



Assurance, Risk and Finance Committee Meeting Agenda – 21 February 2024

NOTICE OF MEETING

This meeting will be held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference, commencing at 1:30pm. The meeting will be held in public and will be live-streamed and will be available to view on our [YouTube channel](#).

Membership: Bruce Robertson (Independent Chair), Mayor Martin Connelly, Councillor Colin Olds, Councillor Kaye McAulay, Councillor Aaron Woodcock, Councillor Martin Bosley and Narida Hooper (Māori Standing Committee representative).

All meeting agendas and minutes can be found on the SWDC website: <https://swdc.govt.nz/meetings/>

Open Section

- A1. Mihi / Karakia Timatanga - Opening**
- A2. Apologies**
- A3. Conflicts of interest**
- A4. Public participation**
As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.
- A5. Actions from public participation**
- A6. Extraordinary business**
- A7. Confirmation of Minutes** Pages 1-5
***Proposed Resolution:** That the minutes of the Assurance and Risk Committee meeting held on 25 October 2023 are a true and correct record.*
- Proposed Resolution:** That the public excluded minutes of the Assurance and Risk Committee meeting held on 25 October 2023 are a true and correct record.* Pages 6-8
- Proposed Resolution:** That the minutes of the Finance Committee meeting held on 25 October 2023 are a true and correct record.* Pages 9-13
- A8. Matters arising from previous minutes.**

B Decision Reports from Chief Executive and Staff

- B1. Risk Policy Review and Risk Management Framework** Pages 14-34
- B2. Discretionary Expenditure Policy and Guidelines** Pages 35-52
- B3. Tax Governance Framework** Pages 53-60

C	Information Reports from Chief Executive and Staff	
C1.	Finance Report	Pages 61-73
C2.	Democracy and Engagement Update	Pages 74-97
C3.	Health and Safety Update	Pages 98-106
C4.	Action Items	Pages 107-110
D.	Karakia Whakamutunga - Closing	



Assurance and Risk Committee Minutes from 25 October 2023

Present:	Bruce Robertson (Independent Chair), Mayor Martin Connelly, Deputy Mayor Melissa Sadler-Futter, Councillors Alistair Plimmer and Kaye McAulay; and Karen Mikaera (from 12:42pm, via Zoom) (Māori Standing Committee).
Apologies:	Councillor Aidan Ellims; and Karen Mikaera (until 12:42pm).
In Attendance:	Councillors Rebecca Gray.
Also in attendance:	Russell O’Leary (Acting Interim Chief Executive), Amanda Bradley (General Manager Policy and Governance), Karon Ashforth (General Manager Finance) and Amy Andersen (Committee Advisor).
Conduct of Business:	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 12:30pm to 2:38pm except where expressly noted.

A Open Section

A1. Karakia Timatanga - Opening

Mayor Connelly opened the meeting.

A2. Apologies

ASSURANCE AND RISK COMMITTEE RESOLVED (A&R2023/12) to accept apologies from Ms Mikaera and Cr Ellims.

(Moved Mr Robertson/Seconded Mayor Connelly)

Carried

A3. Conflicts of Interest

There were no conflicts of interest.

A4. Public Participation

Derek Anderton

Mr Anderton spoke to the Committee about his frustration relating to communications and reporting from Council Officers (including the Annual Report and full financial reports), as well as expertise of the Committee

members. Mr Anderton also queried why the Finance Committee was scheduled to meet prior to the Assurance and Risk Committee.

A5. Actions from public participation

There were no actions from public participation.

A6. Extraordinary Business

There was no extraordinary business.

A7. Confirmation of minutes

ASSURANCE AND RISK COMMITTEE RESOLVED (A&R2023/13) to accept the minutes of the Assurance and Risk Committee meeting held on 9 August 2023 as a true and correct record.

(Moved Mr Robertson/Seconded Deputy Mayor Sadler-Futter) Carried

A8. Matters from previous minutes

There were no matters arising from previous minutes.

B Information Reports from Chief Executive and Staff

B1. Finance Report

Ms Mikaera arrived at 12:42pm.

Ms Ashforth spoke to matters included in the report and responded to queries from members including: the responsibilities of the final draft/proofreading of Annual Report; the timeframes for adopting the Annual Report; whether timeframes for the adoption of the Annual Report would be met by the Finance Team; and key changes to the Financial Delegations Policy.

Members committed to meeting prior the adoption of the Annual Report at Council's next ordinary meeting which scheduled for 22 November 2023.

Members discussed concerns with regard to insurance, and queried the options for self-insurance and use of reserves; and the possible options instead of the Water Services Reform Programme, if this is repealed and replaced.

Mr Robertson suggested that through the Long Term Plan process, Council could explore what it should do with water and what would the community want to maintain/develop, if returned to Council.

ASSURANCE AND RISK COMMITTEE RESOLVED (AR2023/14) to:

1. Receive the draft financial results for yearend 30 June 2023.
2. Receive an update on insurance premiums summary and final charges for 2023-24.
3. Receive an update on the final audit and the 2022/23 Annual Report.
4. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream.
5. Receive and review the draft of the revised Financial Delegations Policy.
6. Recommend Council approve the draft of the revised Financial Delegation Policy.

[Items 1-6 read together]

(Moved Deputy Mayor Sadler-Futter/Seconded Cr Plimmer) Carried

B2. Democracy and Engagement Update

Ms Bradley spoke to matters in the report and responded to queries from members including: the processes for consultation relating to the Representation Review and Council's ability to engage with the community, local iwi and marae; whether the social licence significant risk could be raised in public excluded session (related to previous minutes 9 August 2023); additions to the risk register for the Long Term Plan (LTP); plans to support the LTP moving forward e.g. community engagement.

Mr Robertson noted the recent release of the Ombudsman's recommendations relating to Council workshops and considerations moving forward.

ASSURANCE AND RISK COMMITTEE RESOLVED (AR2023/15) to receive the Democracy and Engagement Update Report.

(Moved Mr Robertson/Seconded Deputy Mayor Sadler Futter) Carried

B3. Action Items

Further update sought for Action 313 – email assurance required.

ASSURANCE AND RISK COMMITTEE RESOLVED (AR2023/16) to receive the Action Items Report.

(Moved Mr Robertson/Seconded Cr Plimmer) Carried

C Public Excluded Business

Mayor Connelly reminded the Committee about reasons required to enter into public excluded.

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 Minutes from the Assurance and Risk Committee meeting held on 9 August 2023 (Discussion relating to Councillor Gray’s statement).	Good reason to withhold exists under Section 7(2)(f)(i) and 7(2)(f)(ii)	Section 48(1)(a)

This resolution (AR2023/17) is made in reliance on Section 48(1) 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
The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty.	7(2)(f)(i)
The withholding of the information is necessary maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	s7(2)(f)(ii)

(Moved Mr Robertson/Seconded Deputy Mayor Sadler-Futter) Carried
Against – Mayor Connelly

D Karakia Whakamutunga – Closing
Ms Mikaera closed the meeting.

The meeting closed at 2:38pm.

Confirmed as a true and correct record

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Assurance and Risk Committee Public Excluded Minutes from 25 October 2023

Present:	Bruce Robertson (Independent Chair), Mayor Martin Connelly (via Zoom), Deputy Mayor Melissa Sadler-Futter, Councillors Alistair Plimmer, Aidan Ellims and Kaye McAulay; and Karen Mikaera (Māori Standing Committee) (via Zoom)
Apologies:	Councillor Aidan Ellims; and Karen Mikaera (until 12:42pm)
In Attendance:	Councillor Rebecca Gray.
Also in attendance:	Until 2:07pm only - Russell O’Leary (Acting Interim Chief Executive), Amanda Bradley (General Manager Policy and Governance), Russell O’Leary (Group Manager Planning and Environment), Karon Ashforth (General Manager Finance) and Amy Andersen (Committee Advisor).
Conduct of Business:	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. The meeting was held in public excluded from 2:06pm to 2:38pm.

A Open Section

A1. Karakia Timatanga - Opening

Mayor Connelly opened the meeting.

A2. Apologies

ASSURANCE AND RISK COMMITTEE RESOLVED (A&R2023/12) to accept apologies from Ms Mikaera and Cr Ellims.

(Moved Mr Robertson/Seconded Mayor Connelly)

Carried

C Public Excluded Business

Mayor Connelly reminded the Committee about reasons required to enter into public excluded.

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 Minutes from the Assurance and Risk Committee meeting held on 9 August 2023 (Discussion relating to Councillor Gray's statement).	Good reason to withhold exists under Section 7(2)(f)(i) and 7(2)(f)(ii)	Section 48(1)(a)

This resolution is made in reliance on Section 48(1) 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
The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty.	7(2)(f)(i)
The withholding of the information is necessary maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	s7(2)(f)(ii)

(Moved Mr Robertson/Seconded Deputy Mayor Sadler-Futter)

Carried

Against – Mayor Connelly

C1. Public Excluded Minutes

ASSURANCE AND RISK COMMITTEE RESOLVED (A&R2023/18PE) to:

1. Accept the public excluded minutes of the Assurance and Risk Committee meeting held on 9 August 2023 as a true and correct record.
2. That the minutes stay in public excluded until the Chief Executive determines there are no longer any reasons to withhold the information under the Act.

(Moved Mr Robertson/Seconded Cr Plimmer)

Carried

ASSURANCE AND RISK COMMITTEE RESOLVED (AR2023/19PE) to receive the verbal update on the public excluded minutes follow up report.

(Moved Mr Robertson/Seconded Deputy Mayor Sadler-Futter) Carried

- D Karakia Whakamutunga – Closing**
Ms Mikaera closed the meeting.

The meeting closed at 2:38pm.

Confirmed as a true and correct record

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)



Finance Committee Minutes from 25 October 2023

- Present:** Councillor Colin Olds (Chair), Mayor Martin Connelly, Councillors Martin Bosley, Kaye McAulay and Aaron Woodcock; and Narida Hooper (Māori Standing Committee Representative) (from 9:57am).
- In attendance:** Councillor Rebecca Gray and Deputy Mayor Melissa Sadler-Futter.
- Also In Attendance:** Russell O’Leary (Acting Interim Chief Executive/Group Manager Planning and Environment), Karon Ashforth (General Manager Finance), Amanda Bradley (General Manager, Democracy and Engagement), Nicki Ansell (Lead Advisor Community Governance), and Amy Andersen (Committee Advisor).
- Public forum:** Derek Anderton.
- Conduct of Business:** This meeting was held in Supper Room, Waihinga Centre, Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed and is available to view on our YouTube channel. The meeting was held in public under the above provisions from 9:31am to 11:04am except where expressly noted.
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Open Section

A1. Mihi/Karakia Timatanga - Opening

Mayor Connelly opened the meeting.

A2. Apologies

There were no apologies.

A3. Conflicts of Interest

There were no conflicts of interest declared.

A4. Public Participation

Derek Anderton

Mr Anderton spoke to the Committee about his frustration relating to communications in notices and reporting from Council. Mr Anderton queried the expertise within the Committee to make decisions relating to finance, and

why the Finance Committee was scheduled to meet prior to the Assurance and Risk Committee.

A5. Actions from public participation

Council Officers confirmed that the Annual Report sign-off was altered (Mr Wilson was CE at the time of draft report, and when it was adopted, his signature was removed and replaced with Mr Gardner's).

Members requested that the Acting Interim CE provide further advice as to the order of the Assurance and Risk Committee / Finance Committee including the benefits to changing the current order.

A6. Extraordinary Business

FINANCE COMMITTEE RESOLVED (FI2023/20) to consider an additional grant application for Nuku Ora as extraordinary business; this item was late due to an administration error and cannot be delayed until the next meeting due to the degree of urgency for funding decision. This item will be added to the agenda item B1.

(Moved Mayor Connelly/Seconded Cr Woodcock)

Carried

A7. Confirmation of Minutes

FINANCE COMMITTEE RESOLVED (FI2023/21) that the minutes of the Finance Committee meeting held on 9 August 2023 (public and public excluded) and 13 September 2023 are a true and correct record.

(Moved Cr Bosley/Seconded Mayor Connelly)

Carried

A8. Matters arising from previous minutes

There were no matters arising.

B Information Reports from Chief Executive and Staff

B1. Finance Report

Ms Ashforth spoke to matters included in the report including the ongoing internal audit and the delays relating to the Annual Report, noting that it would be presented for adoption by Council on 22 November 2023.

Ms Ashforth responded to queries from members regarding insurance, advice relating to the Long Term plan and Council's risk appetite.

Ms Ashforth confirmed a Risk workshop was set for today and a Long Term Plan Insurance workshop was set to occur in a few weeks time.

Ms Hooper arrived at 9:57am.

FINANCE COMMITTEE RESOLVED (FI2023/22) to:

1. Receive the draft financial results for yearend 30 June 2023.

(Moved Mayor Connelly/Seconded Cr Bosley) Carried

2. a) Inform and receive an update on insurance premiums summary and final charges for 2023-24.

b) Seek advice through the CE on how to manage insurance costs in the future.

[Items 2a - 2b read together]

(Moved Mayor Connelly/Seconded Cr Woodcock) Carried

3. a) Receive an update on the final audit and the 2022/23 Annual Report.

(Moved Mayor Connelly/Seconded Cr McAulay) Carried

b) Direct the CE to publish that Council are not going to meet the Annual Report legislated deadline and the reasons why.

(Moved Mayor Connelly/Seconded Cr Bosley)

4. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream.

(Moved Cr Olds/Seconded Mayor Connelly) Carried

5. Inform and receive a draft of the revised Financial Delegations Policy.

(Moved Cr McAulay/Seconded Cr Bosley) Carried

B2. Action Items

Mr O'Leary undertook to follow up action 172.

FINANCE COMMITTEE RESOLVED (FI2023/23) to receive the Action Items Report

(Moved Cr Olds/Seconded Cr Bosley) Carried

C Community and Youth Grants 2023-24

Cr Olds vacated the Chair.

Cr Bosley assumed the Chair.

Mayor Connelly left the meeting at 10:07am.

Mayor returned to the meeting at 10:10am.

C1. Continuation of Grant Funding Deliberations 2023/2024

Ms Ansell spoke to matters in the report, including the additional information which had been provided by groups seeking grant funding. In reference to the Finance Committee's referrals of applicants to Community Boards, Ms Ansell noted that Community Boards have almost reached capacity in terms of their ability to provide grant funding.

Members considered applications for Community Networks Wairarapa, Dark Night Sky, Papawai Community Trust, Hokai Tahī and Nuku Ora .

FINANCE COMMITTEE RESOLVED (FI2023/24) to:

1. Receive the Continuation of Grant Funding Deliberations 2023/24 report.

(Moved Mayor Connelly/Seconded Cr McAulay) Carried

2. Approve community and youth grant applicants (as agreed and attached) a combined total of \$13,000k to undertake projects as outlined in applications as submitted.
3. Ringfence funding in the amount of \$3,000k to undertake projects as outlined in the Community Networks Wairarapa application as submitted.
4. Ringfence funding in the amount of \$3,000k to undertake projects as outlined in the Hokai Tahī applications as submitted.
5. Agree to retain any remaining funds from 2023-24 funding round for distribution by the Finance Committee.
[Items 2-5 read together]
(Moved Cr Woody/Seconded Cr McAulay) Carried

C2. Improve Community & Youth Grant process 2024/2025

Noted that members discussed the Memorandum of Understanding process and that communications relating to this could be improved.

*FINANCE COMMITTEE RESOLVED (FI2023/25) to receive the Improve Community & Youth Grant process 2024/2025 report
(Moved Mayor Connelly/Seconded Cr Olds) Carried*

D Karakia Whakamutunga – Closing

Ms Hooper closed the meeting.

The meeting was closed at 11:04am.

Attached: *Grants Allocations 2023-24 Updated*

Confirmed as a true and correct record

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)

South Wairarapa District Council Grants Tracking Tool 2023-2024

COMMUNITY GRANTS							
Application #	Applicant Name	Project Title	\$ Amount Requested	Area	Comment	\$ Amount Allocated2	Meeting Notes
202301	House of Science Wairarapa Charitable Trust	Science Educational Services	\$5,000.00	District	Social Wellbeing & Environmental Wellbeing	0	No
202302	Featherston Community Centre Charitable Trust	Community Centre	\$10,000.00	District	Social Wellbeing	3,000	Refer to FCB
202303	Access Radio	Radio Services	\$3,000.00	District	Social Wellbeing, Environmental Wellbeing, Economic Wellbeing, Cultural	1,000	South Wairarapa focus required. No
202304	Community Networks Wairarapa	Support Community Networks	\$10,000.00	District	Social Wellbeing		25 October 2023: Small contribute from Community & Youth and MSC. Ringfence some. Match \$ for \$3,000 feedback to next finance Committee meeting.
202305	Featherston Memorial RSA Inc	Repairs and modernisation of RSA building in Featherston	\$15,000.00	Featherston	Social Wellbeing, Environmental Wellbeing, Cultural Wellbeing		Refer to FCB
202306	Wairarapa Sports Artificial Surface Trust	LED Lights for Hockey turf.	\$25,000.00	District	Social Wellbeing, Environment Wellbeing, Economic Wellbeing.	0	No
202307	RNZSPCA - Masterton Centre	SPCA	\$3,000.00	District	Social Wellbeing, Environment Wellbeing.	1,000	part funding
202308	All Kiwi Sports	NZ Cycle Classic	\$15,000.00	District	Social Wellbeing, Environment Wellbeing, Economic Wellbeing, Cultural Wellbeing.	0	No
202309	Youthline Central North Island, Wairarapa Branch	To support the services of the Wairarapa Youthline.	\$5,000.00	District	Social Wellbeing, Cultural Wellbeing.		Refer to MSC 10 October 2023 and funding approved from MSC for \$5,000
202310	Wings over Wairarapa	To support the Wings over Wairarapa event	\$10,000.00	District	Social Wellbeing, Economic Wellbeing	5,000	Part funding
202311	Dark Night Sky	ongoing support	\$5,000.00	District	Social Wellbeing, Environment Wellbeing, Economic Wellbeing, Cultural Wellbeing.	\$5,000	Positive consideration possible reconsideration, further information required. Additional information provided. 25 October 2023 meeting.
202312	Greytown Little Theatre	Upgrade of Greytown Little Theatre.	\$10,000.00	Greytown	Social Wellbeing, Cultural Wellbeing		Refer to GCB 18 October 2023 and funding approved from GCB for \$5,000 and to come back to the GCB in 2024.
202313	Wairarapa Road Safety Council	ongoing support	\$5,000.00	District	Social Wellbeing, Economic Wellbeing, Cultural Wellbeing.	5,000	
202314	Kuranui College	Breakfast club	\$2,500.00	Greytown	Social Wellbeing	0	No
2023 15	Aratoi	ongoing support	\$25,000.00	District	Cultural Wellbeing	0	South Wairarapa focus required. No
2023 16	Papawai Community Trust	Stream Restoration	\$10,000.00	Greytown	Social Wellbeing, Environment Wellbeing, Cultural Wellbeing	\$5,000	Further information required. 25 October 2023
2023 17	Martinborough Museum Trust	ongoing support	\$2,000.00	Martinborough	Social Wellbeing, Cultural Wellbeing.		Refer to MCB 19 October 2023 and funding from MCB approved for \$2,000
2023 18	Hokai Tahī	Free support	\$7,500.00	Greytown	Social Wellbeing	0	Positive consideration possible reconsideration. 25 October 2023. Health related and queried funding for health related activities. Look into offering room support. Ring fence a support package. Reply
2023 19	Victory Youth	Youth Group	\$8,140.00	Martinborough	Social Wellbeing	0	No
2023 20	Fell Locomotive Museum	ongoing support	\$1,000.00	Featherston	Economic Wellbeing		Refer to FCB
2023 21	Wairarapa Bookshop Hop	Bookshop Hop	\$756.92	District	Economic Wellbeing, Cultural Wellbeing	0	No
2023 22	Ruamahanga Restoration Trust	Te Reo o te Wai	\$46,690.00	District	Social Wellbeing, Environmental Wellbeing, Cultural Wellbeing.	0	No
2023 23	Martinborough Community Patrol	Patrol Vehicle	\$5,000.00	Martinborough	Social Wellbeing		Refer to MCB 19 October 2023 and funding from MCB approved for \$2,000
2023 24	Country Village Heaven Trust	Festival of Christmas	\$40,000.00	Greytown	Social Wellbeing, Economic Wellbeing, Cultural Wellbeing.	5,000	Part funding
2023 25	Wairarapa Whanau Trust	Youth Service	\$20,000.00	District	Social Wellbeing, Cultural Wellbeing.		Refer to MSC 10 October 2023 and funding approved from MSC for \$5,000
2023 26	Martinborough WaiWaste and Food Box	ongoing support	\$15,000.00	District	Social Wellbeing, Environment Wellbeing, Economic Wellbeing, Cultural Wellbeing.	15,000	
2023 27	Greytown Scout Group	Scout Jamboree	\$2,200.00	Greytown/District	Social Wellbeing	2,200	
202328	Martinborough Playcentre	Playground safety project	\$800.00	Martinborough	Social Wellbeing		Refer to MCB
202329	Booktown	Booktown	\$25,544.00	Featherston	Social Wellbeing, Economic Wellbeing, Cultural Wellbeing.	25,544	
2023 31	Greytown MeNZ Shed		\$1,000.00				Refer to GCB 18 October 2023 and funding approved from GCB for \$1,000
	Wellington Free Ambulance	ongoing support	\$11,750.00	District	Social Wellbeing	11,750	
2023 30	Nuku Ora	ongoing support	\$3,000.00		Social Wellbeing, Cultural Wellbeing.	3,000	
			\$348,880.92			87494	

Risk Policy Review and Risk Management Framework

1. Purpose

To present the Committee with the updated Risk Policy and Risk Management Framework for adoption.

