year. At least 3 times a year.
Convened by:	Asset and Operations Manager
Quorum:	4 members, 1 to be an elected member. Two members, one to be an elected member.

Functions:

- Refer to Water Race Users Group Terms of Reference.
- Reports to the Assets and Services Committee.

Accommodation Working Party

<u>Chairperson:</u>	<u>Elected from within the Working Party</u>
<u>Membership:</u>	<u>Mayor and three councillors</u>
<u>Appointments:</u>	<u>Cr Pip Maynard, Cr Colin Wright and Cr Colin Wright</u>
<u>Meeting Frequency:</u>	<u>As required</u>
<u>Convened by:</u>	<u>Corporate Support Manager</u>
<u>Quorum:</u>	<u>Two members</u>

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Note:

The GM Corporate Support Manager and SWDC Amenities Manager will attend as officers to work with the Working Party.

Functions:

- To review accommodation needs for Council business.

Community Housing Working Party

<u>Chairperson:</u>	<u>Cr Wright</u> <u>Chair appointed by the Mayor</u>
<u>Membership:</u>	<u>Five elected members (1 from each ward)</u>
<u>Appointments:</u>	<u>Cr Pam Colenso, Cr Margaret Craig, Cr Ross Vickery, Cr Colin Olds and Cr Colin Wright</u>
<u>Meeting Frequency:</u>	<u>As required</u>
<u>Convened by:</u>	<u>The chair</u>
<u>Quorum:</u>	<u>Three members</u>

Commented [SC-CA8]: Suggest this WP need officer representation going forward, either the Amenities Manager or new Properties Manager.

Functions:

- Refer to the Community Housing Working Party Terms of Reference

Wairarapa Joint Working Groups and Committees

Wairarapa Library Service ~~Working Group~~Joint Committee (a joint ~~group~~committee with Carterton District Council)

Chairperson:	Elected from committee
Membership:	One <u>Two</u> elected South Wairarapa District Council members. <u>It is recommended that one elected member is an elected community board member. Interest is sought from all community board members.</u> <u>Appointments are made by the Mayor.</u> councillor appointed by the Mayor and one member from a community board. Carterton District Council's representatives as determined by their Mayor and/or Council.
2016-2019 Appointments:	Cr Pam Colenso, Featherston Community Board member <u>Chair</u> Robyn Ramsden.
Meeting Frequency:	<u>Quarterly and aAs</u> required.
Convened by:	SWDC Amenities Manager and CDC Library Manager

Functions:

- Refer to the Wairarapa Library Service ~~Working Group~~Joint Committee Terms of Reference.

Delegations:

- To hear and determine submissions to the WLS Strategic Plan for recommendation to each Member Authority.

Wairarapa Combined District Plan Working Group (a joint working group with Carterton and Masterton)

Chairperson:	Elected from within the working group.
Membership:	Mayor and two councillors. Masterton and Carterton District Council's representatives as determined by their mayors.
2016-2019 Appointments:	Mayor Viv Napier, Cr Brian Jephson and Cr Colin Olds.
Meeting Frequency:	As required.
Convened by:	Planning and Environment Group Manager following the recommendation from one or more of the Wairarapa councils that a plan change is required.

Functions:

- To approve proposed plan changes for notification, hear submissions and release decision.
- To investigate reviews of the Wairarapa Combined District Plan.

Commented [SC-CA9]: No current TOR

Wairarapa Policies Working Group (a joint working group with Carterton and Masterton)

Chairperson:	Elected from Committee <u>within the Working Group</u>
Membership:	Two councillors appointed by Mayor Masterton and Carterton District Council's representatives.
2016-2019 Appointments:	Crs Margaret Craig and Dayle Harwood <u>Mike Gray, Cr Ross Vickery</u>
Meeting Frequency:	As required
Convened by:	Chairperson
TOR Status:	TOR to be reviewed with other Councils.

Commented [SC-CA10]: No current TOR

Functions:

- ~~Formulation and review of the Wairarapa Local Approved Products Policy.~~
- ~~Formulation and review of the Wairarapa Local Alcohol Policy.~~
- Formulation and review of Wairarapa combined policies and bylaws.

Wairarapa Economic Development Task Governance Group (a joint group with Carterton and Masterton)

Chairperson:	Elected from Committee <u>Dame Margaret Bazley</u>
Membership:	Mayor One councillor appointed by the Mayor at the start of the triennium. Masterton and Carterton District Council's representatives <u>Mayors.</u>
2016-2019 Appointment:	Cr Paora Ammunson <u>Mayor Napier</u>
Meeting Frequency:	As required.
Convened by:	Masterton District Council <u>The chair</u>
TOR Status:	TOR to be reviewed with other Councils.

Functions:

- To identify key economic development objectives for the Wairarapa region.
- To foster collaboration between Councils and local businesses to create opportunities that generate positive economic outcomes.

- To consider and advise Councils on Wairarapa wide economic developments proposals and projects.
- To report progress to the Wellington Regional Economic Development Agency (WREDA) and Wellington Regional Strategy Committee.

Wairarapa Councils Shared Services Working Party (a joint working group with Carterton and Masterton)

Chairperson:	Elected from within the Working Party.
Membership:	Mayor and two councillors appointed by the Mayor. Masterton and Carterton District Council's representatives.
2016-2019 Appointments:	Mayor Viv Napier, Cr Colin Wright and Cr Brian Jephson
Meeting Frequency:	As required.
Convened by:	Chairperson

Functions:

- ~~Refer to the Shared Services Working Party Terms of Reference.~~

Wairarapa Trails Action Group

Membership:	One SWDC councillor appointed by the Mayor
Appointment:	Cr Colin Olds
Meeting Frequency:	Quarterly

Functions and delegations:

- Refer to the Wairarapa Trails Action Group Terms of Reference.

Commented [SC-CA11]: This is not specifically stated in the TOR. The TOR does not outline membership or how a chair will be elected.

Wellington Region Joint Working Groups and Committees

Wellington Region Waste Management and Minimisation Plan Joint Committee

Chairperson:	Elected from within the Committee at least once a triennium.
Membership:	Wellington regional representative councillors appointed by their council including one SWDC representative.
2016-2019 Appointment:	Cr Margaret-Craig Pam Colenso-
Meeting Frequency:	As required.
Quorum:	Four 4 members.

Functions and delegations:

- Refer to the Waste Management and Minimisation Plan Joint Committee Terms of Reference.

Waste Forum - Wellington Region

<u>Chairperson, and other officers</u>	<u>Elected annually at the Forum Annual General Meeting</u>
<u>Membership:</u>	<u>One Councillor appointed by the Mayor or by Council resolution and one Council officer.</u> <u>Appointments from other councils within the boundaries of Greater Wellington and associate members.</u>
<u>Appointment:</u>	<u>Cr Pam Colenso</u>
<u>Meeting Frequency:</u>	<u>As required.</u>
<u>Quorum:</u>	<u>Four members.</u>

Functions and delegations:

- Refer to the Waste Forum Terms of Reference.

Wellington Region Climate Change Working Group

<u>Chairperson</u>	<u>Elected from within the Working Group at least every triennium</u>
--------------------	-----------------------------------------------------------------------

<u>Membership:</u>	<u>One main and one alternate elected member from each council in the Wellington region and three mana whenua representatives from Ara Tahi.¹</u>
<u>Elected Member Appointment:</u>	<u>Cr Brian Jephson (voting member) and Cr Lee Carter (alternate)</u>
<u>Meeting Frequency:</u>	<u>Quarterly</u>

Functions and delegations:

- Refer to the Wellington Region Climate Change Working Group Terms of Reference.

Wellington Regional Transport Committee

<u>Appointments:</u>	<u>The Mayor to represent Council, Deputy Mayor may attend as alternative.</u>
<u>Set up:</u>	<u>Under the Land Transport Act.</u>

Wellington Regional Strategy Committee

<u>Appointments:</u>	<u>One4 Wairarapa appointment made in agreement with the other Wairarapa councils.</u>
<u>2016-2019 Appointment:</u>	<u>Mayor Lyn Patterson (Masterton), Deputy John Booth (Carterton)</u>

Riemutaka Hill Road Working Party

<u>Chairperson:</u>	<u>Elected from within the Committee at least once a triennium.</u>
<u>Membership:</u>	<u>Mayors of Upper Hutt City Council, Carterton District Council, Masterton District Council and South Wairarapa District Council. Representatives from NZTA, NZ Police, Road Transport Association and Automobile Association.</u>
<u>Appointments:</u>	<u>Mayor Viv Napier.</u>
<u>Meeting Frequency:</u>	<u>As required.</u>
<u>Quorum:</u>	<u>Four members</u>

¹ Ara Tahi is a leadership forum of Greater Wellington Regional Council (GWRC) and its six mana whenua partners who meet to discuss strategic issues of mutual interest (Ara Tahi membership comprises two representatives from each mana whenua authority, two GWRC Councillors and GWRC's Chief Executive). GWRC will appoint up to three representatives from Ara Tahi, one each representing: East Coast: Wairarapa; West Coast: Otaki to Porirua; Central: Wellington and Hutt Valley. Ara Tahi representatives are entitled to receive GWRCs standard daily meeting fee and mileage allowances for each meeting they attend.

Functions:

- A collaborative group which discusses and addresses issues regarding improving the Rie mutaka Hill Road which is the key link to the Wairarapa from the South.

Representation on Greater Wellington Regional Council (GWRC) Committees

From time to time requests are received for Council representation on Greater Wellington Regional Council Committees.

Wairarapa Committee

<u>Membership:</u>	<u>One councillor (voting) and one alternate appointed by the Mayor.</u> <u>The GWRC Wairarapa elected councillor and two other GWRC councillors.</u> <u>Elected members from MDC and CDC.</u> <u>One member from each of the two Wairarapa iwi, appointed by GWRC</u>
<u>Elected Member Appointment:</u>	<u>Cr Brian Jephson (voting) and Cr Colin Wright.</u>
<u>Convened by:</u>	<u>GWRC.</u>
<u>Frequency:</u>	<u>Quarterly and as required</u>
<u>Function:</u>	<u>Refer to Wairarapa Committee Terms of Reference</u>

Awhea Opouawe Scheme Committee

Appointments:	One councillor appointed by the Mayor.
<u>Elected Member 2016-2019</u>	Cr Brian Jephson.
Appointment:	
Convened by:	GWRC.

Lower Valley Development Scheme Advisory Committee

Appointments:	One councillor appointed by the Mayor.
<u>Elected Member 2016-2019</u>	Cr Colin Olds.
Appointment:	
Convened by:	GWRC.

Wairarapa Moana Wetlands Governance Group

Appointments:	One councillor appointed by the Mayor.
<u>Elected Member 2016-2019</u>	Cr <u>Colin Olds</u> <u>Dayle Harwood</u> .
Appointment:	

Convened by:	GWRC.
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Ruamahunga Whaitua (Catchment) Committee

Appointments:	One councillor appointed by the Mayor.
<u>Elected Member</u> 2016-2019	Cr Colin Olds. (Note: there is additional remuneration for this role).
Appointments:	
Convened by:	GWRC.