2. Executive Summary

The Risk Policy (B400) was due for review in August 2021. Due to a variety of reasons including staff resourcing, the review was delayed.

The policy has been reviewed by the Chairperson and the CE and a risk management framework has been drafted. This will ensure that Council are consistently applying the same principles across the organisation to actively manage risk.

The policy and the management framework is now presented to the Committee for review and approval.

3. Recommendations

Officers recommend that the Committee:

1. Receive the *Risk Policy Review and Risk Management Framework* Report.
2. Adopt the draft Risk Policy.
3. Adopt the draft Risk Management Framework.

4. Appendices

Appendix 1 – Draft Risk Policy

Appendix 2 – Draft Risk Management Framework.

Reviewed By: Janice Smith, Chief Executive Officer

Appendix 1 – Draft Risk Policy



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Risk Policy

Date of Approval	TBC
Policy ID	PI-GLS-005
Next Review	TBC
Business Owner	General Manager Democracy and Engagement
Version History	First approved 10 August 2016 (previously named B400) Reviewed and amended 19 September 2018

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DRAFT

Risk Policy

1. Objective

The purpose of this policy is to provide:

- » clear direction for effective management of risk at South Wairarapa District Council (Council)
- » a commitment to a culture of risk-based decision-making that aligns with good practice.
- » clear roles and responsibilities for risk management within Council.

2. Scope

This policy applies to Council:

- Employees
- Audit, Risk & Finance Committee members
- Chief Executive Officer (CEO)
- Strategic Leadership Team (SLT)
- Management
- Activity, business, and conducted services.

To provide clarity, any reference to employees or staff in this policy include volunteers, persons seconded to Council and contractors. Elected members are excluded from this definition.

Specific risk management policies, procedures or guidelines relating to specialised areas remain consistent with the broad directions in this policy.

3. Introduction

Council recognises that risks are present in everything it does. Effective and efficient risk management is an integral part of good governance. The successful management of risks is essential to enable to lead the district and to fulfil our objectives and the Long-Term Plan.

Risk management improves performance and encourages innovation whilst supporting the achievement of Council objectives.

Council operates on a risk aware and not risk averse foundation. This means that we are willing to accept a measure of risk to achieve our objectives (our risk appetite) and we are willing to increase our risk if it is done in pursuit of specific objectives, done in a controlled manner and subject to proper governance and approval.

Council will undertake proactive risk management to understand the strategic and operational risks and opportunities facing it to make informed decisions and meet strategic goals.

Apart from reducing the likelihood and impact of risk, risk management also focuses on increasing the odds of good outcomes and contributing towards the maximisation of opportunities for our customers and our communities.

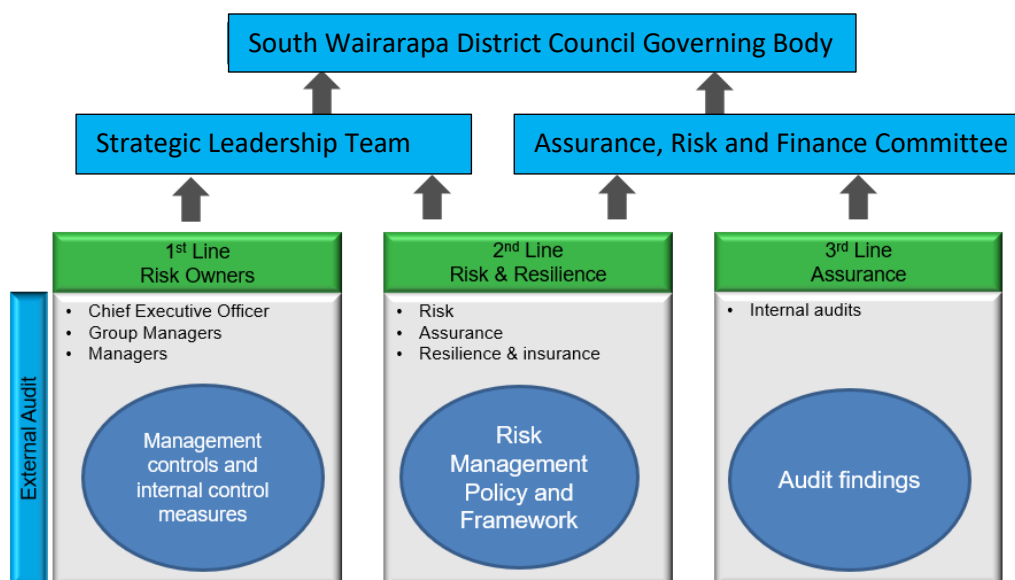
4. Policy Principles

Council commits to align risk management with the principles and processes as set out in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

Management of Risk at Council is based on the below 8 principles:

	Principle	Description
1	Proportionate	Risk management activities are proportionate to the level of risk faced by Council resulting in a healthy balance for good practice.
2	Aligned	Risk management activities are aligned with other activities within Council.
3	Comprehensive	The risk management approach implements a systematic, comprehensive, and structured approach to risk management to ensure consistent results.
4	Embedded and integrated	Identification of risk management activities is an iterative process that is an integral part of all Council activities, and is part of the purpose, governance, leadership and commitment, strategy, objectives, and operations of Council.
5	Dynamic	Risk management activities take place in the context of the objectives and activities of Council and risks can emerge, change, or disappear when changes occur in the operating environment.
6	Best available information	Risk management explicitly considers the best available information for improved awareness and informed risk decisions.
7	Human and cultural factors	The variable and dynamic nature of human behaviour and culture is considered throughout the risk management process.
8	Continual improvement	Risk management is continually improved through learning and experience as Council matures its risk management practices, acknowledges, and addresses control gaps reported by audits and reviews.

Council applies the approach of the three-line model as far as they can be applied to our organisation as an informative approach to risk management for the purpose of designing and embedding risk-management processes and procedures. The application of the three-line model is depicted in the below diagram:



5. Roles and Responsibilities

Risk management is the responsibility of everyone working for or with SWDC and it is their responsibility to develop a capability level that will enable them to perform their risk-management responsibilities with due diligence and care.

<p>Council</p>	<p>The Council consists of the Mayor and 9 ward councillors, responsible for the District strategic decisions. Part of the responsibilities of Council is to mandate effective governance in the South Wairarapa District. The role and responsibilities of the councillors are articulated in its terms of reference.</p>
<p>Assurance, Risk & Finance Committee (ARF)</p>	<p>The purpose of the ARF committee is to assist, advise and review the effectiveness of Council in discharging its responsibility and ownership of governance, risk management and internal controls. More specifically the ARF committee reviews, approves and monitors the implementation of the risk management policy and framework. The risk management responsibilities of</p>

	the ARF committee are articulated in its terms of reference.
Chief Executive Officer (CEO)	The CEO has ultimate responsibility for risk management at Council and oversees the implementation of the risk management policy and risk management framework.
Strategic Leadership Team (SLT)	The purpose of the SLT is to manage risk as a whole, to ensure it complies with all obligations, mitigate strategic risks, and to report on operational, political and performance matters to the required committees. SLT members are risk owners who are also responsible for promoting the culture and awareness of risk management in line with risk appetite.
Employees	<p>Risk management is the responsibility of all employees and any other stakeholder involved in activities of Council. They should perform risk management processes in accordance with the risk management policy and framework, implement mitigations as required, while monitoring, reporting and escalating risks as necessary.</p> <p>A more detailed set of risk management responsibilities for Council are set out in the risk management framework. People leaders are encouraged to support employees by providing them with the capacity to perform their risk management responsibilities.</p>

6. Relevant Legislation, Policies and Procedures

AS/NZS ISO 31000:2009

Risk Management – Principles and Guidelines

Council Policies and Procedures

All Council policies and processes serve to manage risk by specifying and forming the controls that manage specific risks

Appendix 2 – Draft Risk Management Framework



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Risk Management Framework

Date of Approval	DD MMM YYYY
Next Review	DD MMM YYYY
Business Owner	General Manager Democracy and Engagement
Version History	February 2023 - Draft v1

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Risk Management Framework

1. Introduction

South Wairarapa District Council (Council) appreciates that risks are present in all activities and their related outcomes. The successful management of risks is a fundamental element for good governance and is essential to enable Council to fulfil its objectives and to lead the district in improved management of those outcomes.

Council undertakes proactive risk steps to manage and monitor risk under three categories: project, strategic and operational risks.

Formally incorporating risk management into day-to-day activities enforces a risk aware culture, landscaping decisions and outcomes whilst being risk aware rather than risk averse.

This framework forms an integral element in the management of risk at Council and provides context to the supervision over risk identification, assessment and monitoring.

2. Purpose

The purpose of this framework is to provide a:

- consistent approach to the management of risks
- guide to the relationships, resources, processes and activities around risk
- method for the identification, assessment and management of risks
- key to the roles and responsibilities for risk management.

3. Definitions

Council finds that it is beneficial to ensure that a consistent meaning to terminology around risk is available for reference. A glossary of key risk terminology is attached as Appendix A.

4. Roles and responsibilities

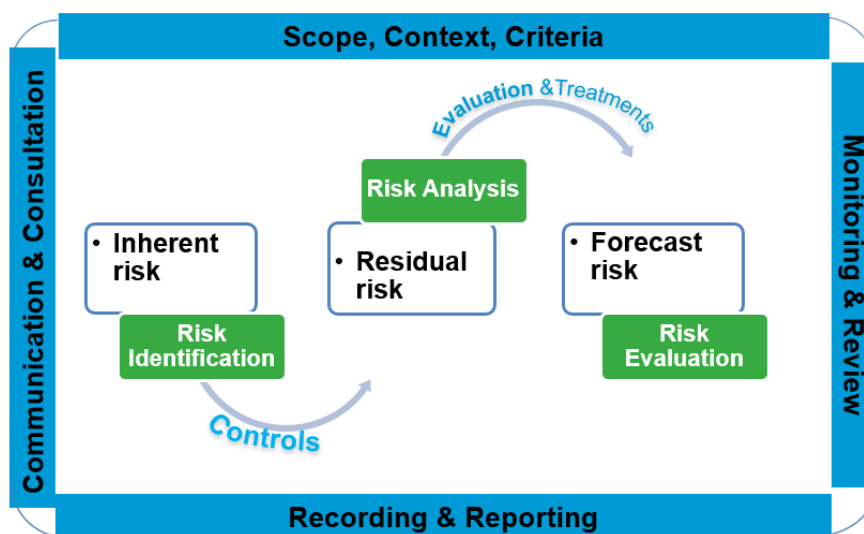
Risk management is the responsibility of everyone working for or with Council and it is their responsibility to develop a capability level that will enable them to perform their risk management responsibilities with due diligence and care.

Council	The Council consists of the Mayor and 9 ward Councillors, responsible for the district strategic decisions. Part of the responsibilities of Council is to mandate effective governance in the South Wairarapa district. The role and responsibilities of the Councillors are articulated in its terms of reference.
Assurance, Risk & Finance Committee (ARF)	The purpose of the ARF committee is to assist, advise and review the effectiveness of Council in discharging its responsibility and ownership of governance, risk management and internal controls. More specifically the ARF committee

	reviews, approves and monitors the implementation of the risk management policy and framework. The risk management responsibilities of the ARF committee are articulated in its terms of reference.
Chief Executive Officer (CEO)	The CEO has ultimate responsibility for risk management at Council and oversees the implementation of the risk management policy and risk management framework.
Strategic Leadership Team (SLT)	The purpose of the SLT is to manage as a whole, to ensure it complies with all obligations and mitigate strategic risks, and to report on operational, political and performance matters to the required committees. SLT members are risk owners who are also responsible for promoting the culture and awareness of risk management in line with risk appetite.
GM's / Tier 3 Management	<ul style="list-style-type: none"> • Manage the departmental risk profile, including oversight of controls. • Engage on risk management matters and support their risk management efforts • Support the risk management efforts of the risk champions and employees in their department. • Escalate any material / significant risk matter to the CEO and ARF where appropriate.
Risk Owners	<ul style="list-style-type: none"> • Promote risk management and risk awareness in the department. • Engage with nominated staff on risk management matters and support their risk management efforts. • Escalate any material / significant risk matter to the CEO and ARF as required. • Perform control effectiveness monitoring.
Employees	<p>All employees are responsible for the day-to-day management of risk in their area. They are involved in:</p> <ul style="list-style-type: none"> • Identifying and managing the specific risks relating to their work, including performing the controls mitigating the risks. • Reporting to their people leader any significant risks that are identified. • Responding to any significant risk developments in a timely manner. • Identifying and implementing the most cost-effective way of managing significant risks. • Progressing with risk treatment plans, control improvements or implementing mitigations within their area of responsibility.
Internal Audit by nominated staff	<p>Provides oversight and assurance for risk management activities. Specific responsibilities include:</p> <ul style="list-style-type: none"> • performing targeted assurance activities on specified risk management activities and report findings (CEO / SLT / ARF)

5. Risk Management Process

The following diagram depicts the process with which Council manages and assess risk:



5.1. Risk identification

The identification of risks that have an uncertain effect against Council outcomes is the first step of the assessment process. As a practice to identify these risks, the following methodologies can be used at Council:

- regular strategic, inclusive and interactive risk identification workshops
- quarterly circulation of a risk questionnaire
- review of prior risk incidents
- team-based brainstorming

5.2. Risk assessment

The risk assessment process involves formulation of the likelihood of the risk occurring, the consequence of the risk occurrence and the reduction impact of related controls.

As a contextual guideline to determine the appropriate levels of consequence with its appropriate level of likelihood, Council uses the attached consequence and likelihood tables attached as Appendix B.

Using the risk matrix below, a risk heatmap, attached as Appendix C is used to combine the likelihood rating and the consequence rating of the risk to arrive at a risk score.

Likelihood	Value	Consequence	Value
Rare	1	Minor	1
Possible	2	Moderate	2
Probable	3	Major	3
Likely	4	Extreme	4

Risk Rating	Min Score	Max Score
Low	0	2.9999
Medium	3	6.9999
High	7	7 - 16

At Council, the risk assessment process is applied at three levels:

a) Inherent risk rating

This is the initial assessment and provides an Inherent Risk Rating. This is the level of risk prior to assessing the effectiveness of controls.

b) Residual risk rating

The next assessment considers the existing controls or mitigating factors that modify the risk. These controls are also rated for different levels of effectiveness ranging from not effective to fully effective. The residual risk rating is calculated considering the presence of controls and their mitigating outcome on the likelihood and consequence.

c) Forecast risk rating

The final assessment is calculated considering the presence of allocated treatments and their mitigating outcome on the likelihood and consequence. Treatments are identified as part of the effective implementation of mitigating actions when evaluating risk. Any gap between the forecast rating and Council's appetite for risk would require additional treatments to be implemented.

5.3. Risk evaluation

Risk evaluation considers the strength of current controls. An appropriate risk treatment is determined once a residual rating is identified, and strength evaluated. Council uses the following treatment values when implementing a treatment to a risk:

Treatment Values
Avoid the risk by deciding not to start or continue the activity that gives rise to the risk
Exploit take or increase the risk in order to pursue an opportunity
Reduce the probability / likelihood
Fallback the impact / consequence
Share/Transfer the risk with another party(s)
Accept/Retain the risk by informed decision

5.4. Risk monitoring

All identified risks require regular monitoring so we can identify any changes from what has already been considered, as early as possible and address it as necessary.

5.5. Risk reporting

All identified risk is to be reported to the General Manager of that department for awareness, discussion and agreement on risk owners, control owner and actions to mitigate the risk on a regular basis. Discussions and reporting on risks are integrated into recurring BAU meetings, such that risks are considered at every decision-making point within the department.

5.6. Risk escalation

All identified and reported risks are to be escalated to nominated staff within Council. Escalation of risk is an essential part of risk monitoring and ensures the right stakeholders at Council recognise, understand and manage appropriately the response to risk. Escalation is encouraged when risks reach or cross identified thresholds, especially during the risk assessment stage.

6. Risk recording

Risk recording is managed via a spreadsheet currently.

7. Relevant Legislation, Policy and Procedures

AS/NZS ISO 31000:2009

Risk Management – Principles and Guidelines

Council Policies and Procedures

All SWDC policies and processes serve to manage risk by specifying and forming the controls that manage specific risks

8. Appendices

Appendix A – Glossary of Risk terminology

Appendix B – Likelihood and consequence tables

Appendix C – Risk heat map example

8.1. Appendix A – Glossary of Risk terminology

Term	Definition
Cause	Potential occurrences that would result in the risk event.
Consequence	The outcome of an event affecting objectives.
Consequence description	An explanation of the main consequences of the risk event.
Control	Any action taken by management which either reduces the likelihood of a risk event occurring or reduces the potential for damage arising from that risk event. It can include any process, policy, device, practice, or other action that modifies the risk.
Control gap	There is no adequate control in place to address the given risk of an activity or process.
Control owner(s)	A person with accountability for ensuring that the control activity is in place and is operating effectively. The control owner does not necessarily perform the control activity, however, if not conducting the control, they should have a level of oversight of its performance.
Executive owner(s)	A person appointed with the authority to update, manage and administrate a risk.
Framework	A structure with which Council identifies and manages the risk, internal control, and compliance requirements to support the assurances provided by Council to its stakeholders.
Inherent rating	The outcome of an event affecting objectives without consideration to the impact of controls.

Inherent risk	The level of risk without consideration to the impact of controls.
Key risk indicator	A measure to indicate the risk level of an activity. KRIs give early warning to identify potential events that may harm continuity of an activity.
Likelihood	The probability of a risk event occurring in the next 3 years
Residual rating	The outcome of an event affecting objectives when the current control environment is taken into account.
Residual risk	The level of risk after the current control environment is taken into account.
Risk	The effect of uncertainty on objectives.
Risk owner	A person appointed with the accountability and authority to manage a risk. Where the 'control owner' and the 'treatment owner' are different, the risk owner has accountability to ensure that the allocated treatment is implemented.
Risk treatment / Treatment plan	The process of selecting one or more options for mitigating risks and implementing those options.
Target Risk	This is the level of desired risk that is being aimed for.
Treatment owner	The person accountable for monitoring and reporting implementation progress of the treatment.

8.2. Appendix B – Likelihood and Consequence Tables

Likelihood:

Likelihood Title	Description
Rare	It has not occurred before in these circumstances, but it is not impossible. Probability < 10%
Possible	It is not expected to occur, but it has been known to occur in a similar or related context. Probability between 10 and 40%.
Probably	There is some expectation that it may occur and is common in this context. Probability between 40 and 70%.
Likely	It is expected to occur, because it occurs frequently or is a well-documented expectation in this context. Probability > 70%.