Public Transport Working Group

Appointments:	Three councillors appointed by the Mayor.
2016-2019	Mayor Viv Napier, Cr Lee Carter and Cr Brian Jephson
Appointments:	
Convened by:	GWRC.

Waiohine Floodplain Management ~~Committee~~ Plan Steering Group

Commented [SC-CA12]: TOR?

Appointments:	Awaiting confirmation. Two councillors appointed by the Mayor
<u>Elected Member</u> 2016-2019	Awaiting confirmation. Cr Mike Gray and Cr Colin Wright
Appointments:	
Convened by:	GWRC.

Representation on Other Organisations

From time to time requests are received for Council representation on community organisations or initiatives. These requests are considered on a case by case basis with appointments made as seen fit by the Mayor.

Destination Wairarapa Board

Appointments:	Councillor or member of the public with business and/or financial skills appointed by the Mayor or by Council resolution.
Council 2016-2019 Appointment:	Paul Broughton (External appointment)
Role Description:	As per the Destination Wairarapa Constitution. To report quarterly to Council on Destination Wairarapa activities and to take Council's views back to Destination Wairarapa Board.

~~Wairarapa Rural Fire District Board (until 30 June 2017)~~

Appointments:	Councillor or member of the public with business and/or financial skills appointed by the Mayor or by Council resolution.
2016-2019 Appointment:	Max Stevens (External appointment) until 30 June 2017 when the Wairarapa Rural Fire District Board will cease to exist and be replaced by Fire and Emergency New Zealand.
Role Description:	As per the Wairarapa Rural Fire District Constitution.

Cobblestones Museum Trust

Appointments:	One Councillor appointed by the Mayor or by Council resolution.
2016-2019 Elected Member Appointment:	Cr Colin Wright
Role Description:	As per the Cobblestones Museum Trust Document.

Arbor House Trust Board

Appointments:	One representative appointed by Council resolution (<u>to be</u> recommended by the Greytown Community Board).
2016-2019 Appointment:	Dr Rob Tuckett (<u>External appointment</u>)
Role Description:	As per the Arbor House Trust Deed

Wairarapa Safer Community Trust Board

Appointments:	One Councillor appointed by the Mayor or by Council resolution.
Councillor 2016-2019 Appointment:	Cr Lee Carter Pam Colenso

~~Wairarapa Irrigation Governance Group~~

Appointments:	1 Wairarapa appointment made in agreement with the other Wairarapa councils.
2016-2019 Appointment:	Mayor John Booth (Carterton)

Wairarapa Road Safety Council Inc.

Appointments:	One Councillor appointed by the Mayor or by Council resolution.
2016-2019 Appointment:	Cr Margaret Craig Colin Olds
Role Description:	As per the Wairarapa Road Safety Council Constitution.

~~Wellington Region Waste Forum~~

Chairperson:	Elected annually at the Forum AGM.
Membership:	1 Councillor appointed by the Mayor or by Council resolution and one Council officer. Appointments from other councils within the boundaries of Greater Wellington and associate members.
2016-2019 Appointments:	Cr Margaret Craig.
Role Description:	Refer to the Waste Forum Terms of Reference.

Reimutaka Hill Road Working Party

Chairperson:	Elected from within the Committee at least once a triennium.
Membership:	Mayors of Upper Hutt City Council, Carterton District Council, Masterton District Council and South Wairarapa District Council. Representatives from NZTA, NZ Police, Road Transport Association and Automobile Association.
2016-2019 Council Appointments:	Mayor Viv Napier.
Meeting Frequency:	As required.
Quorum:	Four 4 members

Functions:

- A collaborative group which discusses and addresses issues regarding improving the Reimutaka Hill Road which is the key link to the Wairarapa from the South.

WAIConnect Steering Group

Chairperson:	Elected from within the Committee at least once a triennium.
Membership:	Wairarapa representatives appointed by their council including at least one SWDC representative.
2016-2019 Appointments:	Cr Colin Wright.
Meeting Frequency:	As required.

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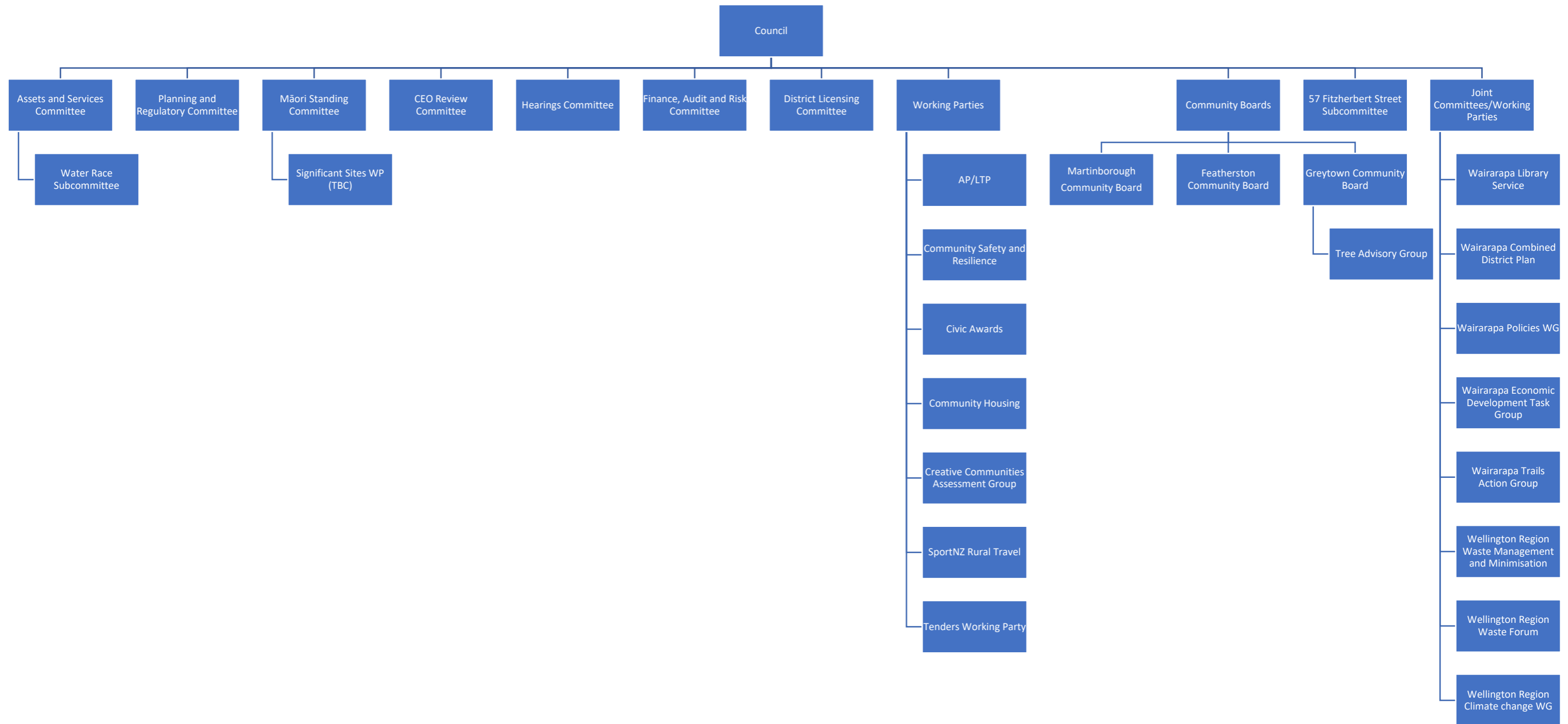
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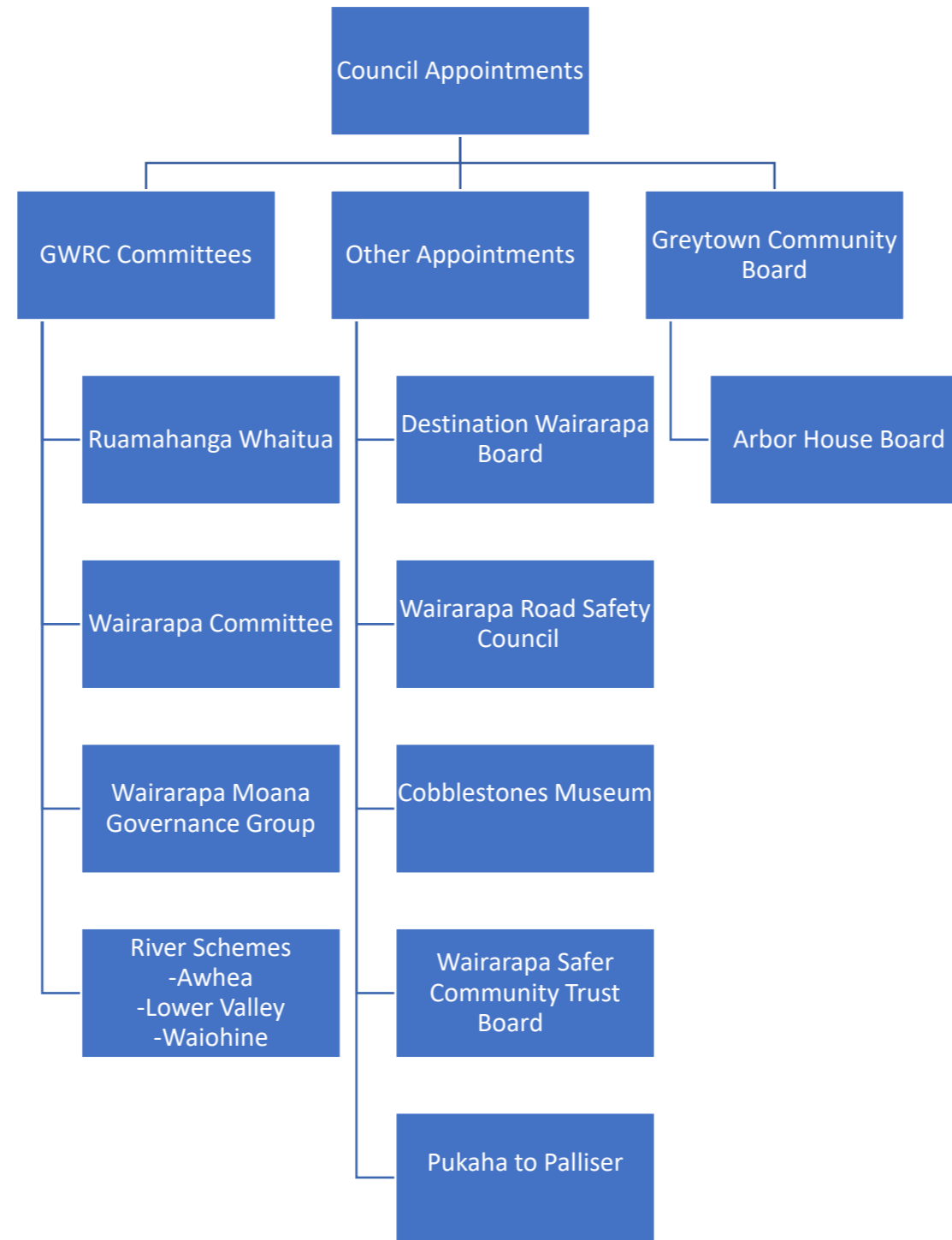
Appointments:	One elected member
Memberships:	Department of Conservation, local government agencies, iwi, Federated Farmers
Council appointment:	Clive Paton (External appointment)
Convened by:	Department of Conservation