Consequence:

Categories	Consequence			
	Minor	Moderate	Major	Extreme
Financial	<ul style="list-style-type: none"> < \$5,000 pa impact to Council operating expenditure; or < \$10,000 impact to Council capital expenditure; or < 0.04 rates increase. 	<ul style="list-style-type: none"> < \$10,000 pa impact to Council operating expenditure; or < \$100,000 impact to Council capital expenditure; or < 0.4% rates increase. 	<ul style="list-style-type: none"> < \$250,000 pa impact to Council operating expenditure; or < \$1,000,000 impact to Council capital expenditure; or < 1% rates increase. 	<ul style="list-style-type: none"> ≥ \$250,000 pa impact to Council operating expenditure; or ≥ \$1,000,000 impact to Council capital expenditure; or ≥ 1% rates increase.
Reputation	<ul style="list-style-type: none"> External reputation minimally affected, little effort or expense required to recover; and Minimal loss of stakeholder trust & confidence at local level; and No presence in local media; and Negligible impact on staff, < 5% turnover per annum. 	<ul style="list-style-type: none"> External reputation slightly affected, minor effort or expense required to recover, with < 1 year to re-establish confidence; and/or Loss of stakeholder trust & confidence at local level; and/or Presence in local media only; and/or Elevated impact on staff, < 10% staff turnover per annum. 	<ul style="list-style-type: none"> External reputation damaged, effort and expense is required to recover, with 1-2 years to re-establish confidence; and/or Loss of regional trust & confidence including iwi, funding partners and elected members; and/or Presence in regional/local media only; and/or Critical staff roles impacted, 10 - 15% staff turnover per annum. 	<ul style="list-style-type: none"> External reputation severely damaged, considerable effort and expense required to recover, with 2-5 years to re-establish confidence; and/or Loss of national trust & confidence including government; and/or Trending presence in national and international media; and/or Major staff impact including critical roles, > 15% staff turnover per annum.

<p>Compliance / Legal</p>	<ul style="list-style-type: none"> • Council challenge or threat of litigation, but are compliant or have the appetite to tolerate non-compliance costs; and • Contractor do not express concerns, or retract prior concerns. 	<ul style="list-style-type: none"> • Council get challenged and are found to be non-compliant with fines, penalties or legal exposure < \$100,000; and/or • Contractor expresses concern and/or give verbal advice that, if breaches continue a default notice may be issued. 	<ul style="list-style-type: none"> • Council get challenged and are found to be non-compliant with fines, penalties or legal exposure < \$250,000; and/or • Contractor give written notice threatening termination if not rectified. 	<ul style="list-style-type: none"> • Council get challenged and are found to be non-compliant with legal exposure in excess of \$500,000; and/or • Criminal conviction; and/or • Appointment of a commissioner under the LGA. • Contractor terminates contract (breach / default etc.)
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8.3. Appendix C – Risk Heat Map Example

		LIKELIHOOD			
		Rare	Possible	Probable	Likely
		1	2	3	4
CONSEQUENCE	Extreme	4 Medium	High	High	High
	Major	3 Medium	Medium	High	High
	Moderate	2 Low	Medium	Medium	High
	Minor	1 Low	Low	Medium	Medium

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Discretionary Expenditure Policy and Guidelines

1. Purpose

To inform the Committee of proposed changes to the “Discretionary Expenditure Policy and Guidelines”.

2. Executive Summary

The Discretionary Expenditure Policy and Guidelines were last reviewed in June 2022, and whilst the principles by which they were written are still valid and the document itself is not due for further review until March 2026, enhancements have been made to the document.

3. Recommendations

Officers recommend that the *Committee*:

1. Receive the ‘*Discretionary Expenditure Policy and Guidelines*’ Report.
2. Approve and adopt the revised ‘*Discretionary Expenditure Policy and Guidelines*’.

4. Background

This revised document provides a principles-based approach for managing Council’s discretionary expenditure to ensure it is appropriate, justifiable and can withstand public scrutiny. The document should be read in conjunction with the Discretionary Expenditure Guidelines which provide boundaries for common types of discretionary expenditure and outline the process for expenditure approval and reimbursement.

The executive summary will also be provided to:

- Māori Standing Committee
- Featherston Community Board
- Greytown Community Board
- Martinborough Community Board
- All of Council

5. Prioritisation

5.1 Te Tiriti obligations

Engagement considered not required in this case.

5.2 Long Term Plan alignment

How does this align with strategic outcomes?

Check box – where does it fit?

- Spatial Plan
- Long Term Plan
- Annual Plan

6. Discussion

The main points to cover are:

- Overview of the Purpose, Scope and Principles of the Policy
- Proposed additions, redactions and changes

7. Strategic Drivers and Legislative Requirements

7.1 Significant risk register

- Relationship with iwi, hapū, Māori
- Climate Change
- Emergency Management
- IT architecture, information system, information management, and security
- Financial management, sustainability, fraud, and corruption
- Legislative and regulative reforms
- Social licence to operate and reputation
- Asset management
- Economic conditions
- Health and Safety

7.2 Policy implications

- Financial delegations
- Revenue and Financing Policy

8. Consultation

8.1 Communications and engagement

The persons who are affected by or interested in this matter are the general public and elected and appointed officials. It is the view of Officers that no public consultation is necessary.

8.2 Partnerships

Have you completed a communications plan for the work described/project to engage/communicate with partners/key stakeholders e.g. Waka Kotahi, Kainga Ora, community groups, particular individuals etc?

Yes No

If no, is a communications plan required?

Yes No

9. Financial Considerations

There is no financial impact. All actions from the policy will be within operating budgets.

10. Climate Change Considerations

There are no positive or negative effects on climate change from this decision.

11. Health and Safety Considerations

There are no health and safety considerations required.

12. Appendices

Appendix 1 – Amended Discretionary Expenditure Policy and Guidelines

Contact Officer: Paul Gardner, General Manager – Corporate Services

Reviewed By: Janice Smith, Chief Executive

Appendix 1 – Amended Discretionary Expenditure Policy and Guidelines



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

Discretionary Expenditure Policy and Guidelines

First Adopted	December 2017 (Policy Number M500)
Last Reviewed	30 June 2022
Policy Number	PI-FDT-002
Document History	Adopted December 2017 (Formerly M500) 31 October 2022 – Update to guideline 7.1.2 to clarify use of most cost effective flexi-fare. 31 July 2023 – Update to guideline 8.1.1 to clarify use of the most cost effective staff recognition process.
Next Review	31 March 2026 Minor procedural amendments may be made to the procedures that sit within this policy outside of scheduled reviews on the approval of the Chief Executive Officer. Amendments will be reported in the governance report to the appropriate committee.

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Discretionary Expenditure Policy

1. Purpose

This policy provides a principles-based approach for managing South Wairarapa District Council's (SWDC) discretionary expenditure to ensure it is appropriate, justifiable and can withstand public scrutiny. It should be read in conjunction with the attached Discretionary Expenditure Guidelines which provide boundaries for common types of discretionary expenditure and outline the process for expenditure approval and reimbursement.

SWDC acknowledges the Controller and Auditor-General (2020) *Controlling Sensitive Expenditure: Guidelines for Public Entities* publication in the development of this policy.

2. Scope

This policy applies to Council discretionary expenditure by SWDC staff and elected and appointed members.

3. Principles

SWDC is committed to ensuring expenditure meets standards of probity and financial prudence. All expenditure decisions should:

- 3.1 **have a justifiable business purpose** that is consistent with SWDC's objectives. A justifiable business purpose means a reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered.
- 3.2 **be impartial**, which means decisions are based on objective criteria, rather than based on any sort of bias, preference or improper reason.
- 3.3 **be made with integrity**. Integrity is about exercising power in a way that is true to the values, purposes and duties for which that power is entrusted to, or held by someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles.
- 3.4 **be moderate and conservative** when viewed from the standpoint of the public and given the circumstances of the spending. It includes considering whether the justifiable business purpose could be achieved at a lower cost.
- 3.5 **be made transparently**. Transparency in this context means being open about the spending, and willing to explain any spending decisions or have them reviewed.
- 3.6 **be made with proper authority**. This means the person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedure.
- 3.7 **Be cost effective**.

These principles should be applied together. None should be applied alone, and no principle should be treated as more important than any other.

All expenditure must be in accordance with the following Council documents:

- **Procurement Policy**, to ensure purchasing decisions are consistent, fair, transparent and

lawful and deliver value for money.

- **Delegations Policy**, to ensure employees act within delegated authority.

SWDC staff are guided by the SWDC adopted values and behaviours in the application of this policy and guidelines.

4. Types of Discretionary Expenditure

Discretionary expenditure is any spending that could be seen to be giving private benefit additional to the business benefit to the organisation.

The Discretionary Expenditure Guidelines provides boundaries for managing common types of discretionary expenditure. If there are no specific rules for a situation, those incurring and approving discretionary expenditure should use careful judgement by considering the above principles and the context of the situation.

Exceptions to this policy and guidelines may be granted under exceptional circumstances at the discretion of the Chief Executive.

5. Monitoring

Any expenditure that is deemed to be inappropriate must be reported to the Chief Executive as soon as identified. Managers are encouraged to discuss the contents of this policy with their teams and all new starters to ensure that the requirements for discretionary expenditure are fully understood. The recovery of inappropriate expenses will be pursued.

Discretionary Expenditure Guidelines

These guidelines outline processes for discretionary expenditure approval and reimbursement and provide boundaries for common discretionary expenditure decisions. If there are no specific rules for a situation, those incurring and approving discretionary expenditure should use careful judgement by applying the policy principles.

6. Approval and Reimbursement Processes

6.1. Expenditure Approval

Discretionary expenditure should only be approved when:

- The approver is satisfied that expenditure is appropriate and consistent with the principles.
- Whenever practical, approval is given before expenditure is incurred.
- Expenditure is within budget and delegated authority.
- Expenditure is compliant with SWDC policies and procedures.
- Approval is given by an appropriate manager (minimum 'one up' rule applies) who does not benefit from the expenditure.

In deciding whether discretionary expenditure is appropriate, individual transactions and the total amount should be considered to ensure the combined amount is justified.

Discretionary expenditure incurred by:

- the Chief Executive is to be approved by the Mayor
- the Mayor is to be approved by the Independent Chair of the ARF Committee
- elected members is to be approved by the Chief Executive or Mayor

6.2. Expenditure Reimbursement

Persons claiming for reimbursement of expenditure incurred on behalf of SWDC are responsible for providing proper supporting records (invoices and receipts) with their claim.

These supporting records need to:

- clearly state the business purpose of the expenditure.
- be the original document (such as a tax invoice) or electronic copies provided they preserve the integrity and completeness of the document. Credit card statements do not constitute adequate documentation to support reimbursement.
- state the date, amount, description, and purpose for small expenditure when receipts are unavailable e.g., tips (for international travel only).
- be submitted within four weeks of expenditure.

All claims will be reviewed against the guidelines by Accounts Payable.

Common types of discretionary expenditure

7. Expenses when travelling

Staff might need to incur travel, accommodation and meal costs while travelling for work. Travel and accommodation should be economical and efficient, having regard to purpose, distance, time, urgency, health, security, and safety considerations.

In cases where a technology enabled solution is available, consideration should be given to whether physical travel outside the Greater Wellington region would provide additional organisational benefits over attending remotely.

7.1. Transport

SWDC vehicles are provided for work travel, however at times the use of private vehicles, air travel, public transport (e.g., buses, trains), or small passenger services (e.g. taxis, rental vehicles) may be required.

7.1.1. SWDC vehicles

Use of SWDC vehicles is to be in accordance with the [SWDC Driving Policy](#).

7.1.2. Air travel

Council will meet travel costs (or the equivalent airfare or mileage, whichever is the lower) required by staff, subject to that travel being necessary for the fulfilment of their role as approved by their General/Group Manager (or Chief Executive for International Travel). The following guidelines apply:

Travel is to be economy class. Travel should be booked as early as possible to obtain the benefit of cheaper airfares.

For international travel, fares will be economy class and including meals unless the flight exceeds 4 hours in duration and there is a requirement for staff to work immediately after arrival or the staff member has personal health issues. In these circumstances, an upgrade to Premium Economy can be considered if available. CEO approval is required prior to booking.

Basic travel insurance for International Travel should be arranged by the staff member travelling. A receipt will need to be produced for reimbursement.

Flights may be booked for travel the previous day to ensure that staff arrive on time for the course/conference/meeting. Consideration must also be given to where the staff member is travelling to and from before and after the flight to ensure that Health & Safety concerns are considered.

Staying away over weekends, stopovers', taking spouse or annual leave in conjunction with council travel is subject to the approval of the General/Group Manager. In all cases, this should involve no additional cost for Council.

Seat allocation on airfares incurs additional charges. If staff would like seat allocation, they must do this at their own cost and is not claimable for reimbursement.

During winter months travel officers shall book Fully Flexi flight fares in the event of disruptions due to bad weather. Where staff experience out of town delays due to disruptions staff may book required accommodation within a reasonable price and must keep all receipts for reimbursement. Fully flexi flights

should always be booked for the CEO and General/Group Managers as arrangements can change often in relation to their travel. This ensures that any cancellations can be refunded.

Subscriptions to airline clubs (such as Koru Club), shall be at the staff member's own expense, except for the Chief Executive

7.1.3. Private vehicles

A vehicle mileage allowance may be claimed in accordance with the SWDC Driving Policy for use of their own vehicle, including travel to and from the staff member's residence, if the travel is:

- In the staff members own vehicle; and
- On the Council's business; and
- By the most direct route that is reasonable in the circumstances; and
- The staff member could not book a pool vehicle or the use of such a vehicle was impractical; and
- Approved by the one up manager prior to the travel being undertaken.

The vehicle mileage allowance is payable to staff at the relevant rate at the time of claim.

Information on Elected Member mileage is in the [Elected Member Remuneration Policy](#).

7.1.4. Small passenger services

7.1.4.1. Taxi/Uber travel

Taxi/Uber should be used where they are either cost or time effective or provide for personal safety, over other forms of transport. Council travel officers can arrange pre-booking of taxis and charge back to Council at some locations. Receipts should be presented to support all expense claims.

The following reimbursements for taxi fares will be approved.

- Airport to Hotel / Venue (and return)
- Hotel to conference (and return)

.

7.1.4.2. Rental vehicles

Council does not require rental vehicles on a regular basis therefore accounts with rental companies are not possible.

Where possible the booking will be secured against the Corporate Credit Card in advance of the booking taking place. Where the hire company will not accept the "card not present" security, the staff member will need to secure the booking against their own credit card and make payment at the time of hire. Receipts for hire charges and fuel will be required in all cases. The size of the car needs to be consistent with the requirements of the trip (including the distance travelled and the number of people).

Any fines (parking or traffic offences) incurred while using a rental vehicle on entity business will be paid by the driver of the vehicle and not claimable as an expense or reimbursement.

Further, there should not be unreasonable or extensive private use of the vehicle. In these cases, "away from home" means outside of the district. Within the District, it is expected that a Council pool car would be used if required.

7.2. Meals

Meals purchased by staff whilst away from home on Council business may be reimbursed for actual and reasonable costs, on production of receipts or appropriate evidence where a charge back facility is used to your hotel or motel. The total value of meals per day should not exceed \$150. Any costs exceeding that value must be justified to show that no other option was available to the staff member and approved by a senior manager with delegated authority to do so.

Meal expenses may not be claimed if a meal is provided as part of another package paid for by the entity.

Council will not reimburse alcohol costs with meals. Any alcohol that is purchased (e.g., a glass of wine with dinner) must be paid for by the employee.

Council will not pay for any purchases from the mini bar or any additional services for example movies or other services provided by the accommodation. Any such charges must be settled at check out by the staff member.

Council will not pay for any accompanying partners, family, or friends.

7.3. Accommodation

Council will meet costs of any accommodation required by staff, subject to that accommodation being necessary for the fulfilment of Council business. Local Government rates should be sought in all cases and the most cost-effective option taken, subject to the availability of accommodation at the time of booking as well as the geographic location of the accommodation relative to where the staff member is working, the standard of the accommodation and safety and security issues.

However, reimbursement for mini-bar purchases or 'in-house' movies, purchase of clothing and laundering will not be made. Full charge back will apply for room, internet access, parking, and meals. All other charges are to be at the staff member's expense and are not claimable.

If a staff member stays with a friend or family member rather than in commercial accommodation, a claim for expenses of \$100 may be made.

7.4. Other travel matters

7.4.1. Fines

Any fines (e.g., parking and speeding) incurred while travelling are at the driver's expense.

7.4.2. Private travel combined with work travel.

Private travel may be linked to official business travel if there are no additional costs to SWDC, and private travel is only incidental to the business purpose of the travel.

7.4.3. Spouses, partners, or other family members accompanying travel.

Travel costs of spouses, partners, or other family members will not be covered.

Staff members should discuss with their manager if they intend for any family member to accompany them on a work-related trip to ensure there is proper consideration of any perceived personal benefit. Elected members should discuss this with the Mayor prior to travel.

7.4.4. Tipping

Tipping expenses may only be reimbursed if travelling in countries where it is local practice and appropriate in the circumstances. If this applies, a daily allowance is to be preapproved prior to travel and any unused funds are to be accounted for.

7.4.5 Other Travel

Council will reimburse or meet the actual and reasonable costs of any 'other travel' (e.g. train fares, bus fares, car parking fees, overseas travel insurance, etc.) undertaken in the fulfillment of Council business. Receipts should be presented in support of all claims.

7.4.6 Interviewee Travel Arrangements

On occasion, there may be justification to cover travel costs for prospective employees to travel to council premises and attend an interview. These occasions should be the exception rather than the rule and any such request must be treated with strict confidentiality, as with any recruitment information.

8. Entertainment and hospitality expenditure

8.1. Entertainment and Hospitality

8.1.1. Recognising staff achievements and occasions

SWDC will recognise staff milestones such as farewells, retirements and staff achievements, or occasions such as a Christmas function. Any expenditure is to be conservative, appropriate for the years of service and must come from the group operational budget. Staff may want to personally contribute to a small gift.

8.1.2. External hospitality

Expenditure on entertainment and hospitality should be claimed by the senior member of the group and relate to the following purposes:

- Building relationships.
- Representing the organisation.
- Reciprocity of hospitality where the case has a clear business purpose and is within normal bounds; and
- Recognising significant business achievement.

Allowances or expense reimbursement for hospitality and/or entertainment greater than \$50 will only be considered where these are:

- Cost-effective and appropriate for the occasion.
- Approved at the relevant level of delegated authority (for the CEO, this will require approval from the Mayor), with clear and appropriate limits on quantities and use of alcohol, if any;
- Substantiated by appropriate documentation that includes receipts, name and number of parties entertained, and the reasons for entertainment and hospitality.
- Supporting internal organisational development may also be a legitimate business purpose for moderate expenditure. This should be limited to
 - Small team events to recognise achievement or to commence a new workstream/activity.
 - Would be no more than \$50; and be:

- Substantiated by appropriate documentation that includes receipts, when the event took place, and the reasons for expenditure.

The purchase of flowers in recognition of significant events are limited to death of a staff member/elected member or community board member or a close relative. Flowers can be sent to the family or funeral service of any staff member or elected official up to a maximum limit of \$100.

Flowers that are required in any other circumstance should not be accounted for a council expenditure and should be funded by internal staff donation. There may be exceptional events that may require a form of recognition, and these will be dealt with on a case-by-case basis by the Chief Executive Officer.

There will be occasions where, to build and maintain relationships that significantly benefit Council, meetings will be held out of office hours at a venue that offers alcoholic beverages. For example, an after-hours meeting held in the employees' own time to discuss an important project for Council with external stakeholders. On these occasions, and where the employee finds themselves with a very modest alcohol expense (the value of which is minor in relation to the benefit Council receives from the meeting), the Chief Executive at their discretion may choose to reimburse the employee for all or part of this expense. All such cases will be recorded for audit purposes and included in the supporting evidence for the payment.

9. Goods and services expenditure

9.1. Loyalty reward scheme benefits

Personal loyalty cards (such as Fly Buys and Air points cards) are not to be used when purchasing goods or services on behalf of SWDC.

9.2. Reasonable private use of SWDC assets

Reasonable private use of SWDC assets (phones, photocopiers, internet) is permitted. See the Information and Technology Policy for more detailed guidelines.

9.3. SWDC use of private assets

On occasions SWDC staff may need to use their own private assets for work purposes for reasons such as cost, convenience, or availability (e.g., their own device/printer when required to work from home). SWDC may decide to reimburse reasonable costs provided prior approval is sought.