~~Functions: To put together bids for Wairarapa communication improvements.~~

Appendix 2 – Summary of Council Structure and Appointments

Mayor and Councillor Appointments											
Council Structure	Mayor	Gray	Carter	Colenso	Craig	Vickery	Jephson	Maynard	Olds	Wright	CB Chairs/MSC Chair
Council											
Deputy Mayor											
Martinborough Community Board											
Featherston Community Board											
Greytown Community Board											
Maori Standing Committee											
Hearings Committee	Chair										
District Licensing Committee					Deputy Chair						
CEO Review Committee	Chair										
Finance, Audit and Risk Committee							Chair				
Assets and Services Committee							Chair				all chairs
Planning and Regulatory Committee									Chair		all chairs
Water Race Subcommittee									Chair		
57 Fitzherbert Street Subcommittee											Robyn Ramsden (chair)
Spatial Plan Subcommittee											
AP/LTP Working Party											all chairs
Community Safety and Resilience Working Party				Chair							
Civic Awards Working Party					Chair						
Tenders Working Party	plus one councillor?										
Community Housing Working Party									Chair		
Creative Communities Assessment Group											
Sport NZ Rural Travel Fund Assessment Group							Chair				
Joint Wairarapa Committees/Working Groups											
Wairarapa Library Service (with CDC)											Robyn Ramsden
Wairarapa Combined District Plan (CDC, MDC)											
Wairarapa Policies Working Group (CDC, MDC)											
Wairarapa Economic Development Task Group (CDC, MDC)											
Wairarapa Trails Action Group											
Joint Regional Committees/Groups											
Wellington Region Waste Management and Minimisation Plan Joint Committee											
Wellington Region Waste Forum											
Regional Transport Committee							Proxy				
Remutaka Hill Road Committee											
Wellington Regional Strategy (Lyn Patterson, Deputy John Booth)											
Wellington Region Climate Change Working Group							Voting				
GWRC Committees											
Awhea Opouawe Scheme Committee											
Lower Valley Development Scheme Advisory Committee											
Waihoine Floodplain Management Plan Steering Group											
Whaitua Committee											
Whaitua Sub-working Party											
Wairarapa Committee							Voting				
Wairarapa Moana Governance Group											
Wairarapa Moana Statutory Board (Pending)											
Appointments											
Destination Wairarapa Board	External Appointment: Paul Broughton										
District Licensing Committee					Deputy Chair						
Wairarapa Road Safety Council											
Cobblestones Museum											
Wairarapa Safer Community Trust Board											
Healthy Homes	No appointment										
Pukaha to Palliser (P2P)	External Appointment: Clive Paton										
Arbor House Board	External Appointment by GCB: Dr Rob Tuckett										





FINANCE, AUDIT AND RISK COMMITTEE

28 AUGUST 2019

AGENDA ITEM C1

NZTA AUDIT REPORT

Purpose of Report

To inform the Committee of the outcome of the NZTA audit completed in April 2019.

Recommendations

Officers recommend that the Committee:

1. *Receive the NZTA Audit Report.*

1. Executive Summary

Earlier in the year, NZTA signalled their intention to undertake a technical and procedural investment audit of South Wairarapa from 1 April 2019 – 4 April 2019.

The period audited was from 1st July 2015 to 30 June 2018 (financials) and 1st July 2015 to the current date for other aspects. The audit was carried out in terms of sub-section 95 (1) (e) (ii) of the Land Transport Management Act 2003.

The audit focused on SWDC's systems and procedures for managing the delivery of transport outcomes, and where appropriate NZTA recommends performance improvements.

An outline of the audit programme was presented to this committee at the March 2019 meeting. The outcome of the Audit is now presented for review and is attached in Appendix 1.

2. Appendices

Appendix 1 – NZ Transport Agency Investment Audit - Final Report

Contact Officer: Tim Langley, Roothing Manager

Reviewed by: Jennie Mitchell, Group Manager Corporate Support

Appendix 1 – NZ Transport Agency Investment Audit - Final Report

NZ TRANSPORT AGENCY INVESTMENT AUDIT

FINAL REPORT

Monitoring Investment Performance

Report of the investment audit carried out under section 95(1)(e)(ii) of the Land Transport Management Act 2003.

Approved Organisation (AO):	South Wairarapa District Council
NZ Transport Agency Investment (2018 – 2021 NLTP)	Budgeted programme \$7,418,200
Date of investment audit:	1-4 April 2019
Investment Auditors:	Glenn McGregor, Tony Lange. Supported by Stephen Bowden (Stratford District Council)
Report No:	RAGMJ- 1872

OBJECTIVE

The objective of this audit is to provide assurance that the New Zealand Transport Agency's investment in South Wairarapa District Council's land transport programme is being well managed and delivering value for money. The audit focusses on the effectiveness of Council's financial and contract management systems, road safety and the condition of the roading assets. We also seek assurance that the Council is appropriately managing risk associated with the Transport Agency's investment. We recommend improvements where appropriate. Refer Appendix A for the audit programme.

EXECUTIVE SUMMARY

The road network for South Wairarapa is in good condition and is well managed by a small team familiar with the distinct characteristics of the network.

Council needs to more accurately record its financial expenditure, particularly its financially assisted overheads.

Looking forward, the district is expected to face significant growth, notably in the townships of Featherston and Greytown. Council has traditionally had a rural focus. Urban growth presents an opportunity to provide transport choice and upgrade the urban network to current standards.

Statistics for deaths and serious crashes show numbers are low with little change across road groups in the last five years. Rural network delineation including edge marking and curve advisory is not consistent across the district. It is important that this aspect of traffic services is maintained in good condition and complies with the standards set in the Traffic Control Devices manual.

The Road Efficiency Group's data reports highlight gaps in Council's current processes. Work is required to ensure all assets are recorded and condition assessments undertaken on a regular basis.

AUDIT RATING ASSESSMENT

Issue		Rating Assessment*
2	Financial processes	Some improvement needed
3	Procurement procedures	Effective
4	Network condition and management	Some improvement needed
5	Activity Management Plan / Data quality	Some improvement needed
6	Safety performance	Some improvement needed
Overall rating		Some improvement needed

* Key to rating assessment – refer appendix B

RECOMMENDATIONS

The table below captures the audit recommendations. Agreed dates are provided for the implementation of recommendations by the approved authority.

We recommend that South Wairarapa District Council:		Implementation Date
2	Documents its processes for making claims to the Transport Agency for funding assistance including the basis for allocating overhead charges.	1 st July 2019
4	Ensures that the maintenance contractor delivers a cross fall on unsealed roads within the range of 4 to 6% to mitigate the incidence of potholes on the network and help drivers stay in their lane.	1 st July 2019
5	Provides an update on progress for each improvement task identified in the Asset Management Plan.	11 July 2019
6	Improves its traffic services for rural roads as a safety priority.	2019/2020 financial year

Our thanks to all staff for their assistance during the audit.

Before being finalised this report was referred to the South Wairarapa District Council for comment. Council's responses are included in the body of the report.

FINDINGS

1: What issues, if any, remain unresolved from the previous audit?	
Findings	Recommendations arising from the March 2016 procedural investment audit report have been addressed. Recommendations covered the structure of the Land Transport Disbursement Account, the release of retentions and Council's procurement strategy.
South Wairarapa District Council response	SWDC noted the above findings

* * *

2: Financial processes		Some improvement needed
Findings	<p>Claims for funding assistance for the three years to 30 June 2018 were compared to Council's general ledger records. For each of the three years audited, both overclaims and underclaims to the Transport Agency were identified, but overall, we are confident only eligible expenditure has been claimed. This is largely related to the way overheads were being accounted for. We recommend that Council documents its processes for making claims to the Transport Agency for funding assistance including the basis for allocating overhead charges.</p> <p>Apparent over expenditure on emergency works on the special purposes road was identified. If Council decides to apply for extra funding from the Transport Agency to cover this, it will need to provide a detailed case covering how and where the work was done and specific costs for each emergency event.</p> <p>The small retentions account is reconciled monthly with good processes in place to ensure the correct retentions are held and released appropriately.</p>	
Recommendation	That the South Wairarapa District Council documents its processes for making claims to the Transport Agency for funding assistance including the basis for allocating overhead charges.	
South Wairarapa District Council response	SWDC has noted the above findings. A process for allocation of overhead has been implemented. Finance staff are now responsible for producing the monthly claims which are then signed off and submitted by the Roading Manager.	

* * *

3: Procurement procedures		Effective
Findings	<p>Council has recently developed a joint Procurement Strategy with Carterton District Council. This is with the Transport Agency for endorsement.</p> <p>Three physical works contracts and one professional services contract were reviewed for compliance with the Transport Agency's approved procurement procedures.</p> <p>While all contracts reviewed complied with the Transport Agency's procurement procedures a standard contract clause (105.6) appears to permit Council to allow a tenderer to correct a price or tendered sum. The Transport Agency's advice is that Council proceed with caution if it intends following this action and to seek legal advice before doing so.</p> <p>Rule 43(4) of the Government Rules of Sourcing provides the necessary guidance in such situations. "If, after opening the responses but before completing the evaluation, an agency offers a supplier the opportunity to correct unintentional errors, it must offer the same opportunity to all participating suppliers".</p>	
South Wairarapa District Council response	SWDC noted the response and has discussed with Consultants involved in the SWDC tender process	

* * *

4. Network condition and management		Some improvement needed
Findings	<p>Network pavement condition is good for both the sealed and unsealed roads. This correlates well with the pavement condition indices of Surface Condition, Pavement Integrity and Smooth Travel.</p> <p>The surface condition index (NZ Transport Agency transport data) had an anomaly for 2015-16 which indicated a marked drop in surface condition. The 2017 values have bounced back to be at the trend line. It is worthwhile for Council to investigate the change in surface condition. Was it due to a change in method, area surveyed or surveyor? With any condition survey Council need to confirm the assessment. Normally this is by an audit of a 10% sample of the full survey.</p> <p>Council has good processes in place for managing contract delivery with regular documented meetings and oversight of work carried out.</p> <p>On our field inspection we noted;</p> <ul style="list-style-type: none"> • Sealed roads had very few pavement failures though we noted some early signs of flushing on Lake Ferry Road. • Delineation including curve advisory signage and marking of hazards, for example bridge width markers, was poor on secondary collector roads (See section seven). • Unsealed roads rode well. However, there was a lack of cross-fall in some locations. Unattended, this will lead to potholing and affect safety. • Rural side drains on hills lacked regular discharge points. The risk of erosion and/or washouts is greater when there is a lack of discharge points for surface water to escape the road. Council should ensure 	

	<p>runoff is directed away from exposed steep slopes, particularly fill slopes.</p> <ul style="list-style-type: none"> • Traffic markings were in good condition. <p>Unsealed roads with low cross fall, < 4%, are likely to pothole and can lead to an unsafe network when drivers swerve to avoid potholes. Council needs to ensure that the maintenance contractor delivers a cross fall within the range of 4 to 6%, which will mitigate the incidence of potholes on the network and help drivers stay in their lane.</p> <p>In checking for compliance with Agency requirements, we noted:</p> <ul style="list-style-type: none"> • Net Present Value analyses for rehabilitation projects were done • Rating surveys are compliant (however best practice has moved on) • Maintenance costs are regularly updated in RAMM. <p>Best practice for network rating surveys is for rural roads to section each treatment length into 200 metre segments and in each segment, sample a 40-metre length for pavement faults. The smaller segment and increase in sample size improves data used to analyse pavement condition and modelling of future needs.</p> <p>Growth is an impending issue for Council; especially for Featherston and Greytown. The population in these rural towns is forecast to rise significantly in the next decade, with the greatest increase in the over 60's age group. Many of the town streets lack footpaths and traffic services to facilitate a significant increase of users. Connections between residential areas and retail, education and social hubs needs an integrated plan. Both towns have State Highway 2 as the main transport spine. This highway has a diverse mix of traffic and includes high volumes of heavy vehicles. As destination hubs are located either side of the spine it is important that the Transport Agency is an active partner in the development of an integrated transport plan for each town. This change will require good connections, with improvements to existing infrastructure and provision of new infrastructure. It is important that Council ensure that these improvements comply with current standards, especially for footpaths, kerbing and vehicle crossings. A proposed retirement village on Reading Street, Greytown is an example where standards must be met. This village is opposite a school and no pedestrian facilities exist on either side of the street. Current pedestrian guidelines say a minimum width of footpath near schools is 1.8 metres. In this case a wider footpath may be prudent due to the mixed use and width of mobility scooters.</p> <p>No capital projects have been initiated in the last three years requiring road safety audits to be completed.</p> <p>The low cost / low risk programme has a clear focus of activity and Council works closely with the Wairarapa Road Safety Council to identify emerging issues.</p>
Suggestion	That South Wairarapa District Council, when carrying out its network rating survey of rural roads, sections each treatment length into 200 metre segments and in each segment, sample a 40 metre length for pavement faults.
Recommendation	That the South Wairarapa District Council ensures that the maintenance contractor delivers a cross fall on unsealed roads within the range of 4 to 6% to mitigate the incidence of potholes on the network and help drivers stay in their lane.

<p>South Wairarapa District Council response</p>	<p>SWDC notes the findings.</p> <p>Pavement treatment length survey lengths will be amended to suggested criteria. Footpath maintenance is now a subsidised activity regular condition rating will be completed.</p> <p>The below extract from the new RFT for network maintenance which was out to the market at the time of the audit covers unsealed road crossfalls and cutouts etc and the RFT has a more collaborative approach with the Contractor</p> <p style="text-align: center;">1.1.1.1 Grading,</p> <p>The Contractor shall maintain the running surface, feather edges, tapers and surface water channels free of vegetation and shall ensure that the maintenance aggregate is maintained in a smooth and compacted condition.</p> <p>Grading operations between Easter and Labour Weekend shall include a grader-mounted compactor/roller, or equivalent standalone roller, to apply even compaction across the reshaped pavement. The compactor/roller shall conform to the following specifications as a minimum:</p> <ul style="list-style-type: none"> • Rubber tyres • Can be hydraulically lifted to and from the road surface by the grader, for example mounted on the rippers • Capable of continuous compaction across the width of the reshaped pavement as well as longitudinally along the pavement <p>Widths and Cross falls</p> <p>The widths and cross falls of the running surface, feather edges, tapers and surface water channels shall be maintained to the standards and cross-section stated. Roads which do not conform to these standards are to be progressively improved towards these standards as practicable. A cross fall between 5% to 8% shall be achieved.</p> <p>On curves a super-elevation consistent with the speed value of the curve is to be achieved across the full width of the carriage way.</p> <p>On curves on level gradients the crown is to be run from the centre to the high side over the length of the transition so that there will be no flat spot.</p> <p>Corrugations</p> <p>Corrugations shall not be permitted to exceed a maximum of 40mm from crest to trough anywhere on the carriageway and potholes when they are at regular intervals in the direction of travel, generally up to 1.0m apart, shall not exceed 50mm in depth.</p> <p>Rutting</p> <p>Ruts shall be removed and the surface restored to the general cross fall of the road. Ruts shall not be permitted to exceed a maximum 75mm in depth from crest to trough.</p> <p>Potholes</p> <p>The pothole shall be repaired by the contractor before it exceeds 50mm in depth or 150mm in diameter.</p>
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Repair material shall be a cohesive aggregate having similar characteristics and the properties to the surrounding pavement, with sufficient fines to ensure that the repair remains in place.

The repair material shall be thoroughly compacted so that a uniformly dense, stable repair is produced which does not move under the action of road traffics, with the finished surface matching the general profile of the adjacent surface.

Potholes may also be eliminated in the course of other related maintenance activities, e.g. maintenance grading, but the response times in this section will apply to such pothole repairs.

Loose Surface

Loose aggregate on the pavement surface shall not exceed 30mm loose depth.

Measurement of Defects

The depth of defects shall be measured in any direction without moving any loose aggregate using a 2.0m straight edge.

Cut-off Drains

During grading operations cut-offs drains at 100 metre intervals shall be installed and maintained clear of excess material including vegetation and windrow aggregate, also installed prior to super-elevation on curves, and at culverts. At valley points along the longitudinal grade the shoulder shall be graded off for 5 metres either side of the low point to prevent ponding and potholing at these points. Should these aspects be neglected the Contractors will be required to remedy immediately at their cost.

Reclaiming Metal

The Contractor shall identify opportunities for reclaiming road metal which has migrated from the road surface onto the adjacent shoulder, berm and/or surface water channel. This material shall be reclaimed during the grading operation as appropriate to maximise the use of this resource. If the metal reclaiming is to be delayed for climatic or seasonal reasons, the Contractor shall ensure these opportunities are recorded and programmed in RAMM Contractor for completion. Care shall be taken to ensure large sods of turf do not remain on the carriageway, small tufts are permitted.

The surface following grading shall comprise a dense, smooth matrix of aggregate generally free from areas of ravelling and loose metal, but which is not slick when wet.

Transition from unsealed to sealed carriageway

Where the unsealed carriageway changes to a sealed carriageway or a bridge, a smooth transition shall be maintained between the two surfaces over a 20m section within the unsealed carriageway. The sealed carriageway and bridge deck shall be kept free of all maintenance aggregate.

Maintenance Operation

During any maintenance of the running surface the following requirements shall be adhered to:-

- The length of road where the running surface is being disturbed by grading or other means, and which produces a windrow of loose material, shall not exceed 4.0 kilometres.

	<ul style="list-style-type: none"> • The height of the windrow of loose material shall not exceed 150mm (that which will allow an average vehicle to negotiate and cross over without bottoming). • Grading per kilometre will have a minimum of 4 passes with the grader to enable a cut and spread method.
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* * *

5. Activity management planning / Data quality		Some improvement needed
Findings	<p>Council's data quality as reported in the Road Efficiency Group's data quality report is good based upon the score of 66/100. However, there are aspects for improvement, including asset inventory and maintenance activity. Both completeness and accuracy dimensions also require improvement.</p> <p>Key fundamentals of good asset management include a complete inventory of assets, detailing condition, annual spend and usage. Without this data managing the network becomes inefficient and ineffective.</p> <p>Council is aware of the data gaps and has an improvement plan in the Activity Management Plan. Council is requested to provide an update on progress with implementing the improvement plan.</p>	
Recommendation	That the South Wairarapa District Council provides an update on progress for each improvement task identified in the Activity Management Plan	
South Wairarapa District Council response	<p>Attached is the up to date improvement plan along with the REG dashboard.</p> <p>Data improvement/collection for signs and stormwater assets has been included in the RFT for network maintenance, the collection and update will be spread over two financial years.</p> <p>Lump sum activities under the old RFT for network maintenance have been replaced with Km or each rates under the new RFT, giving actual contract costs to each asset item.</p>	

* * *

6. Safety performance		Some improvement needed
Findings	Crash statistics for South Wairarapa are low and align well with the low number of vehicle kilometres travelled. Of the One Network Road classes, Secondary Collector roads are the exception with a rise in crashes for the period 2013 to 2017. This road class provides a secondary distributor/collector function, linking local areas of population and economic sites and may be the only route available to some places within this local area. An additional feature of this class is the link to tourist activities, for example Cape Palliser.	

	<p>Our review of the network identified issues with safety features for this classification. We noted inconsistency with curve advisory signage, corner chevrons and delineation.</p> <p>A key aspect of providing a safe network is to maintain existing traffic services and ensure they are in good condition and well placed. This was not the case for Council's network. Guidance on the proper level of service for Secondary Collector roads and placement is in Part 5 (currently draft) of the Traffic Control Devices (TCD) manual. The manual advises that generally no delineation is necessary on the road class (<200 vehicles per day) unless there are known crash issues or a known tourist route. With a strong link function, lack of alternative routes, tourist traffic and an increase in crashes, it is desirable to have lane markings and delineation on Council's Secondary Collector roads.</p> <p>The lateral offset for edge marker posts is between 1.2 and 3 metres from the edge of the traffic lane (TCD manual). Best practice is to offset edge marker posts at the smallest offset of 1.2 metres. This will improve visibility for both day and night travel.</p> <p>An alternate device for Council to consider is to use raised reflective pavement markers in place of edge delineation posts in areas of high winds. Often strong winds can lessen the life of an edge marker post due to continual flexing of the post. In this situation an analysis of the whole of life costs between edge marker posts and raised pavement markers will direct Council on the preferred treatment.</p> <p>Our field inspection also found that the location of width markers was poor. Again, the TCD manual has guidance on the correct location of these important markers.</p>
Recommendation	That the South Wairarapa District Council improves its traffic services for rural roads as a safety priority.
South Wairarapa District Council response	<p>Part 5 (currently draft) of the Traffic Control Devices (TCD) manual has been review by SWDC. Improvements will be instigated on Secondary Collectors with funding from LCLR category. Bidwill's Cutting Road and Cape Palliser road will receive treatment first, due to Bidwill's Cutting running between SH 2 and 53 and Cape Palliser Rd being high tourist route.</p> <p>Loss of EMPs on some road is up to 40% due to wind, stock, quad bikes and large tractors. Consistent emps, edgeline painting and curve warning in terms of Part5 of TCD will be implemented. Changes to the Activity Management plan will reflect proposals.</p>