9.4. Sale of surplus assets to staff

As part of its normal business, SWDC will occasionally dispose of its assets when they become obsolete, worn out or surplus to requirements (e.g., old office furniture).

Low value obsolete and worn-out goods may be tendered to staff provided this maximises the return to SWDC. Maximising return can include consideration of non-financial benefits like sustainability (e.g., if an alternative use is unable to be found it may be preferable that assets are offered to staff rather than be taken to the landfill).

All vehicles, high value items and confiscated items e.g., stereos are to be sold through an auction process.

10. Staff support and well-being expenditure

10.1. Staff Support and Wellbeing

SWDC may provide staff support and wellbeing to benefit both the organisation and staff and to meet its “good employer” obligations in accordance with the SWDC Reward and Benefits Framework.

10.2. Social Club

SWDC does not finance the activities of the social club. Monetary contributions to the social club are made by staff who opt to join on a voluntary basis.

11. Other types of expenditure

11.1. Donations

- Any donation made by SWDC is made voluntarily without expectation of goods and services in return. Donations may include monetary payments or contributions of goods or services and are to be approved in advance. Donations will be Lawful in all respects.
- Disclosed in aggregate.
- Made to recognised organisations (not individuals) by normal commercial means, not in cash and not political.

Donations do not include grants to community groups and organisations which are covered by the SWDC Grants Policy.

11.2. Koha

Koha describes the customary practice of reciprocal gifting between people and groups – which is based on relationships. Koha is an important and relevant custom practiced across Aotearoa today, in a wide range of settings, and for a variety of purposes. Koha may be described as a gift, a token, a present, an offering, a donation, or a contribution. Importantly, koha should be viewed as relational, a reciprocal practice through which relationships are built, strengthened, enhanced, and maintained. The amount to be given should be appropriate to the occasion and advice should be sought from the Principal Advisor – Maori.

- Koha may be given by SWDC to show respect and value for a relationship or an occasion, acknowledging the importance and significance of the relationship. As koha is usually unreceipted, it should be approved in advance and clearly documented with the date, amount, and a description. Koha should come from the specific budget that the event/project relates to. The request must:
 - Specify in claim form what the koha is for
 - The appropriate manager then should withdraw the money from their SWDC credit card.

11.3. Gifts

11.3.1. Giving gifts

Gifts may be given by SWDC to a maximum value of \$200 as part of significant ceremonies with visiting dignitaries e.g., Twinning Agreement.

11.3.2. Receiving gifts

SWDC may accept gifts provided acceptance won't be perceived as influencing SWDC's purchasing or decision making. SWDC maintains a Gift Register for the recording of gifts.

Staff may personally acquire infrequent and inexpensive gifts that are openly distributed by suppliers and clients (for example pens, badges, calendars). These gifts do not need to be recorded in the Gift Register.

Staff may either decline to accept (provided doing so is not culturally insensitive and will not cause offence) or handover all other gifts to their manager. Any gift over the value of \$50, regardless of whether accepted or not, is to be recorded in the Gift Register.

11.3.3. Use of Credit Cards

The provision of council credit cards is limited to the Mayor, Chief Executive Officer and General Manager – Corporate Services only. The maximum combined limit for all credit cards shall be \$10,000 which shall be limited to:

- payment of business-related expenditure only.
- can only be used for cash advances related to Koha.
- subject to approved expenditure budgets; and
- in accordance with approved financial delegations' policy.

Where a staff member is travelling overseas and does not have a personal credit card, or they are not able to use it overseas, a cash allowance may be made for expenses. The staff member must keep all receipts and provide a reconciliation of the expenditure upon returning to the office, with any unspent cash being returned.

Where the credit card is used to purchase items online, the approval process remains the same as any other purchase. A manual payment request is required to be completed outlining the purchase to be made and must be approved by a manager holding an appropriate delegated authority.

Such payment requests should then be sent to the General Manager – Corporate Services for approval before any purchase takes place.

When making payments online it is important that these are on sites that have secure payment processes and that a receipt for the payment can be obtained.

Claims and approvals for credit card expenditure must comply with SWDC's Discretionary Expenditure Policy and Procurement Policy. The credit card statement shall be reconciled monthly.

On termination of employment, or on a change of position, credit cards must be surrendered by the cardholder to the Group Manager – Corporate Services (CEO for the GM Corporate Services position). The employee and the card shall then be de-activated in the Westpac bank portal and the card immediately destroyed by cutting it in half and notifying the issuing bank. The cancellation shall be processed within 5 working days.

The cardholder is responsible for immediately reporting to the issuing bank a credit card that has been lost, damaged, fraudulently used or stolen and confirming the loss in writing. The card will be deactivated in the Westpac bank portal and a replacement credit card shall be arranged by the General Manager – Corporate Services.

Breach of this policy and misuse of the credit card by the card holder will invoke:

- Immediate withdrawal of the credit card; and

- Investigation and disciplinary action in accordance with SWDC's Fraud, Corruption and Whistleblowing Policy.

DEFINITIONS

Actual & Reasonable	This means the actual cost incurred, supported by receipts, that must not exceed the value specified in this policy.
Approving Manager	A staff member's line manager or a manager higher in the financial delegation approval hierarchy (also known as 'one up' manager).
Conflict of Interest	A situation in which private interests or personal considerations may affect an employee's judgement and/or ability to act in the best interest of SWDC.
Employee	For the purposes of this policy, 'employee' includes: <ul style="list-style-type: none">- full-time, part-time, permanent, temporary, fixed term and casual staff members- contractors- people seconded to organisations- volunteers
Entertainment Expenses	Expenditure on food, beverages, tickets for events, and related supplies for events, involving one or more Council staff members and/or one or more guests, and the purpose of the expenditure is to represent the Council or provide reciprocity of hospitality or build business relationships in pursuit of Council goals.
Official Function	Social functions, entertainment events, ceremonies, meetings, special events and conferences that can be demonstrated to provide clear benefit to the Council. Such functions must be sanctioned by the Chief Executive, or the relevant General/Group Manager.
Discretionary Expenditure	Any Council expenditure that provides, or has the potential or perceived potential to provide, a private benefit to an individual staff member that is additional to the business benefit to the entity of the expenditure. It also includes expenditure by Council that could be considered unusual for Council's purpose and/or functions. Examples of discretionary expenditure include: <ul style="list-style-type: none">- travel and accommodation (private linked with business or where a personal relation / friend accompanies staff travel)- entertainment and hospitality- staff support and welfare expenses- loyalty points programmes- staff recognition and team building- sponsorship of staff- sale of surplus assets to staff

Tax Governance Framework

1. Purpose

To present the Committee with the draft Tax Governance Framework for adoption.

2. Executive Summary

This Tax Governance Framework establishes the tax governance framework and strategy for South Wairarapa District Council (SWDC).

The framework has been reviewed by the Chairperson and the CE.

The framework is now presented to the Committee for review and approval.

3. Recommendations

Officers recommend that the Committee:

1. Receive the *Tax Governance Framework* Report.
2. Adopt the draft Tax Governance Framework.

4. Appendices

Appendix 1 – Draft Tax Governance Framework.

Reviewed By: Janice Smith, Chief Executive Officer

Appendix 1 – Draft Tax Governance Framework



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

Tax Governance Framework

Date of Approval	DD MMM YYYY
Next Review	DD MMM YYYY
Business Owner	General Manager Finance
Version History	January 2024 - Draft v1

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Tax Governance Framework

1. Purpose

This document establishes the tax governance framework and strategy for South Wairarapa District Council (SWDC).

1.1. Background

SWDC has a high public profile. As such, SWDC must maintain exemplary governance and tax compliance standards.

Although SWDC is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax, Fringe Benefit Tax, PAYE, and a range of other withholding taxes. These taxes make up a significant portion of the New Zealand Government's annual tax take. Accordingly, the tax obligations of SWDC cannot be taken lightly.

Inland Revenue has signalled its expectation that all large organisations should have tax risk management incorporated within their governance framework. This is consistent with international best practice; tax authorities in foreign jurisdictions, including Australia and the United Kingdom, have been advocating this approach is taken by large Public and Private sector organisations.

1.2. Risk management

The Assurance, Risk and Finance Committee is, along with other responsibilities, tasked to:

- Assist the Chief Executive to determine SWDC's appetite for risk.
- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of SWDC's significant risks.
- Consider whether appropriate action is being taken by management to mitigate SWDC's significant risks.
- Ensure that management is kept apprised of SWDC's governance body's views on uncontrolled risk.
- Ensure management are keeping the Assurance, Risk and Finance Committee fully apprised of all independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- Operational risk – by way of reducing the potential for reputational damage befalling SWDC as a result of non-compliance, and the possible negative impacts on various stakeholders, such as employees and suppliers.
- Financial risk – through minimising the financial impact of non-compliance, and the costs associated with over- or under-paying tax by SWDC.
- Compliance risk – in terms of ensuring areas of non-compliance are identified, thereby minimising any penalties or interest being imposed by Inland Revenue and reducing the risk of SWDC being subject to an Inland Revenue audit.

2. Tax risk profile

SWDC has an obligation to fulfil its tax compliance obligations as required by tax legislation, including the Income Tax Act 2007, KiwiSaver Act 2006, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

Given the high profile and public nature of SWDC, there is a need to adopt a conservative approach towards tax compliance. Accordingly, SWDC will adopt a “LOW” tax risk profile such that it has an open and honest working relationship with Inland Revenue.

3. Tax risk management strategies

The following strategies will be adopted by SWDC to ensure that it maintains a low tax risk profile and effectively manages its tax obligations and potential tax risks.

SWDC will develop a tax risk management plan to be formally adopted by the Assurance, Risk and Finance Committee. The plan will be reviewed *at least* every three years. The plan will:

- Identify key areas of tax compliance risk that are faced by SWDC.
- Establish the steps required to effectively manage or mitigate each risk area.
- Provide clear and realistic time frames to carry out the steps.

3.1. Responsibility for tax issues

The CEO has overall responsibility for the management of the tax issues of SWDC. As appropriate, the CEO may delegate responsibility for tax issues to another appropriately qualified person.

The CEO has overall responsibility as the myIR account owner for SWDC. The CEO is responsible for administering and maintaining staff delegations and permissions of myIR login accounts and for ensuring delegations are updated as and when staff leave or join the organisation. The CEO may delegate this responsibility to another appropriately qualified person.

3.2. Reporting tax risks to Assurance, Risk and Finance Committee

Any ‘significant tax risks’ will be reported in the first instance to the CEO as soon as they are identified and where appropriate to the chair of the Assurance, Risk and Finance Committee within two weeks of being identified.

A ‘significant tax risk’ to SWDC may include, but is not limited to, a circumstance where an incorrect interpretation is made that results in a situation where:

- Penalties and interest could be imposed against SWDC.
- A tax liability is required to be settled that is in excess of \$10,000.
- SWDC could be subject to prosecution.
- An accusation of tax avoidance could be levied.
- There is risk of negative publicity.

SWDC will report on all tax risk management matters to the Assurance, Risk and Finance Committee at least once a year. As part of that report, a summary should be prepared and presented to the Assurance, Risk and Finance Committee setting out key issues, and may include the following:

- Key financial information including any outstanding taxes due, and any interest or penalties imposed during the year.
- Particulars of any proposed legislative tax changes which could impact on SWDC.
- Details of any significant outstanding taxes in dispute with Inland Revenue.
- Details of advice sought and future matters to consider.
- A table of tax tools and services used and whether each aligns with SWDC's 'LOW' risk tax profile; i.e. Strategy vs Achievement.

3.3. Tax awareness and training

SWDC will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

3.4. Meetings and correspondence with Inland Revenue

SWDC will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the CEO. The CEO is the only person authorised to correspond or meet with Inland Revenue to discuss the tax matters of SWDC – although the CEO may delegate this responsibility to others where appropriate.

3.5. Tax advice and rulings

SWDC will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$10,000, SWDC will seek written advice from external tax advisors.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the CEO. However, the CEO may obtain agreement from the Assurance, Risk and Finance Committee if considered appropriate.

3.6. Tax returns and payments

SWDC will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, SWDC will be transparent, and fully disclose all relevant information supporting a tax position in a tax return. SWDC will only adopt tax positions that are highly likely to be correct based on current law. Notwithstanding this, SWDC will endeavour to ensure that the most tax efficient position is adopted.

Any tax payments in excess of \$10,000 must be authorised by the CEO. However, the CEO may delegate this in accordance with SWDC's delegation authorities.

Tax payments must be supported by detailed tax computations and explanations which are initialed by the preparer and then countersigned by that person's superior prior to payment.

The CEO (or someone delegated by the CEO) will review SWDC's Inland Revenue accounts on a monthly basis to ensure that all returns have been assessed by Inland Revenue and payments have been allocated appropriately. Any unreconciled items will be reported to the CEO.

3.7. Filing and record keeping

In terms of the Tax Administration Act 1994, SWDC is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, SWDC will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, SWDC will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the CEO. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

3.8. Regular reviews

The tax risks of SWDC potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of SWDC are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year for the proposed format of reviews.

The ARFC should adopt a review programme on the recommendation of the CEO and review it annually.

3.9. Penalties and voluntary disclosures

Wherever possible SWDC should endeavour to minimise any penalties and Use of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, SWDC (in consultation with the Assurance, Risk and Finance Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

3.10. Tax policies

To assist staff with the day-to-day tax treatment of issues specific to SWDC and to ensure a consistent tax treatment of items across the organisation, SWDC may subscribe to external Online Tax Policies site.



Assurance, Risk and Finance Committee

21 February 2024

Agenda Item: C1

Finance Report

1. Purpose

The purpose of this report is to provide the Committee with a commentary on the year to date 31 December results.

2. Recommendations

Officers recommend that the Committee:

1. Receive the Finance Report.

3. Appendices

Appendix 1 – Finance Report For the period ended 31 December 2023

Contact Officer: Charly Clarke, Acting Finance Manager

Reviewed by: Janice Smith, Chief Executive Officer

**Appendix 1 – Finance Report For the period
ended 31 December 2023**



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

**Monthly Financial Statements
For the period ended
31 December 2023**

Contents

1. Executive Summary - Financial Report
2. Statement of Financial Performance
3. Statement of Financial Position
4. Investment and Borrowing Summary
5. Balance Of Reserves
6. Capital Expenditure - Significant Projects
7. Rates Arrears

Executive Summary - Financial Report

YTD December 2023

Statement of Comprehensive Revenue and Expenses for the Period Ended 31 December 2023					
Actual 2022/2023 \$000		Actual YTD 2023/2024 \$000	Budget YTD 2023/2024 \$000	Variance YTD 2023/2024 \$000	Budget 2023/2024 \$000
Operating Revenue					
21,507	Rates	12,968	12,789	178	25,566
1,118	Grants, subsidies, and donations	430	445	(15)	808
5,770	Waka Kotahi subsidy	2,693	1,371	1,322	3,294
2,483	Fees, licences, charges	1,223	1,325	(102)	2,657
2,618	Development, and financial contributions	1,035	730	306	1,483
757	Rental income	396	385	12	784
348	Miscellaneous revenue	403	252	151	369
422	Finance revenue	328	216	112	431
35,022	Total operating revenue	19,476	17,512	1,964	35,392
Operating Costs					
8,715	Community facilities & services	4,510	4,612	102	9,074
9,161	Land transport	4,900	3,444	(1,456)	7,235
4,460	Water supply	2,288	2,482	194	4,920
3,709	Wastewater	1,702	2,422	721	4,860
3,302	Planning & regulatory services	2,600	1,784	(816)	3,762
2,129	Governance	1,114	1,381	267	2,713
662	Stormwater drainage	334	362	28	714
11	Bad debts	15	12	(3)	25
32,148	Total operating costs	17,463	16,500	(964)	33,303
2,874	Total Operating Surplus/(Deficit)	2,013	1,013	1,000	2,089
1,719	Assets vesting in Council	1,097	-	1,097	-
(1,592)	Other gains and losses	(6)	-	(6)	485
3,001	Total Surplus/(Deficit)	3,105	1,013	2,092	2,574
Comprehensive Revenue and Expense					
-	Increase/(decrease) in revaluation reserves	-	-	-	-
854	Finance costs	474	945	471	945

Executive Summary

The purpose of this report is to provide Council with a commentary on the year to date 31 December results.

Operating Surplus

The December YTD actuals to budgets results show an overall surplus of \$2m, which is above the budgeted surplus of \$1m, partially due to higher than expected Contributions, underspend in three waters. costs due to delay in growth planning work and timing of Governance consultancy costs & staff vacancy.

Operating revenue

Operating revenue actual is \$19.4m vs budget of \$17.5m, \$1.9m above budget.

Rates income comprises 72% of total income and is tracking at budget YTD and full year.

The increase in revenue is due to unbudgeted Waka Kotahi subsidies received, and higher than expected financial contributions.

Operating Expenditure

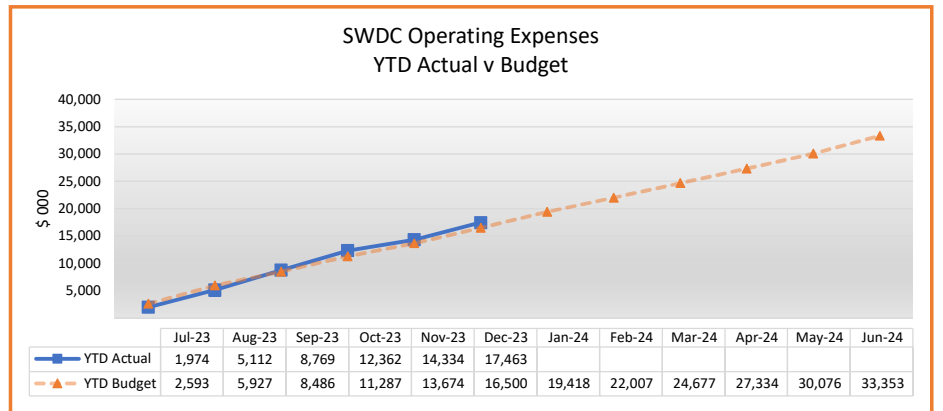
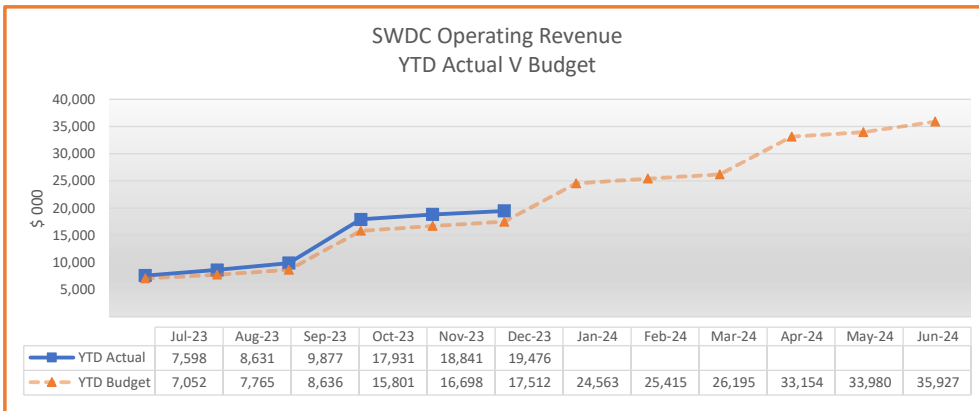
Operating costs are \$17.4m vs budget of \$16.5m, \$964k above budget.

This is mainly to do with unbudgeted emergency works and the Combined District Plan and Spatial plan transfer from capital expenditure to operating expenditure.

Further commentary on revenue and expenditure is included in this report on the following pages.

Budgets have been phased based on last year's actual spend and this will create variances where actuals vs budgets are not aligned; this is referred to as timing differences.