Investment Audit Programme

1. Previous audit outcomes - Procedural – March 2016, Technical – 2009
2. Land Transport Disbursement Account
3. Final claims for 2015/16, 2016/17, 2017/18
4. Reconciliation between ledgers supporting final claim and the audited financial statements
5. Transactions (accounts payable) 2017/18
6. Retentions Account
7. Procurement Procedures
8. Contract Variations
9. Roothing Maintenance (includes fieldwork inspection)
10. Roothing Renewals
11. Road Safety Management
12. Contract Management
13. Asset Management
14. Professional Services
15. Transport Investment On-line (TIO) Reporting
16. Other issues that may be raised during the audit
17. Close out meeting (to be arranged)

AUDIT RATING TABLE

Rating	Definition
<p>Effective</p>	<p>Investment management – effective systems, processes and management practices used.</p> <p>Compliance – Transport Agency and legislative requirements met.</p> <p>Findings/deficiencies – opportunities for improvement may be identified for consideration.</p>
<p>Some Improvement Needed</p>	<p>Investment management – acceptable systems, processes and management practices but opportunities for improvement.</p> <p>Compliance – some omissions with Transport Agency requirements. No known breaches of legislative requirements.</p> <p>Findings/deficiencies - error and omission issues identified which need to be addressed</p>
<p>Significant Improvement Needed</p>	<p>Investment management – systems, processes and management practices require improvement.</p> <p>Compliance – significant breaches of Transport Agency and/or legislative requirements.</p> <p>Findings/deficiencies – issues and/or breaches must be addressed or on-going Transport Agency funding may be at risk.</p>
<p>Unsatisfactory</p>	<p>Investment management – inadequate systems, processes and management practices.</p> <p>Compliance – multiple and/or serious breaches of Transport Agency or legislative requirements.</p> <p>Findings/deficiencies – systemic and/or serious issues must be urgently addressed or on-going Transport Agency funding will be at risk.</p>

(From Question 3)

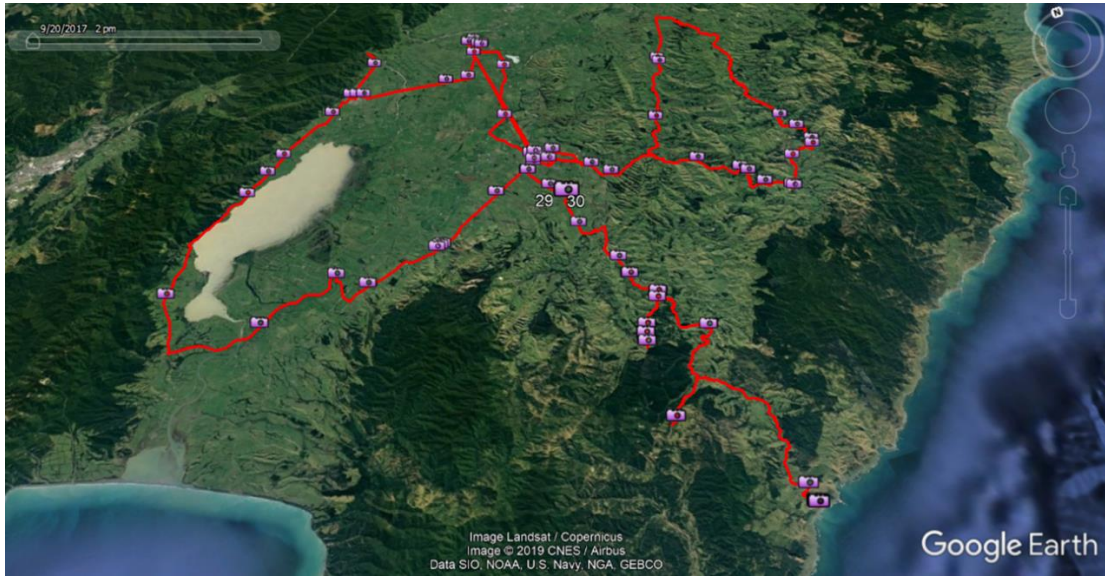
CONTRACTS AUDITED

Contract Number	Tenders Received	Date Let	Description	Contractor		
			Physical Works			
C1221	7	Mar 2016	Whatarangi Cliffs Wall	Fulton Hogan	Estimate Let Price Final Cost	\$800,776 \$732,958 \$431,600
C1228	2	Dec 2017	Sealed road rehabilitation and seal extension 2017/19 (Joint contract with Carterton District Council)	Higgins	Estimate Let Price Final Cost	\$1,838,326 \$2,040,659 Current
C1229	1	Apr 2017	2017 Bridge maintenance	Whitiker Civil Engineering	Estimate Let Price Final Cost	\$186,298 \$141,000 \$200,316
			Professional Services			
C1234	2	Oct 2017	Roading Asset Management – professional services	Calibre Consulting	Estimate Let Price Final Cost	\$420,292 \$240,939 Current

Sample photos




FIELD VISIT ROUTE.




Investment Audit of South Wairarapa District Council

Report No: RAGMJ -1872

Prepared by: 

Glenn McGregor, Senior Investment Auditor
Tony Lange, Senior Investment Auditor

Approved by: 

Jenny Fildes, Practice Manager Audit and Assurance

FINANCE, AUDIT AND RISK COMMITTEE

28 AUGUST 2019

AGENDA ITEM C2

CORPORATE SERVICES REPORT

Purpose of Report

To present the Corporate Services Report for August 2019.

Recommendations

Officers recommend that the Committee:

1. *Receive the Corporate Services Report.*

1. Background

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

- Rates arrears report to 31 July 2019
- Interim Audit report from Audit New Zealand dated 3 July 2019
- Audit plan from Audit New Zealand for the year ended 30 June 2019
- Health and Safety report to 20 August 2019

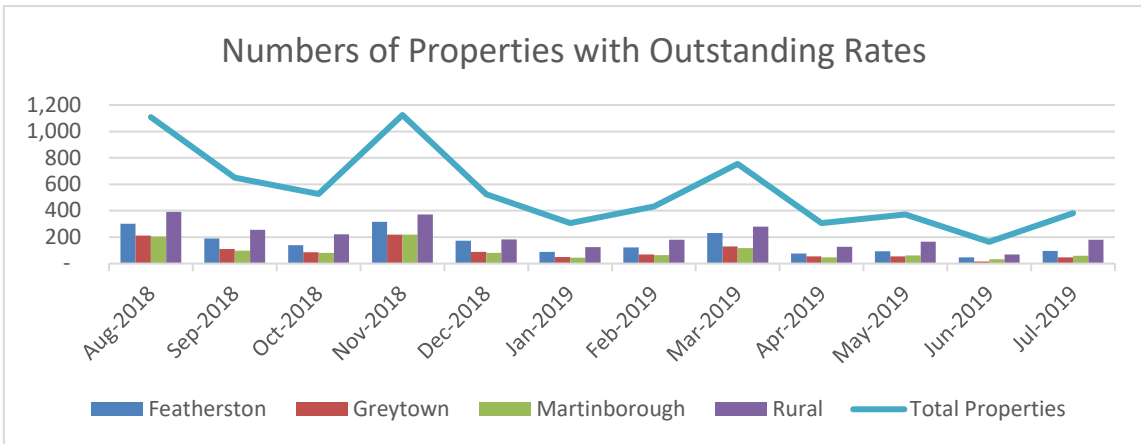
2. Financial and Other Reports

2.1 Financial Statements

There are no financial statements to be presented at this meeting as the June year end financial statements and annual report are in the process of being prepared. The year end audit is due to commence on 16 September 2019 and the Annual Report for the year ended 30 June 2019 is due to be approved by Council on 23 October 2019.

2.2 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.



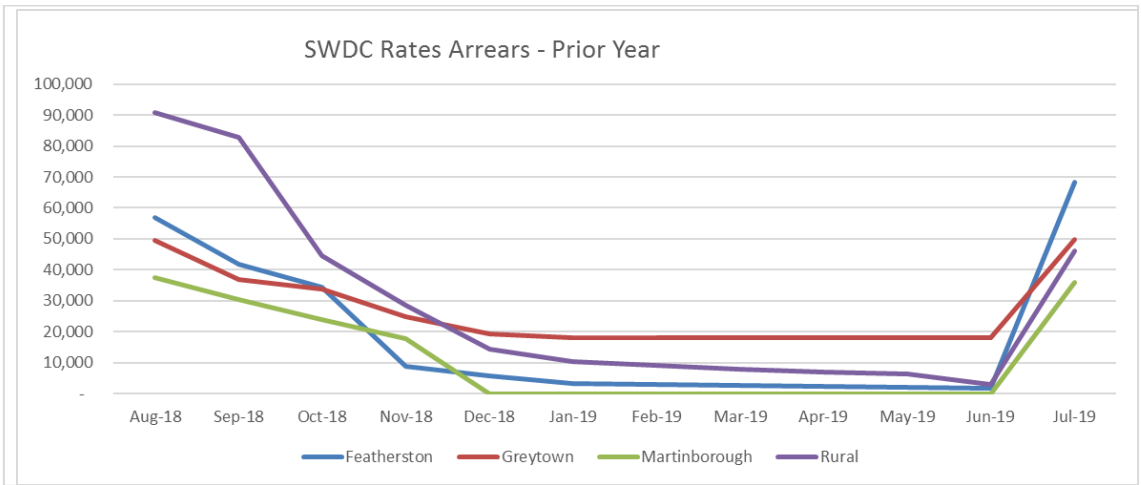
Now that we have rolled the rates ledger over into the new financial year, the amount of rates arrears has increased to \$200k. At the end of July 2018, the arrears amount was \$300k so this has dropped \$100K or one third over the last year due to the consistent work done by the rates team.

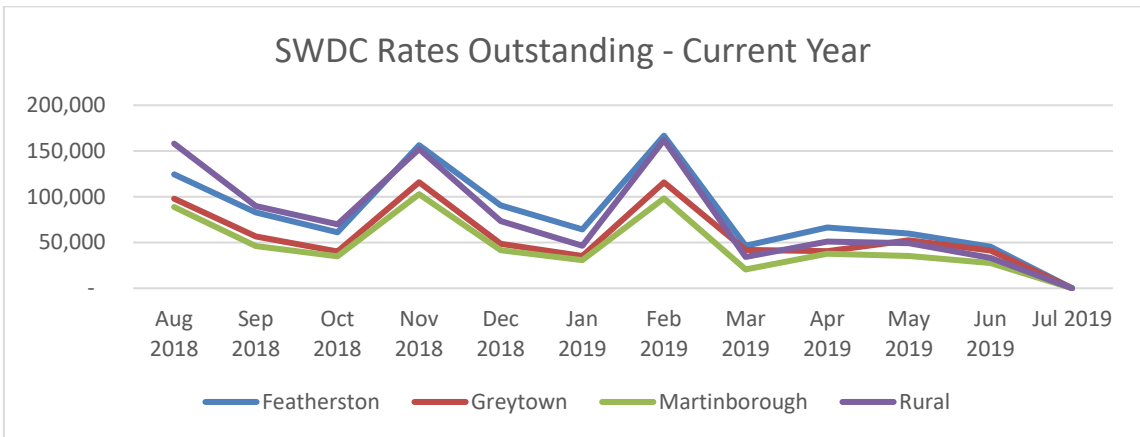
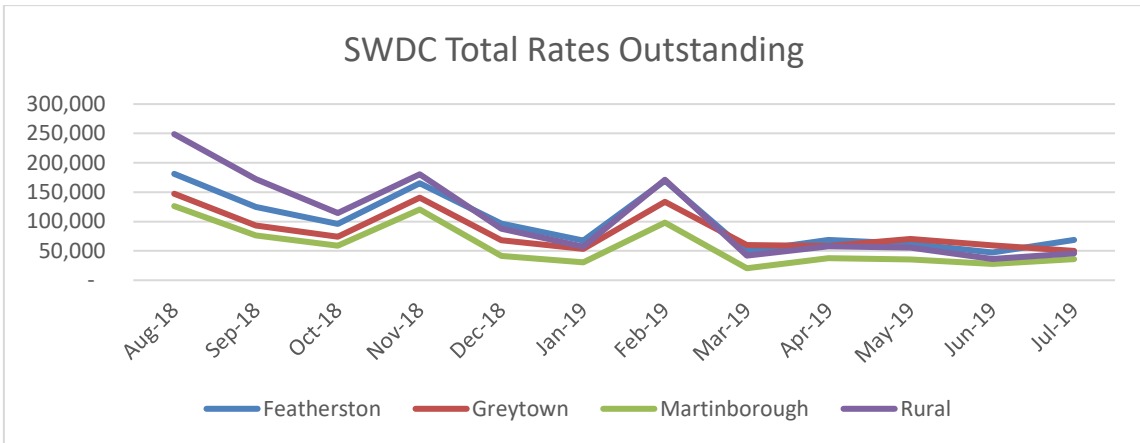
We will soon commence the process to recover arrears from those ratepayers who have mortgages through their banks as we are entitled to do through the Rating Act.

There are now only five ratepayers with arrears dating back to the 2018 year and earlier. Of these 1 is on repayment plan, 2 have issues with the title of their property, and 2 are lodged with debt collectors.

We have had a good response to the rates rebate scheme already this year with 196 rebates processed to date. Last years total was 369 rebates, so we have processed over half the likely rebates already.

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.





2.3 Interim Audit Report

The Interim Audit NZ Report is attached in Appendix 1.

2.4 Audit plan for the year ended 30 June 2019

The Audit plan from Audit NZ for the year ended 30 June 2019 is attached in Appendix 2.

2.5 Occupational Health and Safety

A health and safety report for 25 May – 20 August 19 is included in Appendix 3.

3. Appendices

Appendix 1 – Interim Audit Report

Appendix 2 – Audit plan for the year ended 30 June 2019

Appendix 3 – Health and Safety Report

Contact Officer: Jennie Mitchell, Group Manager Corporate Support

Reviewed by: Harry Wilson, Chief Executive Officer

Appendix 1 – Interim Audit Report

**Report to the Council
on the interim audit of
South Wairarapa District Council**

For the year ended 30 June 2019

Contents

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- 3 Progress on audit risks and issues from the audit plan8
- 4 Useful publications.....8
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- Appendix 2: Previous recommendations to follow up at the final audit11
- Appendix 3: Disclosures12
- Appendix 4: Priority rating system13

Key messages

We have completed our interim audit for the year ended 30 June 2019. This report sets out our findings from the interim audit and draws attention to areas where South Wairarapa District Council (the District Council) is doing well and where we have made recommendations for improvement.

We considered the internal controls relevant to preparing the financial statements and the service performance information, and reviewed those controls relevant to our audit.

We performed a high level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We also considered the overall attitude, awareness, and actions of the Council and management to establish and maintain effective management procedures and internal controls.

We reviewed the internal controls, in your information systems and related business processes. This included the controls in place for your key financial and service performance information systems.

We concluded that the overall control environment was operating effectively and that, with the exception of matters raised below, we could place reliance on controls relevant to our audit.

Matters identified during the audit

New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
The District Council should complete a review of expenditure recorded to supporting documentation prior to payment to ensure all payments made relate to valid expenditure.	2.1	Urgent
The District Council should ensure all complaints or faults reported are recorded in the RFS and CEM to ensure service performance reporting is complete and accurate.	2.2	Urgent
The District Council should review the delegations policy and take into account that some areas of operation have inherently higher levels of expenditure than others and it may be practical to have higher delegations within these areas.	2.3	Necessary

There is an explanation of the priority rating system in Appendix 4.

Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous year's recommendations in detail.

Priority	Total
Open	7
Implemented or closed	3
Matters that will be followed up during our final audit visit	5
Total	15

Thank you

We would like to thank management and staff for their assistance during this visit.



John Whittal
Appointed Auditor
3 July 2019

1 Assessment of internal control



The Council, with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. Our audit considers the internal control relevant to preparing the financial statements and the service performance information. We review internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work, and may not include all weaknesses for internal controls relevant to the audit.

1.1 Control environment

The control environment reflects the overall attitudes, awareness and actions of those involved in decision-making in the organisation. It encompasses the attitude towards the development of accounting and performance estimates and its external reporting philosophy, and is the context in which the accounting system and control procedures operate. Management, with the oversight of the Council, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We have performed a high level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We considered the overall attitude, awareness, and actions of the Council and management to establish and maintain effective management procedures and internal controls.

We consider that a culture of honesty and ethical behaviour has been created. The elements of the control environment provide an appropriate foundation for other components of internal control.

1.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and service performance reporting. These internal controls are designed, implemented and maintained by the Council and management.

We reviewed the internal controls, in your information systems and related business processes. This included the controls in place for your key financial and service performance information systems. For all the systems we tested, except expenditure, the controls in each are capable collectively of preventing or detecting and correcting material misstatements. The deficiency identified in the expenditure is reported on further in the following section of these report.

2 Audit findings and recommendations

2.1 Review of batch invoices

A key control of the District Council's expenditure system is agreeing all expenditure recorded to supporting documentation (for example, a supplier invoice) prior to payment, evidenced by review. We were unable to confirm this control was operating effectively in the period under review as there was no supporting evidence (e.g. a signature) of the review taking place.

There is thus risk that payments have been made without supporting documentation being received, this increases the risk due to error or fraud.

We recommend that all expenditure is confirmed to appropriate documentation prior to payment, and that this review is evidenced.

Management comment

The process is that someone other than the Accounts payable clerk checks every batch after it has been entered and this is evidenced by the signed checklist attached to the front of each batch. This process works well and gives good evidence of checking in the majority of cases. Audit located a couple of batches where the sign off had been missed and we have rectified this so that all batches will be checked off in future.

2.2 Customer complaints

The District Council records any complaints or faults received in the Request for Service System (RFS) and Customer Event Manager City Care system (CEM). We identified that where a customer makes a complaint or reports a fault and this relates to an issue already lodged in the RFS or CEM system, the additional complaint or fault is not recorded.

The DIA guidance indicates every complaint/fault notified to the District Council needs to be recorded and reported within the relevant service performance measure. Further, by not recording every complaint the total complaints reported within annual Report will be understated.

It is important this issue is addressed as soon as possible to ensure that the service performance measures are fairly stated within the 2018/19 annual report.

We recommend that all complaints or faults reported to the District Council are recorded in the RFS and CEM to ensure service performance reporting is complete and accurate.

Management comment

The person who records the complaints and requests for service has been advised of the need to record all requests for service, as have the Managers and Group Manager.

2.3 Low delegation levels

Through expenditure testing we identified a number of larger invoices for contract payments are being approved outside of delegation limits. These all related to Infrastructure and Services.

We are satisfied that the expenditure was legitimate but that this represents a breach of the delegations policy.

The same issue was identified in the prior year.

We continue to recommend the District Council review the delegations policy and take into account that some areas of operation have inherently higher levels of expenditure than others and it may be practical to have higher delegations within these areas.

Management comment

Once again this system normally works well but occasionally the odd invoices slips through that has not been signed at the correct level. We have put checking systems in place to ensure this doesn't happen going forward. The Delegations policy is currently being reviewed and this may result in a recommendation to increase some delegations levels.

3 Progress on audit risks and issues from the audit plan

We identified three areas of focus as part of our planning documentation. Due to the nature of these issues and the timing of our interim audit we have no progress to report at this time, we have report these issues as part of our final audit.

4 Useful publications



Based on our knowledge of the Local Authority, we have included some publications that the Council and management may find useful.

Description	Where to find it
Client updates	
<p>In March 2019, we hosted a series of client updates. The theme was “Improving Trust and Confidence in the public sector”.</p> <p>These included speakers from both Audit New Zealand and external organisations.</p>	<p>On our website under publications and resources.</p> <p>Link: Client updates</p>
Model financial statements	
<p>Our model financial statements reflect best practice we have seen to improve financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	<p>On our website under publications and resources.</p> <p>Link: Model Financial Statements</p>
Audit Committees	
<p>The OAG has released various best practice information on Audit Committees.</p>	<p>On the OAG’s website under “Our Work – Audit Committee Resources”.</p> <p>Link: Audit Committee Resources</p>
Infrastructure as a Service	
<p>The OAG has completed a performance audit on Infrastructure as a Service and considered whether the benefits are achieved.</p>	<p>On the OAG’s website under publications.</p> <p>Link: Infrastructure as a Service</p>

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
<p>Creditors Masterfile</p> <p>The District Council should independently review all changes to the Creditors Masterfile, including bank account changes and new creditors.</p> <p>The District Council should ensure that a report including all changes is run when Creditor Masterfile review is going to occur to ensure no changes are missed.</p>	Interim 2018	<p>Some progress made.</p> <p>We understand the District Council does check all bank account changes to supporting documentation, but we are unable to rely on this control as the check is not evidenced.</p> <p>Management comment</p> <p><i>The Assistant Accountant checks the creditor masterfile each month. In addition the Finance Manager spot checks 15-20 bank account numbers in the 20th payment run and all bank account numbers in smaller one-off payruns. From a payroll point of view the Payroll officer now prints an audit report which has any changes to bank account details and this is then checked against the employee files.</i></p>
<p>Low delegation levels</p> <p>The District Council should review current delegation limits to ensure these are reflective of the expenditure being incurred by Council officers.</p>	Interim 2018	<p>Issue outstanding.</p> <p>See section 2.3.</p> <p>Management comment</p> <p><i>The Delegations policy is currently being reviewed and this may result in a recommendation to increase some delegations levels.</i></p>
<p>Review of journals and reconciliations not being dated</p> <p>The District Council should independently review all journals and balance sheet reconciliations a timely manner. This should be evidenced by signature and date.</p>	Interim 2018	<p>Some progress made.</p> <p>We did not identify any issues with the review of journals as part of our interim audit. The Accounts Receivable reconciliation was not always signed as prepared and we continue to recommend that this is done.</p> <p>We will test a further sample of these at year-end and report progress.</p> <p>Management comment</p> <p><i>We will ensure this is done in future.</i></p>