Summary of Unbudgeted Items	Total grant YTD	Act YTD	Balance sheet	Comments
Mayor's Taskforce	53,525	26,400	27,125	Balance to be allocated to finance costs
Provincial Growth Fund (Tauherenikau Bridge)	-	53,721	-	Expecting additional funding.
Three Waters Reform transition assistance	215,072	96,406	118,666	Carryover from 22/23
Freedom Camping	77,545	67,162	10,383	
Welcoming communities	67,712	25,707	42,005	Includes \$17k carryover from 22/23
	2,845,372	1,358,220	444,874	



Statement of Financial Performance

Operating Income YTD December 2023

Income	2023/24 YTD Actuals December \$000	2023/24 YTD Budgets December \$000	2023/24 YTD \$ Variance December \$000	2023/24 YTD % Variance December	2023/24 Full Year Budget \$000
Grand Total	19,476	17,512	1,964	11.2%	35,392
Rates Penalty	99	66	33	50.4%	120
Rates	12,868	12,723	145	1.1%	25,446
Fees & Licences	910	1,049	(139)	(13.2%)	1,829
User Levies	352	333	18	5.5%	976
Grants Subsidies & Donations	3,094	1,890	1,204	63.7%	4,055
Recoveries	322	13	309	2327.4%	83
Interest	328	216	112	52.1%	431
Rental/Hire	396	385	12	3.0%	784
Commissions	38	41	(3)	(6.9%)	82
Miscellaneous	33	67	(34)	(50.6%)	103
Contributions	1,035	730	306	41.9%	1,483

Income Summary

Operating Income YTD is favourable to budget by \$1.9m or 11.2%.

Rates

Rates are on track YTD and full year.

The second rates installment was issued in October.

Rates income comprises 72% of budgeted total income.

Fees & Licences

Unfavourable by \$139k mainly due to lower than expected building consents.

User levies

Overall on track.

Grants, Donations & Subsidies

Favourable by \$1.2m. Please refer to the "Summary of unbudgeted items" table on Executive summary page.

Majority of the variance is due to unbudgeted Waka Kotahi subsidies for emergency works claims and phasing of the programme.

Recoveries

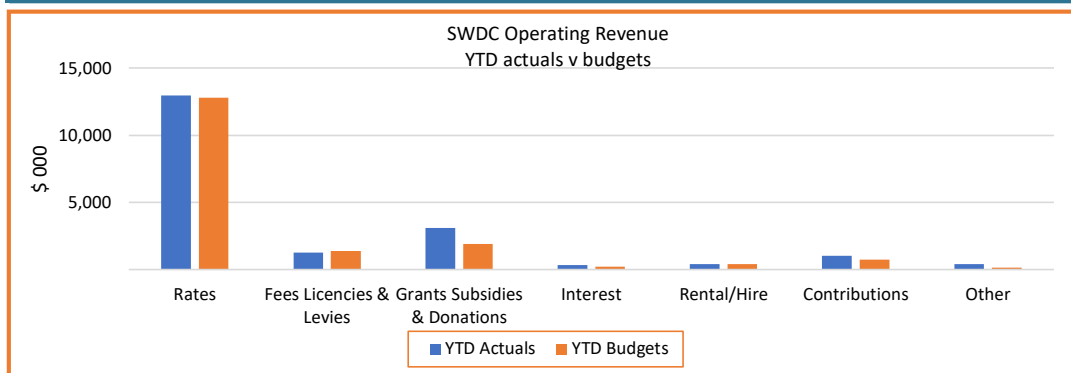
Favourable by 309k mainly due to additional recoveries of land transport overheads expenses.

Rental Income

Favourable by \$12k due to higher than expected income for rental properties due to phasing of budgets.

Contributions

Subdivisions overall are unfavourable by \$129k however completion rate is strong. Rounding contributions are unfavourable by \$35k.

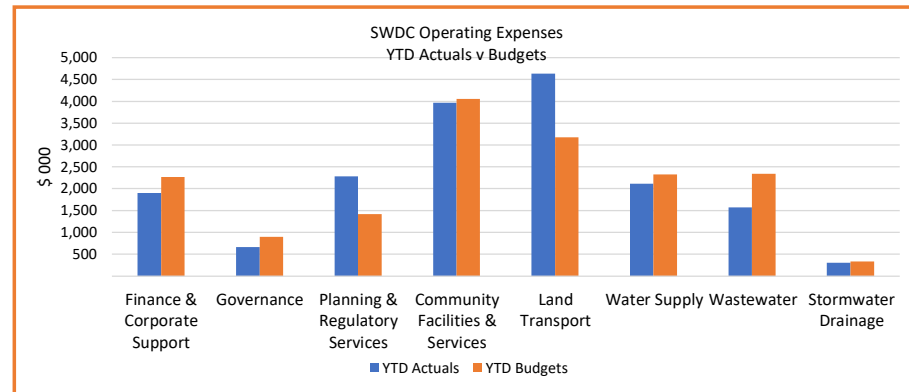


Statement of Financial Performance

YTD December 2023

Operating Expenditure

Expenditure	2023/24	2023/24	2023/24	2023/24	2023/24 Full Year Budget
	YTD Actuals December	YTD Budgets December	YTD \$ Variance December	YTD % Variance December	
	\$000	\$000	\$000		\$000
	17,469	16,500	(969)	(5.9%)	33,303
General	21	(324)	(345)	(100.0%)	(637)
Finance & Corporate Support	1,903	2,271	368	16.2%	4,762
Governance	667	899	232	25.8%	1,729
Planning & Regulatory Services	2,283	1,418	(865)	(61.0%)	2,982
Community Facilities & Services	3,965	4,054	89	2.2%	7,900
Land Transport	4,634	3,172	(1,462)	(46.1%)	6,636
Water Supply	2,117	2,331	214	9.2%	4,593
Wastewater	1,569	2,339	771	32.9%	4,673
Stormwater Drainage	309	338	29	8.6%	665



Expenditure Summary

Operating expenditure YTD is unfavourable to budget by \$969k, (5.9%). Expenditure is reported by significant activities as set out in the Annual Plan and LTP.

Finance & Corporate Support

Favourable by \$368k mainly due to timing of invoices & delay in the Information Management project, network costs and other IT projects. IT peripherals/cell phones are purchased when best prices are available which also comes down to timing. There is also underspend in Communications due to phasing of operating costs and Human Resources for legal expenses and delay in health and safety training.

Governance

Favourable by \$232k. Operating costs for Policy are lower than expected mainly due to timing of rating review and Long Term Plan costs. Elected members are also favourable due to vacancies and minimal change to the Local Government Members Determination for 23/24.

Community Services

Community wellbeing and economic development are on track. Provincial Growth is unfavourable by \$54k however funding is expected before the end of the financial year.

Community Facilities

Rental properties is favourable by \$85k due to underspend in consultants and repairs and maintenance. Toilets are favourable by \$15k due to lower than expected costs in routine maintenance and cleaning. Parks and reserves are favourable by \$40k due to delay in tree and trail maintenance with work expected in the coming months.

Swimming pools are unfavourable by \$76k due to timing of Management fees with December and January paid in advance.

Community buildings are unfavourable by \$76k partially due to insurance budget allocation to this cost centre. Total insurance costs are aligned with full year budget.

Refuse and recycling is favourable by \$168k, this is to do with timing of works costs. Overall 47% of the budget has for works costs have been spent. We also expect to see a slight increase in the summer months for coastal collections.

Land Transport

The \$1.4m overspend is largely attributable to emergency works for swell and flooding and events carried over from 22/23. This is offset with NZTA subsidies at a higher than average claim rate.

Planning & Regulatory Services

Unfavourable by \$865k, this mainly due to the Combined district plan and Spatial plan costs transferred from capex to opex in December. A total of \$913k was transferred. Please see other notable variances below.

Consultancy costs for resource management are unfavourable by \$50k due to high volume of large developments which will be recovered from contributions in the coming months.

There is an overspend of \$23k in building mainly due to consent processing and building inspection services. Outsourcing will reduce once staff become fully trained.

Public health and protection is favourable by \$50k due to staff vacancy.

Emergency Management is favourable by \$15k due to delay in payments.

Three Waters & Wellington Water Ltd (WWL)

Three Waters includes water supply, wastewater and stormwater drainage.

Overall Three Waters is favourable by \$1,019k

Management fees are on track.

Wastewater favourable by \$715k. This is mainly related to the desludging programme which is not due to start until the third quarter.

Works costs are favourable by \$30k mainly due to underspend in network and investigation costs which are expected to increase in the coming months.

The remaining underspend is in finance costs.

WWL Operating Expense Summary

Works costs	YTD Actuals	FY Budget	Percentage spent
	\$000	\$000	
Water Supply	1,109	2,679	41%
Wastewater	541	2,511	22%
Stormwater	56	205	27%
	1,705	5,395	32%
Management Fee	YTD Actuals	FY Budget	Percentage spent
Water Supply	56	119	47%
Wastewater	103	218	47%
Stormwater	28	60	47%
	188	397	47%
Total	1,893	5,792	33%

Statement of Financial Position as at 31 December 2023

Statement of Financial Position as at 31 December 2023		
Actual YTD 2022/2023 \$000		Actual YTD 2023/2024 \$000
ASSETS		
Current assets		
6,722	Cash and cash equivalents	3,623
6,169	Investments	8,258
3,746	Debtors and other receivables	2,050
46	Inventories	37
-	- Non-current assets held for sale	-
16,681	Total current assets	13,968
Non-current assets		
637	Investments	637
Other financial assets:		
131	<i>Investments in CCOs and other similar entities</i>	131
126	<i>Investments in other entities</i>	126
258	Total other financial assets	258
14,224	Investment properties	14,259
109	Intangible assets	120
572,309	Property, plant, and equipment	573,604
587,537	Total non-current assets	588,878
604,218	TOTAL ASSETS	602,845
LIABILITIES AND EQUITY		
Current liabilities		
6,312	Creditors and other payables	3,852
625	Employee entitlements	594
33	Provisions - current portion	33
2,000	Borrowings - current portion	4,943
26,900	Borrowings - non-current portion	23,957
27,200	Total non-current liabilities	24,258
Equity		
169,425	Public equity	169,787
29,750	Restricted reserves and trust funds	31,000
368,873	Asset revaluation reserve	368,378
568,048	Total equity	569,166
Community TOTAL LIABILITIES AND EQUITY		602,845

Financial Statement Summary

Working Capital

Working Capital (current assets divided by current liabilities) which expresses the ability of council to meet its short-term obligations is acceptable with a ratio of 1.4 times.

Assets

Debtors and other Receivables

Debtors and receivables total \$2,050k, key components are :

- General Debtors \$385k (current due 60%)
- Rates receivables total YTD \$757k (total due (\$276k), Rates in advance \$1,033k)
- NZTA & Fuel Tax Receivable \$262k
- Water debtors \$33k

Investments

SWDC's investment policy provides that financial investments should be spread over several financial institutions to reduce the potential risk of loss to Council.

These investments are spread over our bankers BNZ, and other banks Westpac, ANZ, ASB and Wairarapa Building Society (WBS) (see investment schedule next page)

The maximum amount to be invested with anyone approved institution is 50% of Council's total investments. There were no breaches in December.

Liabilities

Creditors and other payables

Creditors and payables total \$3,852k, key components are :

- Sundry creditors \$615k
- SWDC rates in advance \$716k
- GWRC rates payable & in advance \$360k
- Levies, bonds currently outstanding \$1,137k

Total Debt

Total public debt stands at \$28,900k (current portion \$4.9m).

The average fixed interest rate on borrowings is 3.67%.

(see debt breakdown on the next page)

Summary Of Investments and Lending

Summary Of Investments as at 31 December 2023			
Account	Total Invested	Interest Rate	Maturity date
Westpac Bank 24% of total Term Deposits			
Call Account	91		
Term deposit	2,000,000	5.30%	22/02/2024
ASB Bank 24% of total Term Deposits			
Call Account	68,608		
Term deposit	1,000,000	6.33%	30/08/2024
Term deposit	1,000,000	6.12%	23/11/2024
ANZ Bank 6% of total Term Deposits			
Call Account	258		
Term deposit	500,000	5.80%	25/03/2024
BNZ Bank 38% of total Term Deposits			
Call Account	2,506,322		
Term deposit	1,105,383	6.25%	24/11/2024
Term deposit	1,000,000	5.95%	30/08/2024
Term deposit	1,000,000	6.25%	23/11/2024
Wairarapa Building Society 8% of total Term Deposits			
Term deposit	219,604	6.25%	20/11/2024
Term deposit	226,454	6.00%	23/11/2024
Term deposit	174,129	6.00%	17/06/2024
Total Call Accounts	2,575,280		
LGFA Borrower Bonds	659,500		
FORESTRY			
Plantation - Hurupi Stock	9,305		
SHARES			
Farmlands	1,159		
NZ Local Government Insurance Company	81,434		
Wellington Water Limited	50,000		
TOTAL INVESTMENTS	11,602,248		

Note: Call Account is considered cash in the balance sheet as it is under 90days.

Summary Of Borrowing as at 31 December 2023				
Loan	Rate	Matures	Principal	Total Loan
3 Waters	3.89%	1/07/2024	2,000,000	2,000,000
3 Waters	5.23%	15/04/2026	678,802	
Land Transport	5.23%	15/04/2026	1,081,706	
Additional funding	5.23%	15/04/2026	39,492	1,800,000
Community Buildings	5.23%	15/04/2026	1,500,000	1,500,000
3 Waters	1.49%	15/04/2024	2,000,000	2,000,000
3 Waters	1.69%	15/04/2025	4,942,813	
Additional funding	1.69%	15/04/2025	57,187	5,000,000
Smoothing Loan AP 20-21	1.78%	15/04/2026	1,500,000	1,500,000
3 Waters	2.72%	15/05/2031	5,700,000	
Community Buildings	2.72%	15/05/2031	1,000,000	6,700,000
3 Waters	4.20%	1/07/2024	3,999,419	
Community Buildings	4.20%	1/07/2024	300,581	
Additional Funding	4.20%	1/07/2024	200,000	4,500,000
3 Waters	2.75%	1/07/2024	1,400,000	1,400,000
Lake Ferry Campground	5.76%	15/04/2025	500,000	2,500,000
Total Lending				28,900,000
Lending Summary				
3 Waters	22,221,034			
Land Transport	1,081,706			
Community Buildings	2,800,581			
Smoothing Loan AP 20-21	1,500,000			
Additional Funding	346,680			
Dog Pound	450,000			
Lake Ferry Campground	500,000			
	28,900,000			

Balance of Reserves (updated quarterly)

Statement of Special and Separate Funds for the Year Ended 31 December 2023						
	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000		Closing Balance \$000
District Property						
To be used for Town Centre Development	All activities	236	195	138		292
Asset Realisation						
Capital gains from the sale of Council Assets that have been realised over time.	All activities	298	-	-		298
Plantation Reserve						
For road protection schemes and seal extensions in the future.	All activities	(147)	-	15		(162)
Community Board Reserves						
Community Board funds carried over:						
Featherston	Governance	3	5	1		7
Greytown	Governance	14	5	3		15
Martinborough	Governance	3	5	2		5
Māori Standing Committee	Governance	25	5	2		27
Featherston Beautification	Governance	26	12	5		33
Greytown Beautification	Governance	24	12	6		29
Martinborough Beautification	Governance	24	12	8		28
Martinborough Swimming Pool	Governance	15	5	-		20
Restricted Reserves						
To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development, to protect conservation values.	All activities	3,176	205	60		3,322
To provide opportunities for public access to and along water bodies, to provide recreational opportunities near water bodies						
Water Race Reserves						
Featherston/Longwood Water race	Water	52	-	20		32
Moroa	Water	314	-	1		313

	Activities to which reserve relates	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
Trusts					
Campground Memorial:	Amenities	7	-	-	7
Pain Farm					-
Maintaining and improving the Borough's parks, sports grounds, camping ground, swimming baths, providing and maintaining sports facilities and a children's playground.	Amenities	155	54	76	132
Infrastructure Contributions					
To spread the costs of the Spatial Plan over the life of the plan	Resource Management	11	133	47	97
Loan Redemption Reserve					
To cover loan principal repayments	All activities	10,854	2,501	-	13,355
Depreciation Reserves					
To fund new capital projects	All activities	11,492	1,591	2,727	10,356
Disaster Recovery					
To fund disaster recovery IT upgrades	All activities	20	10	-	30
Martinborough Town Hall Reserve					
Waihinga Centre Project	Amenities	10	-	-	10
Rural Roding Reserve					
Rural Roding	Roding	1,268	300	3	1,565
Housing Reserve					
Housing	Amenities	(287)	178	234	(343)
Maintenance Reserve					
To cover maintenance to buildings	Amenities	12	33	10	35
Wairarapa Moana Reserve					
To be used to establish and support the board that will lead guardianship and management of the moana and its surrounds	All activities	137	-	-	137
Total Special and Separate Funds		31,000	6,216	4,135	32,945

SOUTH WAIRARAPA DISTRICT COUNCIL
SCHEDULE OF CAPITAL EXPENDITURE
For the period ended 31 December 2023

Activity	Project/Cost Centre	Category	Funding Source	YTD Actual Spent	Carried Forward Budget	New Budget Annual Plan 23/24	Total Budget Available	% of Budget Spent YTD
Finance & Corporate Services								
	Council offices	Renew	Loan	-	250,063	5,366	255,429	0%
	Furniture	Renew	Reserves - Depreciation	-	-	12,879	12,879	0%
	GIS	Renew	Reserves - Depreciation	-	-	10,733	10,733	0%
	Intangibles	Improve	Reserves - Depreciation	-	20,000	-	20,000	0%
	IT hardware	Renew	Reserves - Depreciation	24,514	-	90,125	90,125	27%
	IT software	Renew	Reserves - Depreciation	-	-	53,663	53,663	0%
	Motor vehicles	Renew	Reserves - Depreciation	-	-	-	-	0%
	Office equipment	Renew	Reserves - Depreciation	-	-	10,733	10,733	0%
				24,514	270,063	183,499	453,561	5%
Community Facilities & Services								
	Purchase of land for new open spaces	Grow	Loan	-	1,531,500	-	1,531,500	0%
	Greytown wheels park	Grow	Reserves - Restricted	59,632	642,650	350,543	993,193	6%
	Featherston sports stadium	Improve	Reserves - Restricted	-	-	-	-	0%
	Greytown sports facility	Improve	Loan	174,413	969,889	-	969,889	18%
	Gateway to the Wairarapa	Improve	Reserves - Depreciation	-	61,260	53,663	114,923	0%
	Campgrounds	Renew	Reserves - Depreciation	60,266	209,000	16,099	225,099	27%
	Cemeteries	Renew	Reserves - Depreciation	4,232	249,466	37,564	287,030	1%
	Community buildings	Renew	Reserves - Depreciation	7,833	403,260	182,454	585,714	1%
	Housing	Renew	Reserves - Housing	21,522	195,850	167,396	363,246	6%
	Library collection	Renew	Reserves - Depreciation	43,734	-	148,959	148,959	29%
	Parks & reserves	Renew	Reserves - Depreciation	18,551	150,000	21,465	171,465	11%
	Playgrounds	Renew	Reserves - Depreciation	-	51,050	53,663	104,713	0%
	Rental properties	Renew	Reserves - Maintenance	9,911	-	132,705	132,705	7%
	Swimming pools	Renew	Reserves - Depreciation	30,470	230,864	53,663	284,527	11%
	Toilets	Renew	Reserves - Depreciation	-	51,050	53,663	104,713	0%
	Transfer stations	Renew	Reserves - Depreciation	-	-	-	-	0%
				430,563	4,745,839	1,271,837	6,017,676	7%
Planning & Regulatory Services								
	Dog pound	Renew	Loan	-	-	1,073	1,073	0%
	IT hardware - Planning & Regulatory Services	Renew	Reserves - Depreciation	-	6,000	4,293	10,293	0%
	IT software - Planning & Regulatory Services	Renew	Reserves - Depreciation	-	-	-	-	0%
	Liquefaction modelling for building regulations	Improve	Loan	-	126,659	-	126,659	0%
	Combined District Plan	Renew	Reserves - Combined District Plan	-451,751	-	215,064	215,064	-210%
	Spatial Plan	Improve	Reserves - Spatial Plan	-233,166	252,436	139,792	392,228	-59%
				-684,916	385,095	360,222	745,317	-92%