Recommendation	First raised	Status
<p>Procurement and Contract Management Policy</p> <p>The District Council should update the Procurement Policy to ensure it covers all of its procurement and contract management activities.</p>	Interim 2018	<p>Issue outstanding.</p> <p>The District Council is not intending to review and update this policy until 2020.</p> <p>Management comment</p> <p><i>This policy is due for review in December 2020. Officers may review this earlier if time allows.</i></p>
<p>Sensitive Expenditure Policy</p> <p>The District Council should update the policy to ensure it covers all best practice guidelines.</p>	Interim 2018	<p>Issue outstanding.</p> <p>The council is not intending to update the Sensitive Policy until 2020. We will follow-up on previous recommendations when the policy is updated.</p> <p>Management comment</p> <p><i>This policy is due for review in December 2020. Officers may review this earlier if time allows.</i></p>

Implemented or closed recommendations

Recommendation	Status
<p>Recording of all changes to employee bank account</p> <p>The District Council should ensure all changes to employee bank accounts are appropriately identified and reviewed on a timely basis.</p>	<p>The District Council has implemented additional controls around the process of identifying and reviewing employee masterfile changes. Our testing confirmed that these controls are operating effectively for the purposes of our audit.</p>
<p>Review of the rates system</p> <p>The District Council should perform an independent review the reconciliation between QV and the RID to ensure no reconciling items are overlooked. This review should be evidenced by the signature of the reviewer and the date of review.</p>	<p>We confirmed that the QV to RID reconciliation is now being performed and documented.</p>
<p>Vested Assets</p> <p>The District Council should consider implementing a process for identifying assets vested to it by developers.</p>	<p>The District Council has implemented a quarterly process where the finance team check with relevant teams whether any assets have been vested in the period.</p> <p>The planning team has been made aware of the implications of recognising assets vested to the council.</p> <p>We understand that there has only been one asset vested to the District Council in the year to date.</p> <p>We thus consider this recommendations closed but will continue to monitor the council's processes for confirming the completeness of recording assets vested.</p>

Appendix 2: Previous recommendations to follow up at the final audit

The recommendations below were raised in our final management report, either as new issues identified during the 2019 audit, or issues previously identified and still outstanding. We will follow up these issues as part of the final audit.

Recommendation
<p>Resource Consent Processing Days</p> <p>The District Council should undertake a review of all resource consents processed near the statutory deadline (for the type of consent) to ensure the system has counted these correctly.</p>
<p>FAR not updated with potential changes in useful lives from revaluations</p> <p>The District Council should compare the useful lives of building assets to ensure accurate useful lives are being used to calculate depreciation.</p>
<p>Conflicts of Interest Register for elected members</p> <p>The District Council should ensure declarations by elected members are completed and signed annually.</p>
<p>Lack of formal documentation for transfer of completed work in progress</p> <p>The District Council should develop a formal process to certify that assets are completed and ready for use upon completion of capital projects or stages of capital projects.</p>
<p>Excessive annual leave balances</p> <p>The District Council should regularly review employee leave balances and ensure employees with excessive balances have leave plans put in place.</p>
<p>Sensitive expenditure approval</p> <p>The District council should ensure expenditure of a sensitive nature is approved in line with the District Council's Sensitive Expenditure Policy.</p>

Appendix 3: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carry out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carry out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Local Authority in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>To date, in addition to the audit we have carried out engagements in the areas of the Debenture Trust Deed, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, the Local Authority.</p>
Fees	<p>The audit fee for the year is \$89,029, as detailed in our Audit Proposal Letter.</p> <p>To date, no other fees have been charged in this period.</p>
Other relationships	<p>To date, we are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Local Authority that is significant to the audit.</p> <p>We are not aware of any situations to date where a staff member of Audit New Zealand has accepted a position of employment with the Local Authority during or since the end of the financial year.</p>

Appendix 4: Priority rating system



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommendations.

Priority	Explanation
Urgent	<p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.</p>
Necessary	<p>Address at the earliest reasonable opportunity, <i>generally within six months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p>
Beneficial	<p>Address, <i>generally within six to 12 months</i></p> <p>These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.</p>

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Appendix 2– Audit plan for the year ended 30 June 2019

Audit plan

I am pleased to present our Audit Plan for the audit of South Wairarapa District Council (the District Council) for the year ended 30 June 2019. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Our audit process.....	5
Reporting protocols	8
Audit logistics.....	9
Expectations.....	11

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



John Whittal
Appointed Auditor
5 July 2019

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Capital projects	
<p>The District Council is either in the process of completing, or has completed, the following major capital projects.</p> <p>Wastewater treatment upgrade</p> <p>The District Council is upgrading the wastewater treatment systems for Greytown and Featherston to stop pollutants entering waterways.</p> <p>These projects are at differing stages:</p> <ul style="list-style-type: none"> • The Greytown construction is expected to be completed in the 2018/19 financial year. • The District Council continues to work with the regional council to obtain the resource consent for the Featherston project. <p>Waihinga Centre</p> <p>The Waihinga Centre project was completed and became operational in December 2018. This was a significant project for the council, costing over \$5m and providing a multi-purpose community hub.</p>	<p>We will update our understanding of the projects and consider the adequacy of:</p> <ul style="list-style-type: none"> • project governance and management structures; • procurement and project management processes applied; and • risk management practices. <p>We will also consider the adequacy of systems in place for recording costs and commitments associated. This includes reviewing the classification of expenditure to make sure this has been accounted for in accordance with generally accepted accounting practice, identifying commitments and reviewing the District Council’s impairment assessment at balance date.</p> <p>Following completion of the Waihinga centre we will:</p> <ul style="list-style-type: none"> • Review the accounting treatment of the Waihinga centre asset in the 2018/19 financial statements, including the useful life and impact on depreciation.

Audit risk/issue	Our audit response
Fair value movement in a non-revaluation year	
<p>The District Council's policy is to revalue its infrastructure assets on a cyclical basis. The District Council last revalued its infrastructure assets as at 30 June 2017.</p> <p>We note that it is a requirement of <i>PBE IPSAS 17 Property, Plant and Equipment</i> that the District Council performs an assessment of the fair value movement in non-revaluation years to confirm that there has been no material movement. Where evidence of material movement exists, a full revaluation is required to comply with the accounting standards.</p> <p>Due to the subjectivity involved in making this fair value assessment, there is an inherent risk that the carrying value of these assets is materially misstated in years between valuations.</p>	<p>We will review consider the robustness of management's assessments as to whether or not there is a material difference between the fair value and the carrying value of those assets.</p>
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Debenture Trust Deed

This plan does not cover the debenture trust deed assurance engagement that will provide a report to the District Council and the Trustees. This will be subject to a separate engagement agreement.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.govt.nz/reports/fraud-reports.

Our audit process

Initial planning

Initial planning activities include verifying compliance with independence requirements and building the audit team.

Understand your business and environment

We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of the District Council, your business, and the environment you operate in.

Assess audit risk

We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.

Evaluate internal controls

We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.

Finalise the audit approach

We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.

Gather audit evidence

During the final audit we audit the balances, disclosures, and other information included in the District Council’s financial statements and performance information.

Conclude and report

We will issue our audit report on the financial statements and performance information. We will also report to the Council covering any relevant matters that come to our attention.

Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Council and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Council that specify the reasons why the corrections will not be made.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the District Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employee.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to Council



We will provide a draft of all reports to Council and management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within five working days. Once management comments are received the report will be finalised and provided to Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

John Whittal	Appointed Auditor
Leon Pieterse	Engagement Quality Control Review Director
Stephen Usher	Audit Manager
Nicole Anderson	Supervisor

The Engagement Quality Control Review (EQCR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQCR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day to day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQCR will work with your Appointed Auditor and the audit team, but will not have direct contact with you.

Timetable



Our proposed timetable is:

Interim audit begins	11 March 2019
Draft report to Council issued	25 March 2019
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	12 September 2019
Final audit begins	16 September 2019
Final financial statements available, incorporating all the amendments agreed to between us	7 October 2019
Annual report available, including any Chair and Chief Executive's overview or reports	7 October 2019
Audit opinion issued	23 October 2019
Draft report to Council issued	TBA

Expectations



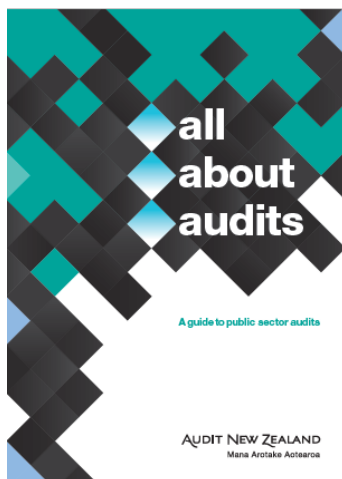
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to help explain the audit process:



Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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Appendix 3 – Health and Safety Report

South Wairarapa District Council Health and Safety Report 25 May 2019 – 20 August 2019

HEALTH AND SAFETY STRATEGY

We continue to progress well on implementing our health and safety strategy and work plan.

RESOURCING

We are currently reviewing our health and safety resourcing with Julie Wallace leaving on 3rd September.

HEALTH AND SAFETY – DRIVING CONTINUOUS IMPROVEMENT (lead indicators)

Training

SWDC are continuing to review health and safety training needs of new and existing staff. We are running

Engaging with our people

Health and Safety at Work Team have recently:

- Continued to look at how the team can keep health and safety alive through contributing in team meetings and providing messages to team mates in the health and safety newsletter.
- Continued to contribute to content for health and safety notice boards.
- Reviewed security at Council Office Martinborough.
- Promoted positive feedback and solution based health and safety conversations with their teams.

Near Miss reports

No near misses reported in the period 20 March 2019 until 24 May 2019.

Wellness

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

- All staff continue to be offered flu injections.
- All staff offered annual wellness payment of \$200.

Working with our Contractors

7	0	4	3
Contractor audits and safety interactions undertaken with council engaged contractors and contractors working within SWDC Roding corridor	Contractor met expectations	Did not meet expectations and remedial actions taken	Minor remedial actions taken

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.
- Sessions for small contracting companies are being developed with Carterton District Council. The sessions will focus on working with the councils, working with WorkSafe and how we can work together to continue to lift our community's health and safety performance.
- All contractors who work with Council sent a letter asking them to lift their health and safety standards following contractor interactions within SWDC Roding corridor.

Working with our Volunteers

Working with Volunteer policy and tools rolled out for use by staff and Community Boards

HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)

One non-injury incident reported during the period 25 May 2019 and 20 August 2019. 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 monthly newsletter 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
<p>Contractors</p>	<p>Contractors undertake a number of high risk activities for Council. We have little control over Contractors staff and work standards while they are working for Council.</p> <p>We rely on them employing staff who are competent and trained, while observing safe work practices.</p>	<p>Contractors working for Council have robust health and safety systems in place, and understand their obligations. Contractors will be fully briefed, responsibilities assigned, and work will be periodically assessed to ensure agreed controls are being managed.</p>	<p>Contractor management system designed.</p> <p>Contractors asked to provide their H&S systems for checking by Council.</p> <p>Once approved, contractors will be asked to sign a contractor agreement.</p> <p>Contractor pre-start briefings and inductions have been developed and provided to appropriate staff.</p> <p>Site safety audit checklists have been developed and provided to appropriate council staff. Staff who manage contractors have been undertaking safety audits and ensuring remedial actions undertaken where required. Contractor safety audit standards added to the audit checklists to assist managers and staff when undertaking a safety audit.</p> <p>When work is commissioned, a risk assessment is done to inform the frequency and type of safety audits.</p> <p>Contractor post contract safety review developed to assist managers with safety conversations with contractors when work is complete.</p>

			<p>Reviewed all our listed contractors to re-assess the risk associated with the work they are doing for council and to ensure we are getting health and safety information that is appropriate for the level of risk they are managing on council behalf. See attachment one "Contractor engagement and review".</p> <p>Work continues chasing up contractors who have provided insufficient or no information.</p> <p>Carterton District Council are working with us on running sessions for Contractors who work with both councils.</p>
Lone / remote workers	<p>It is not always possible for staff to work in teams or even in pairs. Often staff are required to work alone and remotely, where in some cases poor cell phone coverage is an additional factor.</p>	<p>All staff who work remotely or alone will be provided with cell phones. They will be required to sign out before they leave, including their intended location and expected time of return. This will be monitored and action taken in line with an emergency response plan if help is summoned or they fail to return by the expected time. They will be required to sign in when they return. They will be provided with a device to summon assistance which do not require cell phone coverage.</p> <p>Consideration to be given to having vehicles fitted with GPS.</p>	<p>Staff who work remotely or alone to have access to cell phones. Sign out/in systems in place and being used.</p> <p>Garmin InReach remote contact device currently being used by Bylaws team. Device meets legislative requirements by providing two way communication in areas out of cellular range. Device also provides GPS functionality, enabling manager to pinpoint location of staff.</p> <p>A second Garmin device has been purchased for use by the remainder of staff who work in lone/remote situations. Device currently being trialled by Roading team. This will be monitored, with additional devices purchased if required.</p> <p>Monitoring process for sign out/in system developed and implemented by Bylaws and Roading teams.</p>

			<p>Training in the use of the device, monitoring, and emergency procedures rolled out to Managers, Bylaws and Roding team. Emergency Action Plans developed. Teams have reported monitoring and the Garmin device is working well.</p> <p>The current allocation of Garmin devices is appropriate for the work our teams are doing.</p>
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FINANCE, AUDIT AND RISK COMMITTEE

28 AUGUST 2019

AGENDA ITEM C3

PROJECT SUMMARY REPORT

Purpose of Report

To provide the Committee with an update on Council projects.

Recommendations

Officers recommend that the Committee:

1. *Receive the Project Summary Report.*

1. Executive Summary

A brief report on the status of current Council projects is attached in Appendix 1 for the Committee's information.

2. Appendices

Appendix 1 – Project Summary

Contact Officer: Jennie Mitchell, Group Manager Corporate Support

Reviewed By: Harry Wilson, Chief Executive

Appendix 1 – Project Summary

Project update - Finance, Audit and Risk Committee

August 2019 meeting

Project	Update
WW to land - GTN	Management plan being developed. Aiming to discharge to land in spring.
WW to land - FTN - long term consent (35 Yrs)	Hearing deferred to enable additional community engagement and technical analysis. Working with GWRC and subject matter experts. Six community drop in sessions held July 2019 which were well attended and good information received on community views and concerns. Analysing results of feedback from community and next steps. Ongoing investigative work being carried out by experts
WW to land - FTN - short term consent (5 yrs)	On hold at present while we focus on 35 year consent and results of expert investigations.
WW to land - MBA	Potential non-compliance for Martinborough: The nitrogen samples have increased above normal levels expected over winter. Further sampling is on-going to identify if it is the overloading or the ponds need desludging sooner than expected.
Houses at Whatarangi Cliffs	No change from insanitary or dangerous for the buildings perspective. Building team visit after storm events and while in the area to check for any changes. GWRC seeking consultant advice on coastal erosion/land impact and ongoing hazard topic. They have a contract to help complete a first order coastal vulnerability assessment.
Lease of FTN Golf Club Land	Preparing leases for farmer and beekeeper. Pae tu Mokai leasing clubrooms from 1 August 2019.
Waihinga Centre	Opened 10 December 2018, working on final sign off. Small number of issues to be resolved. Additional costs to get code of compliance to be funded from the District Property Reserve.
Greytown land sale – Old Stella Bull Park	Final paperwork signed by all parties, received confirmation from LINZ. Now to be advertised by LINZ. If not objections LINZ will update their records in a few weeks and sale can proceed.
Fitzherbert Street, FTN land sale – update re Chorus	To be marketed with transparent information regarding easements so that buyers are aware of these.
MSC TOR and Policy review	MSC met 5.11.18 and are working on revised wording. Feb 2019 Council approved funding for Amber to complete a review of wording and recommend new TOR and policy. Contract signed and work commenced in June 2019. Awaiting update from Amber on progress.
IT server upgrade and Disaster recovery project	Project is 99% complete. Office 365 upgrade and firewall cutover completed April 2019.
Capes Land Purchase, Greytown	Settlement paid in full July 2019. Lease being prepared.
Wellington Water	Shareholding approved by Council on 17 April 2019. Transition planning progressing well. Transition to be completed prior to 30 September 2019.
Spatial Plan	Discussion document published, feedback was due back by 16 August 2019, extended to 13 September 2019. 38 submissions received to date. Very positive feedback regarding the discussion document.
Office reorganisation/refurbishment	New internal accommodation party set up led by Adrian Cullen. To recommend short and long term solutions to ELT.
Manganese Plant update	Project progressing. Community engagement ends 27 August 2019. Detailed costings due by end of August.
Water rates	Review of water rates indicated incorrect charging for a number of properties. Rates team wrote to affected parties to advise of potential changes to rating. Feedback received and was agreed no change to rating for 2019/20 year. WRUG to discuss appropriate method of rating for water rates and make recommendations for future year rating.
MBA water/Wineries	Paper going to Assets & Services Committee 4 September 2019 with update on corrective actions from Lutra report. Four wineries have taken up the offer of interest free loans.

FINANCE, AUDIT AND RISK COMMITTEE

28 AUGUST 2019

AGENDA ITEM C4

ACTION ITEMS REPORT

Purpose of Report

To present the Finance, Audit and Risk Committee with updates on actions and resolutions.

Recommendations

Officers recommend that the Committee:

1. *Receive the Finance, Audit and Risk Action Items Report.*

1. Executive Summary

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Executive for comment and all members may ask the Chief Executive for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will be remain in a master register but no longer reported on. Procedural resolutions are not reported on.

2. Appendices

Appendix 1 - Action Items to 28 August 2019

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Jennie Mitchell, Group Manager Corporate Support

Appendix 1 – Action Items to 28 August 2019

Meeting	Raised Date	Action Type	Responsible Manager	Action or Task details	Open	Notes
FAR	5-Jun-19	Action	Jennie	Provide an update to members on the grazing income vs interest cost of the loan for the Featherston Golf Club	Actioned	20/8/19: Total expected income annual income \$22,045. The interest cost on the \$1,000,000 loan is \$24,300 pa
FAR	5-Jun-19	Action	Mark	Advise members on the outcome of investigations into Council's spraying contractors following health and safety procedures	Actioned	17/07/2019 : Report went on A&S meeting 19 June 2019 21/8/19: Contractors are following health and safety procedures, see attached SOP.
FAR	5-Jun-19	Action	Jennie	Follow-up on the release of the Using Volunteers Healthy and Safety Guideline	Actioned	Policy to council for approval 7 August 2019

Purpose

This Standard Operating Procedure (SOP) describes the use and application of herbicides.

Scope

This SOP applies to all Citycare worksites. The Supervisor/Foreman or person in charge of the site is responsible for making sure the actions described in this SOP are undertaken.

Prerequisites

Tools and equipment used in this operation include:

- A knapsack sprayer,
- Measuring apparatus (for chemicals),
- Appropriate Personal Protective Clothing and Equipment (PPE).
 - PVC Gloves
 - Spray Goggles
 - Spray Suit
 - Gum Boots
 - Respirator

The trained Operator should be aware of all risks associated with this procedure, having read and understood the Citycare Health, Safety, and Environmental Plan.

As a user of herbicide you will need to consider all aspects of safety, including;

- safe transport,
- storage,
- mixing and application.
- You will need to understand how to operate spray equipment and the principles of calibration.
- You will need to be able to read labels and understand toxicity information.
- You must be GROWSAFE certified.
- Material Safety Data Sheets (MSDS) must be carried in your vehicle for the chemicals you use.

Procedure

Identify the target weed(s) to be controlled.

- Determine an appropriate herbicide.
 - Select herbicides with the lowest toxicity that are effective.
 - Be aware that the use of certain herbicides may present a significant hazard to nearby people, crops, waterways, and desirable vegetation.
- Assess risks and suitability of weather conditions for spraying.
 - This includes possible exposure to public and target plants.
 - Herbicides should be used at a time that minimises disruption and maximises safety of the public.
 - Avoid spraying in undesirable weather conditions (wind, when rain is forecast or where temperatures are greater than 28°C with humidity less than 50%).
- Check spraying equipment before use.
 - Ensure any leaks are repaired before use.
 - Check that the nozzle size and type is appropriate for the job, is working correctly and is clean.
- Put out signage indicating spraying is in progress.
 - Signs should be placed at each approach to the work area.
- Mix chemicals.

- Follow the manufacturer’s mixing recommendations and application rate as outlined on the label.
- Because you are dealing with concentrated chemicals mixing is probably the most hazardous stage of the process, so take extreme care.
- Undertake spraying.
 - Sometimes conditions change while spraying, so risk needs to be constantly monitored. Be prepared to stop if conditions become unfavourable.
- Tidy up.
 - Clean equipment in a safe location where spills can be contained and will not result in harm to the environment.
 - Do not dispose of wastewater into waterways, drains or storm water systems.
- Complete records
 - Keep records of what was sprayed, date and time, chemicals used, the method of application and the weather conditions at the time of spraying.
- Remove signage.
 - Refer to label or chemical data sheet for recommendations. Plants should be at least touch dry before removing signs.

Additional Information

Take an integrated vegetation management approach to weed control, which means use the right tool for the situation. This includes considering using mechanical and manual methods of control.

Spraying in Areas of High Pedestrian Use

If agrichemicals are used in close proximity to schools, pre-schools, shopping areas and other high pedestrian traffic areas spraying is restricted to times outside those hours of high pedestrian use. For example spraying should not be carried out near schools or in parks that are used as thoroughfares when children are moving to or from school or during break times when they are outside. Exact timings will vary dependant on the site.

At all other times staff need to look out for pedestrians moving through the area they are working in and suspend spraying activities until pedestrians have moved to a safe distance away.

References

Refer to the relevant maintenance contract for any specific client requirements and technical specifications.