Activity	Project/Cost Centre	Category	Funding Source	YTD Actual Spent	Carried Forward Budget	New Budget Annual Plan 23/24	Total Budget Available	% of Budget Spent YTD
Land Transport								
	Hinekura - emergency works	Renew	Waka Kotahi & Depreciation Reserve	-			-	0%
	Hinekura - access works	Renew	Reserves - Rural Rooding	2,515			-	0%
	Hinekura - Admiral Hill	Improve	Reserves - Rural Rooding	-			-	0%
	Hinekura - Phase 1 alignment & design	Improve	Loan	36,874			-	0%
	Reading and Church Street Upgrade	Improve	Reserves - Infrastructure	329,468			-	0%
	Farley Ave Land purchase	Grow	Reserves - Infrastructure	-			-	0%
	Bridges	Renew	Reserves - Depreciation	-	-	-	-	0%
	Drainage	Renew	Waka Kotahi & Depreciation Reserve	52,286	41,895	170,808	212,703	25%
	Footpath additions	Grow	Rates	-	-	-	-	0%
	Footpath renewals	Renew	Waka Kotahi & Depreciation Reserve	43,843	-	130,000	130,000	34%
	Other minor works	Improve	Waka Kotahi & Depreciation Reserve	450,608	-	632,400	632,400	71%
	Rehabilitation	Renew	Waka Kotahi & Depreciation Reserve	-	74,145	250,000	324,145	0%
	Reseals	Renew	Waka Kotahi & Depreciation Reserve	280,786	60,000	804,041	864,041	32%
	Road metalling	Renew	Waka Kotahi & Depreciation Reserve	100,753	26,077	421,361	447,438	23%
	Seal extensions	Improve	Waka Kotahi & Depreciation Reserve	-	-	159,999	159,999	0%
	Signs, guardrails, & safety	Improve	Waka Kotahi & Depreciation Reserve	22,785	-	46,000	46,000	50%
	Structures	Renew	Waka Kotahi & Depreciation Reserve	5,652	74,145	139,822	213,967	3%
	Traffic services	Renew	Waka Kotahi & Depreciation Reserve	27,443	-	50,716	50,716	54%
				1,353,014	276,262	2,805,147	3,081,409	44%
Water Supply								
	Consents, models, & plans	Improve	Reserves - Depreciation	-	-	-	-	0%
	Infrastructure upgrades - Water Supply	Improve		144,985	429,000	2,766,720	3,195,720	5%
	Infrastructure renewals - Water Supply	Renew	Reserves - Depreciation	712,330	-	908,160	908,160	78%
	Smart meters	Improve	Loan	-	-	-	-	0%
	Water supply & treatment - Featherston	Improve	Reserves - Depreciation	-	-	-	-	0%
	Water supply & treatment - Greytown	Renew	Reserves - Depreciation	-	-	-	-	0%
	Water supply & treatment - Martinborough	Grow	Loan	-	-	95,040	95,040	0%
				857,315	429,000	3,769,920	4,198,920	20%
Wastewater								
	Consents, models, & plans	Renew		-	-	898	897,600	0%
	Health & safety upgrades	Improve	Reserves - Infrastructure	-	-	-	-	0%
	Infrastructure upgrades - Wastewater	Improve		-	-	-	-	0%
	Infrastructure renewals - Wastewater	Renew	Reserves - Depreciation	775,225	-	354	353,760	219%
	Wastewater treatment & disposal - Featherston	Improve	Loan	1,823,099	-	898	897,600	203%
	Wastewater treatment & disposal - Greytown	Grow	Reserves - Infrastructure	5,843	-	32	31,680	18%
	Wastewater treatment & disposal - Martinborough	Improve	Reserves - Infrastructure	86,632	-	496	496,320	17%
				2,690,799	-	2,676,960	2,676,960	101%
Stormwater								
	Consents, models, & plans	Renew		-	-	-	-	0%
	Stormwater upgrades	Improve		-	-	95,040	95,040	0%
	Stormwater renewals	Renew	Reserves - Depreciation	44,135	-	42,240	42,240	104%
	Water races	Renew	Reserves - Water Races	-	-	-	-	0%
				44,135	-	137,280	137,280	32%
Total Capital Expenditure				4,715,423	6,491,353	11,565,086	18,056,440	26%

Rates Review

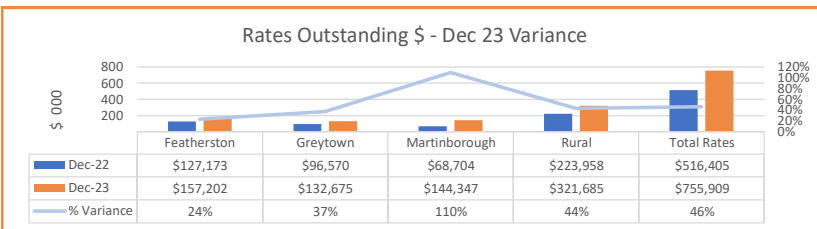
YTD December 2023

Rates 2023/24	Quarterly Installments due as at Dec		Total Rates Outstanding	% Owing
SWDC	\$ 29,774,713			
GWRC	\$ 6,641,042			
	\$ 36,415,755	\$ 18,207,878	\$ 755,909	4%

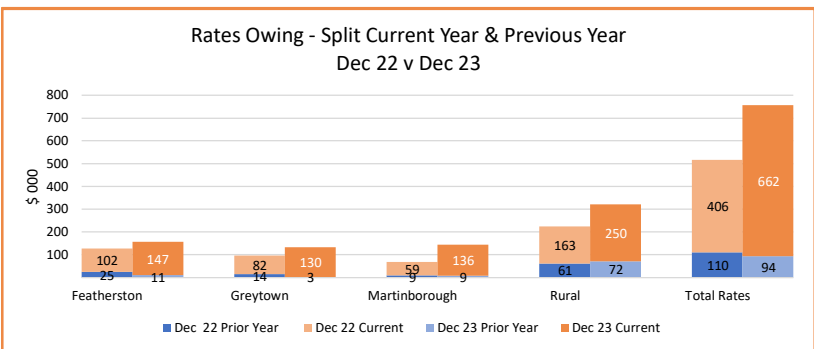
Total Rates Outstanding (GST Incl)

Area	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Featherston	\$ 324,450	\$ 156,268	\$ 109,786	\$ 332,785	\$ 157,202
Greytown	\$ 341,878	\$ 153,499	\$ 100,056	\$ 286,113	\$ 132,675
Martinborough	\$ 290,294	\$ 119,293	\$ 84,641	\$ 273,344	\$ 144,347
Rural	\$ 675,241	\$ 293,639	\$ 226,482	\$ 516,380	\$ 321,685
Total Rates	\$ 1,631,864	\$ 722,700	\$ 520,964	\$ 1,408,622	\$ 755,909

Rates Owing - YTD Comparison



Current Year Owing v Previous Years Arrears



The second rates installment for 2023/24 was sent in Oct 23, due Nov 23. Total rates owing for current installments is 4% of current year rates invoiced.

The total rates outstanding is 756k. Owing for the current year's rates is \$622k. There is \$94k in arrears from the previous years.

As the arrears are affected by the quarterly invoicing, a clearer comparison of annual movement is a YTD Comparison

There has been an increase in rates outstanding of \$239k compared to Dec 2022. This is a 46% increase in outstanding rates compared to last year.

88% of rates outstanding are for the current year. This has increased from 79% in December 22. Total arrears from prior years are now under \$94k for 33 rating units. This is down from \$110k for 40 rating units in Dec 2022.

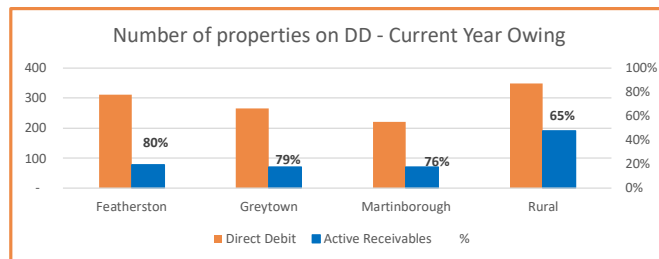
Rates by Number of Rating Units

Properties Outstanding	\$ Owing			Ave Debt	
	Dec-22	Dec-23	% Variance	Nov-22	Nov-23
Featherston	50	59	18%	2,543	2,664
Greytown	36	50	39%	2,683	2,654
Martinborough	20	51	155%	3,435	2,830
Rural	119	144	21%	1,882	2,234
Total Rates	225	304	35%	\$ 2,295	\$ 2,487

The average rates owing per unit in Dec 23 is 8% higher than in 2022. The actual number of properties with arrears has increased by 35%. Martinborough has increased properties with rates owing has increased by 155%.

Direct Debits

	Dec-22	Dec-23
Total rating units	7295	7443
#Direct Debit	2960	3096
Total % of Direct Debits	41%	42%



The number of rate payers using Direct Debit has increased slowly, currently at 42% at Dec 23. Overall 74% of rating units that have current rates owing have a Direct Debit in place.

Arrears Commentary (Rates owing for prior years)

Mortgagee final demands for 8 rating units were sent 29/11/23 - payment due January 2024, including some delayed notifications. One mortgagee notification paused until 19/2/24. Legal notifications were sent in August 2023 - 12 new for 2022/23 rates arrears. Penalty reminders for installment 3 due to be sent Feb 2024. There are 24 repayment plans in place in Dec 23 (18 plans in Dec 22).

Democracy and Engagement Update

1. Purpose

To present the Policy and Governance Report for February 2024.

2. Recommendations

Officers recommend that the Assurance and Risk Committee:

1. Receive the *Democracy and Engagement Update Report*.

3. Executive Summary

Officers present the following updates for consideration by the Assurance and Risk Committee:

- Long Term Plan
- Significant Risk Register Review
- Governance
- Policy Updates
- Official Information Requests (LGOIMA)

4. Long-Term Plan Update

The Long-Term Plan work continues with a strong focus on preparing the Consultation Document and information required for the Audit taking place in February.

Council Officers are currently working towards the following timelines in 2024:

Date	Milestone Requirement
12 February	Audit information required
19 February – Friday 8 March	Audit Review of Consultation Document & supporting information
27 March	Council adoption of LTP Consultation Document
Friday 5 April – Sunday 5 May	Consultation Open
15 & 16 May	LTP Hearings

Date	Milestone Requirement
22 May	LTP Deliberations
26 June	Council adoption of LTP
26 June	Publish LTP

The following key documents are currently being worked on by Council officers, to be included with the Consultation Document for review by Audit NZ.

- Draft Assumptions
- Draft Financial Strategy
- Draft Infrastructure Strategy
- Draft Updated Policies
- Forecasted Financial Statements
- Forecasted Performance Measure

The LPT team is in the second phase of the project plan, which is Design and Engagement of the LTP. The third phase is formal Consultation, and the fourth phase is the production of the final draft of the LTP and its adoption by Council.

As part of the second phase, work has been done on the LTP Consultation Document, including feedback from Elected Members on the consultation questions. Planning has begun for engagement around the consultation period (5 April – 5 May) with a focus on “LTP to you” to look at ways to increase the number of formal consultations submitted, improve the variety of responses and increase the opportunities for people to provide feedback in ways that work for them. Refer to Appendix 1 for the project timeline.

5. Significant Risk Register Review

The risk register will be reviewed quarterly as follows:

- February (Oct-Dec)
- May (January-April)
- August (May-July)
- October (August-Sept)

The Strategic Leadership Team continue to have weekly risk meetings and fortnightly risk assessment discussions. Risks identified at these meetings are recorded in minutes and added to the appropriate risk register. Refer to Appendix 2 for more information.

6. Governance

6.1 Priorities for the governance team since November 2023:

- Review of joint policies with Carterton and Masterton District Councils.
- Review of a number of SWDC regulatory policies and bylaws.
- Governance support to Council, committees and community boards, including coordination of submissions and hearings.
- Representation Review project progression and advice to Council.

6.2 Staff updates and recruitment

Nicki Ansell now holds the position of Lead Policy Advisor and Robyn Ramsden joined the team in December as our Lead Community Governance Advisor.

We are currently advertising for the Pou Māori Principal Advisor position previously held by Leanne Karauna. Ms Karauna continues to provide a few hours a week of casual hours support to the team.

7. Policy Updates

Continual progress on the Policy and Bylaw programme of work has been made this year, with a focus on those policies required for the Long-Term Plan (LTP). Refer to Appendix 3 for more information.

- Adoption of the Wairarapa Class 4 Gambling & TAB venues is underway, and Consultation is proposed for 21 February – 22 March 2024. This work has been done by the Wairarapa Policy Working Group (WPWG).
- Work has taken place on the Risk Policy and adoption is underway.
- Work has taken place on the Discretionary Expenditure Policy and adoption is underway.
- Adoption of the Māori Policy is planned for March 2024. This policy is currently in final review stages with the Māori Standing Committee.
- Ongoing joint work has been undertaken on the Wairarapa Local Alcohol Policy.
- Ongoing progress is being made on the Significance and Engagement Policy as part of the LTP requirements.

8. Official Information Requests

8.1 List of Official Information requests (LGOIMA)

A total of 187 LGOIMA requests were received in 2023. For the period 19 October to 22 December 2023, SWDC received 38 requests. Refer to Appendix 4 for this list.

- For the period 27 July to 13 October 2023 SWDC received 48 requests.

- For the period 1 July to 26 July 2023 SWDC received 20 requests.
- For the period 23 April to 30 June 2023 SWDC received 60 requests.
- For the period 11 January to 20 April 2023 SWDC received 21 requests.

The average number of days to respond is well within the 20 days maximum. When more time is required, the requester is always communicated with, and an extension is usually granted. Workloads and leave have an impact on the timeliness of responses.

The Council is now proactively releasing information requests, as per the new policy, and these can be found on our website here: <https://swdc.govt.nz/lgoima-proactive-release/>

Note that reporting on LGOIMA is also completed for the Chief Executive's Update Report to the Strategy Working Committee.

8.2 Proactive Release Policy – Implementation Update

The Proactive Release webpage went live in November 2023. There is ongoing work to ensure this page is being updated regularly by the Democracy and Engagement Team.

9. Appendices

Appendix 1 – Long Term Plan 2023-24 Project Timeline as of January 2024

Appendix 2 – Significant Risk Register as of 1 February 2023

Appendix 3 – Policy review schedule as of 7 February 2023

Appendix 4 – LGOIMA 19 October 2023 to 22 December 2023

Contact Officer: Amanda Bradley, General Manager Policy and Governance

Reviewed By: Janice Smith, Chief Executive Officer

Appendix 1 – Long Term Plan 2023-24

Project Timeline as of January 2024

SWDC 2024/2034 Long-Term Plan Timeline

as at January 2024

Project Sponsor: Martin Connelly

Project Sponsor Deputy: Rebecca Gray

Date	Task	Responsible
June		
7	Council Meeting	
	Establishment of the Project Team	Governance
	Establishment of the Governance Team, set up monthly meetings, write TOR	
	Project Plan Drafted – project objectives, scope, roles, and processes	Governance
	Project team to read through key Taituara documents – Jigsaw 2024: Piecing it all Together; Living Through the Long-Term Plan 2024; Performance Management Frameworks: Your Side of the Deal 2021.	All
	Community Direction/Outcomes setting as part of AP Consultation (analysis)	Governance
	Prepare Summary of Reform Impacts	Governance
	Environmental scan	Governance
	Development of draft Quality Assurance Plan	Governance
	Development of draft Audit Process Plan	Finance
	Development of draft Engagement Strategy	Comms
	Development of draft Forecast Financial Statement	Finance
	Forecasting Assumptions and Risk Analysis	Project Team
	Stocktake of relevant Plans and Strategies (internal/external)	Governance
	Stocktake of funding and financial policies: Revenue & Financing Policy; Liability Management Policy; Investment Policy; Remission & Postponement of Rates on Māori Freehold Land Policy; Significance & Engagement Policy; Grants Policy; Revenue & Finance Policy	Governance
	Information Management Plan Development	Governance/ Information Management
28	Council meeting	
July		
4	Environmental Scan work undertaken	Governance
6	Prepare for LTP Workshop with elected members	Governance
12	Elected member Workshop 1: Affordable Water Reform.	All
12	Elected member Workshop 2: Rating Review.	All
18	Project Team Working Meeting 1: Prepare for LTP Workshop with elected members	All
	Pre-reading for LTP workshop prepared and provided to elected members	
19	Elected Member Workshop 3: LTP Direction Setting & Project Plan	All
26	Elected Member Workshop 4: Roading	Operations/Governance
26	Elected Member Workshop 5: Risk and RMA Reform	Operations/Governance
31	Grouping of LTP Activities	Governance
	Development of Activity Statements and Asset Management Plans	Project Team
TBC	All Staff Briefing on LTP	Comms/ Governance
August		
1	LTP work on ToR, Risk Register and Service Levels	Governance

2	Council Meeting	
9	Community Boards & Māori Standing Committee Workshop 1: LTP update	Governance
9	Elected Members Workshop 6: Risk	Operations/Governance
10	LTP Planning of activities and service levels	
15	Project Team Working Meeting 2: Full day meeting LTP activities and service level Review	All
	Development of the Financial & Infrastructure Strategies	
	Begin Early Community Engagement - Well-being and Significant Issues	
17	Elected Members Workshop 7: Rating Review	Finance/Operations
17	Elected Members Workshop 8: Special Interest Group Rating Review	Finance/Operations
25	Environmental Scan Finished	Governance
31	LTP Policy work	Governance
September		
	Policy Review completed	Governance
	Financial Forecasting	Governance
	Ongoing Sector Engagement Meetings	
6	Elected Members Workshop 9: next steps	All
7	Project Team Working Meeting 3: full day meeting outcomes, activities, service levels	SWDC
8	LTP Policy work	Governance
20	LTP Climate Change work	Governance
21	Elected member Workshop 10: Three waters briefing on challenges and priorities	WW/Operations Governance
27	Council Meeting <ul style="list-style-type: none"> Environmental Scan adopted 	Governance
28	Elected Members Workshop 11: LTP Scenarios and Options	Governance
October		
	Annual Report completed	Comms
11	Project Team Working Meeting 4: half day meeting service levels	SWDC
12	Elected Members Workshop 12: Three waters briefing on investment options	WW/Operations Governance
16	Community Boards & Māori Standing Committee Workshop 2: LTP update	Governance
19	Elected Members Workshop 13: Draft LTP Activities and Service levels	All
25	LTP Councillors Discussion	EM
26	LTP Hearings for Rating Review	Finance/Governance
November		
1	LTP Councillors Discussion	EM
1	Elected Members Workshop 14: Three waters briefing	Operations/Governance
8	Elected members Workshop 15: LTP Insurance	Finance/Governance
9	Council Deliberations Day 1 – Revenue and Financing Policy	Finance/Governance
16	Council Deliberations Day 2 – Revenue and Financing Policy	Finance/Governance
22	Council Meeting	Governance
December		
	preparation of CD and consultation approach	SWDC
13	Elected Members Workshop 16: Draft Service levels	All
January		
9	Project Team Working Meeting 5: Consultation Document	Project Team

17	Review of the consultation document by LTP working group	Governance
19	Audit Dashboard established and tasks allocated	Finance/Governance
19	Project Team Working Meeting 6: Significance & Engagement Policy	Comms/Governance
23	SLT review of consultation document	SWDC SLT team
24	Project Team Working Meeting 7: Audit requirements	Finance/Governance
25	Project Team Working Meeting 8: Engagement planning	Comms/Governance
31	Elected Members Workshop 17: Consultation document final draft & engagement plan	All
February		
9	Final Review of Consultation Document	Governance
12	Audit information required	Audit NZ
14	Strategy Working Committee adopt Policy XXX	Governance
19	Audit of LTP CD starts	Audit NZ
19	Design and Engagement Plan for Consultation finalised	Comms
21	Assurance, Risk & Finance Committee <ul style="list-style-type: none"> Risk Policy to be adopted 	
March		
8	Audit finishes	
27	Council meeting <ul style="list-style-type: none"> Adopt Consultation Document and Supporting Information Adopt Māori Policy Adopt Significance and Engagement Policy 	Governance
	Push out comms to interested parties “LTP to you”	Comms
	Web and social media content finalised	Comms
April		
5	Consultation open	Comms/Governance
8	Engagement plan for LTP underway	Comms
May		
5	Consultation closes	
15	Council Hearings Day 1 – LTP Consultation Document	All
16	Council Hearings Day 2 – LTP Consultation Documents	All
22	Council Deliberations LTP	All
June		
5	Elected Members Workshop 18: Final Document Workshop	All
26	Council Meeting <ul style="list-style-type: none"> Final LTP sign off by elected members 	
26	Publish LTP on Council website	Comms

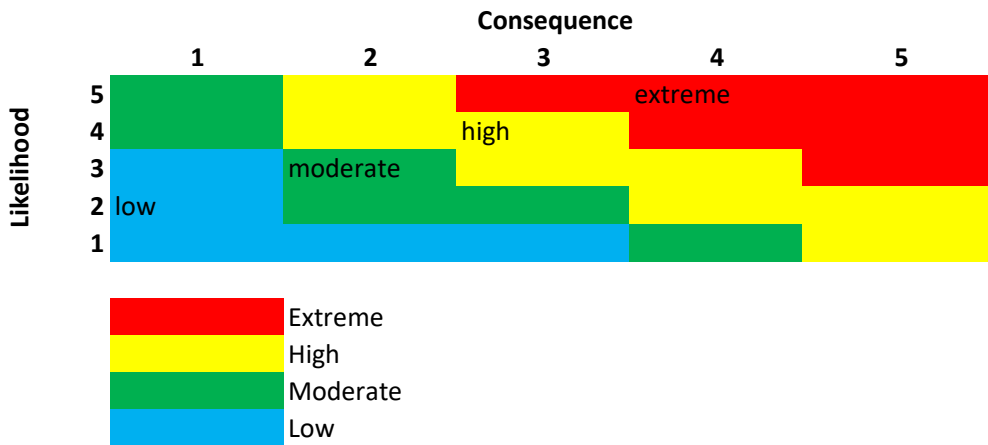
Appendix 2 – Significant Risk Register as of 1 February 2023

Risk Theme	Risk and Impact Description	Risk Drivers (Existing and Potential Causes)	Accountable	Inherent Likelihood	Inherent Consequence	Inherent Risk	Existing Mitigations	Mitigations in Development	Responsible	Residual Likelihood	Residual Consequence	Residual Risk	Monitoring and review
Council decisions and processes do not fulfil our obligations under Te Tiriti o Waitangi, The Treaty of Waitangi, respectful of tikanga and iwi, hapū, te ao Māori, Māori world view	External or internal events may have a material impact on the quality of the relationship the SWDC has with iwi, hapū, Māori. The understanding of the SWDC role under Te Tiriti o Waitangi, The Treaty of Waitangi is developing and requires resourcing. If the SWDC does not respond adequately, it could result in decreasing trust, a claim under the Waitangi Tribunal, financial loss, and reputational damage.	Lack of or inadequate: <ul style="list-style-type: none"> Partnership Policy and outdated Māori Policy/Significance and Engagement Policy Staff and elected official cultural competence Sharing of relationship insights across council Sufficient resources Lack of a full and appropriate process of engagement or consulting with Mana whenua in identifying areas of significance to Māori/Mana Whenua 	CE	Almost Certain (5)	Moderate (3)	Extreme (5)	<ul style="list-style-type: none"> Established role of Pou Māori (Principal Advisor Māori) Maintenance and support of the Māori Standing Committee this includes ensuring and maintaining full mana whenua representation Relationships held between marae committees, Iwi entities, the CE, the and the Mayor Collaborations with other councils to align engagement with iwi on some projects (e.g. climate change) Cultural competence training for all staff and elected officials (in progress) Developing the role of Pou Māori to engage broadly internally and externally to better advise on the Councils obligations under Te Tiriti o Waitangi with Iwi, hapū Coordinated collaboration with other councils to align engagement with iwi Representation review includes iwi, hapū, and marae from the outset towards a partnership approach (Māori Ward) Te Ao Māori and Te Reo opportunities for staff 	<ul style="list-style-type: none"> Te Ao Māori and Te Reo training for elected officials Comprehensive induction for elected officials Partnership and Māori Policies developed, Significance and Engagement Policy reviewed 	GM D&E and Pou Māori	Possible (3)	Minor (3)	Moderate (3)	Notes: 04/02/2024 Updated existing mitigations noting action taken. Quarterly at Assurance, Risk and Finance Committee meetings
Climate Change	Failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions may result from the complexity of processes and dependencies that may not adequately consider climate impacts. There may be impacts on the environment, health and safety or wellbeing of staff and the community, reputation, operations and finance and strategic goals may not be delivered.	Lack of or inadequate: <ul style="list-style-type: none"> Preparedness Coordination across services (planning, roading, finance, etc) Connection to emergency management Investment Training of staff (understanding of issues, roles, and responsibilities) Leadership Communication internally, with key stakeholders, or the public 	CE	Almost Certain (5)	Extreme (5)	Extreme (5)	<ul style="list-style-type: none"> Appointment to role of Climate Change Advisor to lead this work Climate Change Carbon Reduction Strategy and Action Plan Wellington Regional common climate change assumptions used to carry out a risk assessment Contingency built into LTP budgets Energy audits Community self-assessment kits Climate Change Resilience and Risk Strategy (further detailed mitigations) Council's updated procurement policy supports sustainability Establishment of Climate Change and Environment Committee. 	<ul style="list-style-type: none"> Advancing planning measures including coastal retreat into our District Plan Involvement in Regional Climate Change Impacts Assessment, Emissions Reduction Strategy, and Food Systems Strategy projects under the Wellington Regional Leadership Committee which will provide regional- and district-specific actionable documents Community planting initiatives around forests and wetlands to increase carbon reservoirs and stormwater attenuation. 	SLT, Climate Change Advisor	Almost Certain (5)	Major (4)	Extreme (5)	Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Crisis Management and Response	Risk relates to a natural or human-induced disaster event impacting the health and safety or wellbeing of staff and the community and service delivery and resulting in financial loss.	Lack of or inadequate: <ul style="list-style-type: none"> Preparedness Investment Training of staff (understanding of issues, roles, and responsibilities) Leadership Communication internally, with key stakeholders, or the public 	CE	Almost Certain (5)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Participation in Wellington Region Civil Defence Emergency Management Group Participation in the Wellington Regional Leaders Committee and developing the Regional Economic Response Plan Participation in the Wairarapa Emergency Operation Centre (EOC) Some degree of response built into the 2024-34 LTP Business Continuity Plan developed, reviewed annually and CIMS framework adopted for management of emergency situations Engage the community boards and rural communities to participate in the Community Emergency Hubs. 	<ul style="list-style-type: none"> Working with WREMO to strengthen the community's knowledge and response capacity Working with WREMO on coastal community tsunami response awareness. Review cross Wairarapa level of resilience and readiness to identify gaps Improve reporting. 	GM CS and Lead Advisor HSW & EM	Almost Certain (5)	Moderate (3)	High (3)	Notes: 01/02/24 Reduced residual risk Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
IT System Failure	Levels of investment in our IT architecture have not kept pace with technological advancements and the evolving needs of our organisation.	Lack of or inadequate: <ul style="list-style-type: none"> Protection against external cyber-attack e.g. ransomware Planning Understanding of the key issues Policies and processes to support good practice Training of staff (understanding of issues, roles, and responsibilities) System architecture and software Disaster recovery, business continuity and backups IT transition (migration) System resilience testing 	CE	Almost Certain (5)	Extreme (5)	Extreme (5)	<ul style="list-style-type: none"> Ongoing updates for staff and regular updates on how to identify and respond to threats. Annual testing of system resilience Audit conducted of security measures and disaster recovery needs. Appointment of Lead Advisor Information Management Review and update of IT service contracts Development of ICT and Information rolling 3 year Strategic Plan 	<ul style="list-style-type: none"> Needs assessment of future data storage requirements (linked with our future Information Management needs). 	GM CS and GM P&G	Possible (3)	Moderate (3)	High (3)	Notes: 01/02/24: updates to description and mitigations in development. Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Fraud and Corruption	Risk of over-committing Council to work programmes, excess unbudgeted expenditure, fraud, inaccurate modelling, or financial shock. This may impact Council reputation, financial stability and sustainability, legal compliance, and ability to deliver strategic goals or meet service levels.	Lack of or inadequate: <ul style="list-style-type: none"> Financial policies and procedures Leadership Training of staff (understanding of issues, roles, and responsibilities) Code(s) of Conduct 	CE and GMF	Possible (3)	Major (4)	High	<ul style="list-style-type: none"> Financial policies and financial delegations Reporting to FAR Code(s) of Conduct reviewed and updated Staff training and elected member induction Conflict of Interest Register. 	<ul style="list-style-type: none"> Further work being developed 	SLT	Possible (3)	Major (4)	High (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.

Legislative and Regulatory Reforms	There are number of significant government reforms including changes to climate change, resource management, three waters reform and the future of local government review. These changes may impact council's strategic direction and community confidence and may raise challenges in terms of change preparedness. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.	Lack of or inadequate: •Preparedness •Investment •Leadership •Communication internally, with key stakeholders, or the public	CE	Almost Certain (5)	Major (4)	Extreme	<ul style="list-style-type: none"> Principal Advisor Water Transition role established Participation in external forums on multiple levels WWLASC coordinated strategic approach for transition management planning and delivery Monthly updates and forward planning reports provided Appointment to Pou Māori role Participation by CE in external forums Agenda item on Executive Leadership fortnightly meetings Membership of LGNZ and Taituarā 	<ul style="list-style-type: none"> Organisational change management plan Regional change management plan for delivery of water services with or without refrom Built into AP and LTP 	GM P&O, GM P&E, GM D&E, Principal Advisor Water Transition	Almost Certain (5)	Moderate (3)	Extreme (5)	Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Social Licence to Operate and Reputation	This risk involves ongoing failure to effectively communicate or engage with the community on strategic, governance or operational matters, and includes risks associated with an ineffective media relationship. This may impact the ability to meet community outcomes and strategic goals, loss of trust and confidence, council reputation and operational delivery. Significant and ongoing failure may undermine Council's purpose and impact participation in, or effective conduct of, local democracy. This risk involves a failure to implement council's strategic direction; to monitor Council's performance against community outcomes; and to work effectively and cohesively at a governance level resulting in poor decision-making and failure to meet strategic goals. It also includes working effectively with Community Boards. This may impact Council reputation, trust and confidence and the ability to deliver strategic goals or meet service levels.	Lack of or inadequate: •Preparedness •Investment •Leadership •Communication internally, with key stakeholders, or the public •Communications & Engagement Strategy	CE	Likely (4)	Moderate (3)	High	<ul style="list-style-type: none"> Timely, fact-based responses to media enquiries Proactive information sharing and media releases via website, social media, and print media Regular general communications on relevant topics using multiple channels Improved connection between service delivery teams and comms team Improved website content Elected member e.g. drop in sessions, community forums etc Proactive Release Policy for LGOIMA implemented and website content being built LGOIMA process streamlined 	<ul style="list-style-type: none"> Development of Communications and Engagement Strategy Improvements to engagement practices and processes e.g. Internal capability Digital communications approach Improved governance transparency. 	GM D&E	Likely (4)	Minor (2)	High (3)	Note: (04/02/2024) Mitigations updated to reflect recent improvements. Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Critical Asset Failure	There is a risk of operational failure that has a material impact on service delivery, including failure of critical assets (e.g. roads, drinking and wastewater treatment plants) and Council's ability to operate. This may impact health and safety or wellbeing of staff and the community, council reputation, loss of trust and confidence, not meeting service levels, strategic goals, regulatory or legal requirements and increased costs long term.	Lack of or inadequate: •Investment •Asset management programme •Leadership	CE	Almost Certain (5)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Revised Infrastructure Strategy for LTP Budget for asset planning, condition assessments and maintenance Wellington Water Delivery Manager Improved monitoring and control systems for early warning Improved supply contingency capabilities for water Improved communications with stakeholders Improved governance 	<ul style="list-style-type: none"> Increase resourcing to be examined as part of the LTP process Develop business continuity plan and improve reporting 	GM P&O	Likely (4)	Major (4)	Extreme (5)	Fortnightly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Economic Shock	New Zealand has been on the tip of experiencing a recession with growth at or below 1% through 2023 - known as a stagflationary recession. Inflation is at it's highest rate since the 1980s. There is a shortage of resources including human and materials in the country and this impacts on potential development and infrastructure, particularly water and roading. We propose an ambitious capital works programme in the LTP and Audit NZ has identified the risk of non-delivery. The impacts would be on council reputation, loss of trust and confidence, not meeting service levels, strategic goals or regulatory requirements and increased costs long term.	Lack of or inadequate: •Preparedness and understanding of economic climate •Leadership and decision-making •Policies and procedures	CE	Likely (4)	Moderate (3)	High (4)	<ul style="list-style-type: none"> Planning – annual plan, long-term plan, project planning Membership of LGNZ and Taituara Quarterly review of financial position to Finance Committee 	<ul style="list-style-type: none"> Develop contingency plans for constrained resources Prioritisation framework Collaboration with community response and support organisations. 	GMF	Likely (4)	Moderate (3)	High (3)	Note: (04/02/2024) Risk description updated to reflect economic situation. Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
Regulatory Failure and Liability from Consenting and Compliance Activities	Risk relates to the failure to identify and address deficiencies in consents or the consenting process or ineffective compliance monitoring activities which may expose Council to liability claims. Risk may result from complexity of processes, lack of processes, training, and supervision. Impact may be on Council reputation and result in financial loss.	Lack of or inadequate: •Monitoring and auditing processes and reporting •Employment of suitably qualified staff •Training •Increasing compliance requirements	CE	Likely (4)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Recruitment processes Peer review Training Use of legal advice, opinions Maintenance of quality consent decision-making 	<ul style="list-style-type: none"> Process improvements 	GM P&O and GM P&E	Possible (3)	Moderate (3)	High (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.

Fit for purpose organisational design (note: theme changed from single point of failure)	The organisation isn't design with outcomes in mind. We do not have a clear definition of the Services we deliver instead delivering services against traditional expectations of local government. Several areas of the business struggle with adequate resources at the appropriate level. Many roles within Council are reliant on expertise, institutional knowledge and skills of a single staff member. If the staff attrition rate increases, then we may not be able to deliver some services.	Lack of or inadequate: <ul style="list-style-type: none"> Contingent resource in teams Single points of failure, staff resourcing Longer than ideal periods to appoint into roles systems and process to support staff wellbeing 	CE	Likely (4)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Review of spread of capability in teams Annualise planning for workforce needs Rewards and benefits framework Review of our organisational delivery model by ELT 	<ul style="list-style-type: none"> Strategic workforce planning aligned with a 3 year outlook 	GM CS	Possible (3)	Moderate (3)	High (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
NEW - Customer centricity	Our ways of working, mindset and tools don't consistently delivery outcomes with the customer in mind.	Lack of or inadequate: <ul style="list-style-type: none"> Our investment in our enabling tools and resources has been lower than optimal systems and process to deliver to our commitments positive customer centric work culture. 	CE	Likely (4)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Review of organisational design by ELT Review of our organisational delivery model by ELT 	<ul style="list-style-type: none"> Review of organisational enablers (tools, systems, ways of working and interacting) Development and implementation of a Customer Centricity cultural change programme 	ELT	Likely (4)	Moderate (3)	Moderate (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
NEW - Privacy	No formal systems in place to protect the data we hold about people and ensure it is not unlawfully exposed (Privacy Act 2020).	Lack of adequate: <ul style="list-style-type: none"> staff training in Privacy Act principles mechanisms to identify when Privacy Act information may be exposed (eg metadata) mechanisms to reduce risk of Privacy Act breaches 	CE	Likely (4)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> Privacy Policy Role of a Privacy Officer in place Some staff have working knowledge from previous work or made aware by manager 	<ul style="list-style-type: none"> Induction training to include completion of self-paced training via Privacy Commissioner website Remedial training required by all staff: again use of self-paced training available via Privacy Commissioner website When data is in suitable platform, metadata for records to identify when document contains personal information assigned and access conditions noted When data is in suitable platform data protection restrictions applied when private data identified to reduce accidental disclosure risk 	GM CS / Privacy Officer (Lead Advisor Information Management)	Possible (3)	Major (4)	High (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.
NEW - Information Management	No systems in place to manage or control information. Unable to identify what data we have and if it's complete, comprehensive, accurate or reliable. Poor data being used to make decisions. Data is being missed when making decisions. There are minimal protections on our data, with no metadata to assist with data identification and minimal restrictions on use. Data is stored over numerous platforms and sites, not always in the correct ones, and is not organised or identifiable. Legally protected public records are not identified or secured against loss, unlawful access or alteration. Legally protected data is not findable or identifiable. Some protected data is not discoverable when staff changes (emails, OneDrive, hard drives and USB) and data is lost after a period of time. Not compliant with Public Records Act 2005	Lack of adequate: <ul style="list-style-type: none"> appropriate storage/software to allow metadata assignment, retention and archiving policy assignment, access restrictions, data protection and security. systems and procedures for managing information staff usage of the appropriate systems for storing data no disposal schedule (authorising disposal) or systems to facilitate appropriate data curation legally compliant methodology for data destruction and ways to capture data about what was destroyed and by what authority this occurred accession and descriptive records for physical records and archives acquired from 2016 - present day protocols for accessing and protection of physical records organisation and protocols in place for managing the physical space for records and archives, threatening their preservation and security staff knowledge of public records and its associated management requirements 	CE	Almost Certain (5)	Major (4)	Extreme (5)	<ul style="list-style-type: none"> some archives have been catalogued Information Management Policy and archives Policy established an Executive Sponsor to champion work in this area as per PRA are now hiring staff with suitable qualifications and experience to lead Information Management 	<ul style="list-style-type: none"> project plan to migrate data to platform that allows metadata assignment, data protection, retention policy and information management. Disposal Schedule in draft form Taxonomy in draft form Records Management processes and procedures plan in development (need data migration to occur first) Archives Management processes and procedures plan in development Records and Archives Disaster Management processes and procedures in development MagiQ configuration project plan in development to ensure customer, property, regulatory processes, financial and service request transactional data is stored and managed in the correct place (i.e. in MagiQ) Project plans for rectifying physical records and archives spaces in draft Project plan to sentence and dispose of existing records in draft (digital records methodology dependent on platform migration) staff training to be developed and implemented (dependent on platform for managing information) 	GM CS Lead Advisor Information Management	Possible (3)	Major (4)	High (3)	Monthly at SLT meetings and quarterly at Assurance, Risk and Finance Committee meetings.

RISK MATRIX



Overall Risk Rating	Action	Reporting
Extreme	Urgent and active management required Risk treatment plan must be implemented immediately to reduce the risk of exposure to an acceptable level. Regular reporting required	Immediate notification to relevant ELT and CEO Advise P&GM and CFO. Take immediate action to reduce risk.
High	Management attention is required. Risk treatment plan required. Regular reporting required.	Notification to relevant ELT and CEO. Advise P&GM and CFO.
Moderate	Management responsibility to monitor. Focus on ensuring internal controls are effective and monitoring the ongoing risk.	P&GM and CFO to review risk regularly.
Low	Can be monitored using routine practices. Focus on ensuring internal controls are effective.	P&GM and CFO to review risk periodically.

LIKELIHOOD

Almost certain	5	90% or greater chance of occurring in next 12 months Expected to occur in 9 of next 10 years Certain to occur at least once in next 5 years It would be unusual if this didn't happen
Likely	4	60% to 90% chance of occurring in next 12 months Expected to occur at least once in next 5 years Will occur more often than not
Possible	3	25% to 60% chance of occurring in next 12 months Expected to occur in 4 or next 10 years Likely will occur at least one in next five years (>80% chance) Not likely, but don't be surprised
Unlikely	2	2% to 25% chance of occurring in next 12 months Expected to occur a maximum of once every 5 to 20 years 50% chance of occurring in next 5 years A surprise, but not beyond the bounds of imagination
Rare	1	Up to 2% chance of occurring in next 12 months Could occur once every 50 or more years Less than 10-% chance of occurring in next 5 years Will only occur in exceptional circumstances

CONSEQUENCE

	1	2	3	4	5
	Less than minor	Minor	Moderate	Major	Extreme
Financial	Financial impact of less than \$30,000	Financial impact of between \$30,000 and \$250,000	Financial impact of between \$250,000 and \$1 million	Financial impact of between \$1 million and \$5 million	Financial impact of more than \$5 million
		Financial impact of between 1% and 2% of the Council's total opex	Financial impact of between 2% and 5% of the Council's total opex	Financial impact of between 5% and 10% of the Council's total opex	Financial impact of more than 10% of the Council's total opex
Achievement of the Vision and Community Outcomes	No impact on the Vision and Community Outcomes	Inconvenience or delay in achieving the Vision and Community Outcomes	Significant difficulty introduced to achievement of the Vision and Community Outcomes	Failure to achieve a specific Community Outcome	Failure to achieve multiple Community Outcomes
			Lost opportunity to contribute positively to one or more of the Vision and Community Outcomes	Lost opportunity to significantly advance a specific Community Outcome	Lost opportunity to significantly advance multiple Community Outcomes
Health and Safety	Minor injury, first aid not required	First aid or minor treatment	Medical treatment required	Serious harm, for example broken bones, hospitalisation	Loss of life; multiple serious harms; permanent severe disability

Service delivery to community	Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing	Reduced service delivery that does not compromise the community's health and wellbeing	Key service not available to some of the community for ten hours or more	Key service not available to a significant portion of the community for two days or more	Key service not available to a large proportion of the community for one week or more
			Continued service degradation for two days or more	Continued severe service degradation for one week or more	Continued severe service degradation for one month or more
Organisational capability and capacity	Temporary problem with organisational capability resulting in no impact on external service delivery	Loss of organisational capability in some areas resulting in sub-optimal support to external delivery activities	Organisation unable to function for less than 10 hours	Organisation unable to function for more than 10 hours	Organisation unable to function for more than two days
			Serious reduction in organisational capability for one week or more	Serious reduction in organisational capability for two weeks or more	Serious reduction in organisational capability for one month or more

Reputational	Negative feedback from individuals	Short-term loss of confidence among small sections of the community	Short-term and manageable loss of community confidence	Loss of community confidence requiring significant time to remedy	Insurmountable loss of community confidence
	Short-term 'letters to the editor' (or online equivalent) commentary	Regional adverse political or media comment for one or two days	Regional adverse political or media comment for more than two days	National adverse political or media comment for more than two days	National adverse political or media comment for more than one week
		Sustained 'letters to the editor' (or online equivalent) commentary in usual sources	Significant social media commentary or campaign from new sources	Regional adverse political or media comment for more than one week	Requirement for (televised) public apology or defence
				Requirement for (televised) public explanation	Adverse comments or questions in Parliament

Legislative / regulatory compliance	One-off minor regulatory or legislative non-compliance with no direct impact on the community's health or wellbeing	One-off minor regulatory or legislative non-compliance with potential impact on the community's health or wellbeing	Complaint to the Ombudsman, Auditor-General or other statutory office	Significant breach or non-compliance, or multiple breaches or non-compliances, resulting in regulatory action and/or restrictions on Council activities	Court proceeding or criminal action for breach or non-compliance; potential for imprisonment of elected member or staff
			Multiple related minor non-compliances due to an underlying systemic issue		Judicial review on a matter of rates or other funding, or on a matter with significant financial impact
			Significant breach or non-compliance resulting in regulatory scrutiny		

Appendix 3 – Policy review schedule as of 7 February 2023

			RESPONSIBLE MANAGER	LAST REVISED	SWDC REVIEW DUE	LEGISLATIVE REVIEW DUE (IF APPLICABLE)	STATUS	SUGGESTED ACTION	REVIEW PRIORITY	OFFICER COMMENT
Old Category	New Category	Policy								
Regulatory	Asset Management & Service Delivery - Regulatory	PI-AMS-004 Control of Dogs Policy	Environmental Services Manager	Sep-2023	Sep-2028	Sep-2028	Current	Keep	Low	In accordance with section 10AA of the Dog Control Act (1996), this policy must be reviewed if bylaw implementing policy requires review.
Regulatory	Asset Management & Service Delivery - Regulatory	Psychoactive Substances Act Local Approved Products Policy	Environmental Services Manager	Apr-2014	Apr-2019	Apr-2019	Review due	Keep	High	Consider combining with MDC/CDC at their next review before Dec 2024, need to review ours prior, suggest SWDC review look at how SWDC could better align with MDC/CDC in preparation for joining.
Regulatory	Asset Management & Service Delivery - Regulatory	Wairarapa Class 4 Gambling and Standalone TAB Venues Policy	Environmental Services Manager	Jun-2019	Jun-2022	Jun-2022	In progress	Keep	High	14 Feb 24 SWC for adopting and consultation
Regulatory	Asset Management & Service Delivery - Regulatory	PI-AMS-002 Dangerous, Affected and Insanitary Buildings Policy	Building Manager	adopted Aug-2023	Aug-2028	Aug-2028	Current	Keep	Low	Previously the Dangerous and Insanitary Buildings Policy (H903)
Regulatory	Asset Management & Service Delivery - Regulatory	PI-AMS-001 Wairarapa Combined Smoke and Vape Free Policy	Environmental Services Manager	adopted Apr-2023	Apr-2026	Apr-2026	Current	Keep	Low	Previously the Smokefree Environment Policy (H200); Joint with MDC/CDC
Regulatory	Asset Management & Service Delivery - Regulatory	PI-AMS-003 Local Easter Sunday Trading Policy	Environmental Services Manager	adopted Sept-2023	Sep-2028	Sep-2028	Current	Keep	Low	Previously H1400
Regulatory	Asset Management & Service Delivery - Regulatory	Wairarapa Local Alcohol Policy	Environmental Services Manager	Aug-2018	Nov-2021	Nov-2024	In progress	Keep	High	Joint with MDC/CDC, In progress
Financial	Financial Management and Transparency	Revenue and Financing Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2024	In progress	Keep	High	Being reviewed as part of rating review; November Council meeting for approval - consultation done.
Financial	Financial Management and Transparency	Liability Management Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2024	Current	Keep	Low	
Financial	Financial Management and Transparency	Investment Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2024	Current	Keep	Low	
Financial	Financial Management and Transparency	Development Contributions and Financial Contributions Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2024	Current	Keep	Low	
Financial	Financial Management and Transparency	Remission and Postponement of Rates on Maori Freehold Land Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2024	In progress	Keep	Medium	Review to align with GWRC (Scott Summerfield key contact)
Financial	Financial Management and Transparency	Remission of Rates Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2027	In progress	Replace	Low	Suggest new policy called Rate Remission and includes Remission, postponement and water leak write-off, and coast erosion polices
Financial	Financial Management and Transparency	Postponment of Rates Policy	General Manager, Finance	Jun-2021	Jun-2024	Jun-2027	In progress	Replace	Low	
Financial	Financial Management and Transparency	Procurement Policy	General Manager, Finance	Jun-2022	Mar-2026	N/A	Current	Keep	Low	
Financial	Financial Management and Transparency	PI-FDT-002 Discretionary Expenditure	General Manager, Finance	adopted Jun-2022	Mar-2026	N/A	Current	Keep	Low	First adopted December 2017 (previously M500); Amened 31 October 22; Amended 31 Jul 23. Going to ARF 21 Feb 2024 for approval and adoption.
Financial	Community Engagement and Development	PI-FDT-001 Grants Policy	General Manager, Finance	adopted Jun-2023	Jun-2026	N/A	Current	Keep	Low	First adopted 30 June 2021 (previously M700) 2 August 2023 – amended to include a relevant policy statement for those who meet eligibility criteria for grant funding.
Financial	Community Engagement and Development	Pain Farm Trust Lands Income Distribution Policy	General Manager, Finance	Aug-2015	Apr-2018	N/A	In progress		Medium	
Financial	Financial Management and Transparency	Water By Meter Leak Write-off Policy	General Manager, Finance	Dec-2016	Dec-2019	N/A	In progress	Replace	Medium	CFO requested prioritisation preferably this financial year
Financial	Financial Management and Transparency	Coastal Erosion Policy (Rating Information database)	General Manager, Finance	Aug-2015	Aug-2019	N/A	In Progress	Replace	Low	
Property	Service Delivery and Asset Management	Acquisition and Disposal of Land and Buildings	Partnerships & Operations Manager	Jul-2018	Jul-2021	N/A	Review due		Low	

Property	Community Engagement and Development	Housing for Seniors Policy	Partnerships & Operations Manager	Feb-2019	Feb-2022	N/A	Review due	Replace	Low	Not policy, suggests replacing with guidelines/criteria	
Property	Service Delivery and Asset Management	Leasing of Property Policy	Partnerships & Operations Manager	Jun-2015	May-2020	N/A	Review due		Low		
Property	Service Delivery and Asset Management	Urban Street Tree Policy	Partnerships & Operations Manager	Nov-2015	Nov-2018	N/A	Review due		Low		
Services	Service Delivery and Asset Management	Town Water Supply Policy	Partnerships & Operations Manager	Apr-2017	Apr-2020	N/A	Review due		Low		
Services	Service Delivery and Asset Management	Waste Water Disposal Policy	Partnerships & Operations Manager	Apr-2017	Apr-2020	N/A	Review due		Low	Need for the policy to be updated to address inconsistencies with the bylaw regarding the lateral renewal boundary. Open action for A&S.	
Roading	Service Delivery and Asset Management	Infrastructure Protection Deposits	Roading Manager	Feb-2019	Jan-2022	N/A	Review due		Low		
Roading	Service Delivery and Asset Management	Naming of Public & Private Roads and Rights of Way Policy	Roading Manager and Planning Manager	Nov-2018	Nov-2019	N/A	In progress		Medium	Procedures for use of Māori road names requested by MSC.	
Roading		Directional Sign Policy for Visitor Accommodation and Tourist Attractions in South Wairarapa Townships	Roading Manager and Planning Manager		Not stated but open action from A&S to make amendments	N/A	Review due		Low	Request by A&S to be updated Planning Manager 18/11: Interest from Planning in terms of scope and what it could include. Is desire for menu board type signs where there are multiple attractions down a road. This would need to align with the DP review. If the scope is wider than just a 'blue sign' then I would suggest it gets prioritised. If not then its not a biggie for us.	
Democracy	Governance, Leadership & Strategy	PI-GLS-005 Risk Policy	General Manager, Policy & Governance	Aug-2018	Aug-2021	N/A	In progress	Keep	High	21 Feb ARF for adoption.	
Operations	Organisational	PI-ORG-004 Child Protection Policy	General Manager Human Resources & Corporate Services	approved Aug-2023	Aug-2026	N/A	Current	Keep	Low	Approved by ELT on 3 August 2023	
Operations	Organisational	Health & Safety Policy	General Manager Human Resources & Corporate Services		Aug-2020	N/A	In progress	Keep			
Democracy	Governance, Leadership & Strategy	PI-GLS-003 Elected Member Code of Conduct	General Manager, Policy & Governance	adopted Aug-2023	Aug-2025	N/A	Current	Keep	Low	Adopted by Council on 2 August 2023	
Democracy	Governance, Leadership & Strategy	PI-GLS-001 Member Remuneration and Allowances Policy	General Manager Policy & Governance	adopted Oct-2022	Oct-2025	N/A	Current	Keep	High		
Delegations	Governance, Leadership & Strategy	PI-GLS-002 Delegations Policy and Register	General Manager Policy & Governance	adopted Jun-2022	Mar-2026	N/A	In progress	Keep	Low	Minor procedural amendments may be made to the procedures that sit within this policy outside of scheduled reviews on the approval of the Chief Executive Officer. Amendments may be made outside of scheduled reviews in accordance with section 1.2 of the Delegations Register. J Smith updating 2024	
Operations	Service Delivery and Asset Management	Irrigation of Key Council Assets Policy	Partnerships & Operations Manager		Oct-2019	N/A	Review due				
Democracy	Community Engagement and Development	Significance and Engagement Policy	General Manager Policy & Governance		Jun-2024		In Progress	Keep	High		
Democracy	Governance, Leadership & Strategy	PI-GLS-004 Standing Orders	General Manager, Policy & Governance	adopted Aug-2023	Aug-2026		Current	Keep	Low		
Democracy	Community Engagement and Development	Maori Policy	General Manager Policy & Governance		Jun-2018	N/A	In Progress	Keep	High		
Libraries	Organisational	Customer Service Policy	Library Service Manager		Feb-2028	N/A	Current	Keep	Low		
Libraries	Organisational	Donations Policy	Library Service Manager		Mar-2028	N/A	Current	Keep	Low		
Libraries	Organisational	Collection Development Policy	Library Service Manager		Mar-2028	N/A	Current	Keep	Low		
Libraries	Organisational	Funds donation, sponsorship, and fundraising policy	Library Service Manager		Nov-2024	N/A	Current		Low		
25-Oct	Delegations	Financial Management and Transparency	General Manager, Finance		Jun-2022	N/A	In progress		High		
	Administration and Employment	Financial Management and Transparency	Fraud & Corruption Policy and Procedures	Chief Executive (TBC)	Jun-22	Mar-2026	N/A	Current	Keep	Low	
	Administration and Employment	Organisational	PI-ORG-005 Complaints Policy	Chief Executive	adopted Sept-2023	Sep-2026	N/A	Current	Keep	Low	First adopted February 2019 (Previously N800 Compliments and Complaints Policy); Amended 5 Sept 2023.

Administration and Employment	Organisational	Equal Employment Opportunities Policy	General Manager Human Resources & Corporate Services		Jan-2028	N/A	Current		Low	
Administration and Employment	Organisational	PI-ORG-003 Code of Conduct for Council Employees	General Manager Human Resources & Corporate Services	approved Aug-2023	Aug-2026	N/A	Current	Keep	Low	First approved 12 January 2021 Amended to include relevant information from the bullying/harrasment and IT Policy (July 2023) Approved 31 July 2023 by Acting Chief Executive, Paul Gardner (approved by ELT on 3 August 2023)
Administration and Employment	Organisational	PI-ORG-006 Flexible Working Policy	General Manager Human Resources & Corporate Services	approved Sept-2023	Sep-2026	N/A	Current	Keep	Low	First approved in 2020; Ammended 5 September 2023.
Administration and Employment	Organisational	Driving Policy	General Manager Human Resources & Corporate Services		Jun-2024	N/A	In progress		Low	Due Jun 2024
Administration and Employment	Organisational	PI-ORG-001 Privacy Policy	General Manager Human Resources & Corporate Services	approved Oct-2022	Oct-2028	N/A	Current	Keep	Low	
Administration and Employment	Organisational	PI-ORG-002 Policy Framework and Development Guidelines	General Manager, Policy & Governance	approved Apr-2023	Apr-2026	N/A	Current	Keep	Low	
Administration and Employment	Organisational	Managed Sick Leave	General Manager Human Resources & Corporate Services		Jul-2026		Current		Low	
New	Organisational	Information Management Policy	General Manager Human Resources & Corporate Services	approved Sept-2023	Sep-2026	N/A	Current	Keep	Low	Implementation date TBC
New	Organisational	Archives Policy	General Manager Human Resources & Corporate Services	approved Sept-2023	Sep-2026	N/A	Current	Keep	Low	
New	Governance, Leadership & Strategy	PI-GLS-005 Proactive Release Policy	General Manager, Policy & Governance	approved Sept-2023	Sep-2026	N/A	Current	Keep	Keep	Adopted by council on 27 September 2023
New	Governance, Leadership & Strategy	PI-GLS-006 Submissions Guidelines	General Manager, Policy & Governance	approved Sept-2023	Sep-2026	N/A	Current	Keep	Keep	Adopted by council on 27 September 2023
New	Community Engagement and Development	Partnership Policy	General Manager, Policy & Governance		New		New		High	To be developed alongside Maori Policy
New	Regulatory	Sponsorship Policy	Partnerships & Operations Manager		New		In progress	Replace		Discuss with James O'Connor. Look to include with Naming & Sponsorship of Council Assests
New	Service Delivery and Asset Management	Road Stopping Policy / Procedures	Roading Manager and Planning Manager	N/A	New	N/A	New		High	Complex, research needed is this a policy or procedure?
New	Service Delivery and Asset Management	Events Policy	Partnerships & Operations Manager		New		New			Is this "planning an event guide" for the website or policy? Work needed with destination wairarapa and SWDC staff.
New	Service Delivery and Asset Management	Asset Disposal Policy	Governance, Operations Manager, CE		New	N/A	New			Sitting with Janice Smith, elements will connect to the Discretionary policy and address idntified gaps
New	Regulatory	Compliance and Enforcement Policy	Environmental Services Manager		New		New			Discuss with management.
Bylaws										
Alcohol Control Bylaw 2021			Environmental Services Manager		Not stated	Nov-2031	Current		Low	Adopted 3/11/21. Investigation into measures to address issues of cyclists' safety and care for tourists to be carried out.
Dog Control Bylaw 2013			Environmental Services Manager		Sep-2023	Sep-2033	Current	Keep	Low	In accordance with section 10AA of the Dog Control Act (1996), the Dog Control Policy must be reviewed if bylaw implementing policy requires review.
Featherston Longwood Water Race Bylaw 1936			Group Manager Partnerships and Operations		At time of consent renewal	2024	TBC		TBC	Legislative review date 10 years from 2014 review
Moroa Water Race Bylaw 2007			Group Manager Partnerships and Operations		Not stated	2024	TBC		TBC	Legislative review date 10 years from 2014 review
Wairarapa Consolidated Bylaw			Environmental Services Manager		Jul-2029	Jul-2029	Current		Low	
Freedom Camping Bylaw			Group Manager Partnerships and Operations		New	TBC	In progress		High	MBIE funding - to be completed by 31 December 2023; Contract to GMD Consultants
Part 12 - Beauty Therapy, Tattooing and Skin Piercing			Environmental Services Manager		Agreed 2019 to consult on two further amendments	Jul-2029	Amendment due		Medium	2019 Council resolution for three consults to consult on proposed amendments around ta moko and eyeball tattooing

**Appendix 4 – LGOIMA 19 October
2023 to 22 December 2023**

Official information requests 19 Oct 23 – 22 Dec 23			
No.	Date Received	Date due	Request
070	19-Oct-23	17-Nov-23	Subdivision applications
071	19-Oct-23	17-Nov-23	Bridge Data
072	19-Oct-23	17-Nov-23	Rating Review consultation - preparation
073	24-Oct-23	21-Nov-23	Wairarapa Times Age article 23 November - "Meeting called off after threats"
074	24-Oct-23	21-Nov-23	Pop in sessions for Rates Review
075	24-Oct-23	21-Nov-23	SWDC workshops
076	26-Oct-23	23-Nov-23	Martinborough Street lighting
077	25-Oct-23	22-Nov-23	Representation Review
078	25-Oct-23	22-Nov-23	Draft financial statements - Finance committee meeting
079	26-Oct-23	23-Nov-23	Finance committee meeting time change
080	27-Oct-23	24-Nov-23	Financial delegations policy - practical applications
081	30-Oct-23	27-Nov-23	Rates review 2002-2018
082	1-Nov-23	29-Nov-23	Reading St and Church St Improvement Project
083	25-Oct-23	22-Nov-23	Public Excluded A&R Committee Meeting 25/10/23
084	1-Nov-23	29-Nov-23	Workshops
085	1-Nov-23	29-Nov-23	Email blocking and/or moderation
086	2-Nov-23	30-Nov-23	Circular economy
087	9-Nov-23	7-Dec-23	Rates Review
088	14-Nov-23	12-Dec-23	Water and urban infrastructure - rates
089	16-Nov-23	14-Dec-23	Pain Farm
090	21-Nov-23	19-Dec-23	Rating Review deliberations
091	24-Nov-23	15-Jan-24	Soil Report 2-4 Pierce Street, Greytown
092	28-Nov-23	17-Jan-24	Martinborough Pedestrian Crossings
093	4-Dec-23	23-Jan-24	Greytown Venues
094	5-Dec-23	24-Jan-24	Contractors and consultants costs
095	6-Dec-23	25-Jan-24	Aerial aquifer survey
096	6-Dec-23	25-Jan-24	Payments to NZStreetlighting
097	6-Dec-23	25-Jan-24	UAGC/Rates
098	7-Dec-23	26-Jan-24	Christmas (Various)
099	7-Dec-23	26-Jan-24	Berms and spraying - Western Lake Road
100	11-Dec-23	30-Jan-24	Various - governance, finance, HR
101	13-Dec-23	1-Feb-24	Assessment of Archaeological Site Data for Resource Management Purposes
102	13-Dec-23	1-Feb-24	Legal Authorities - Financial Policies: Rating Review
103	19-Dec-23	9-Feb-24	Floodwater planning/issues - Community Green, Featherston
104	19-Dec-23	9-Feb-24	Information request for Ratepayers Report
105	20-Dec-23	9-Feb-24	Assessment of the Viability of a Unitary Wairarapa Council Report, 2013
106	4-Dec-23	23-Jan-24	UAGC
107	14-Dec-23	2-Feb-24	Comms with Times Age

Health & Safety Update

1. Purpose

To provide the Committee with a governance overview of health and safety matters by way of the Health & Safety Report for the period 1st November 2023 to 31st January 2024.

2. Recommendations

Officers recommend that the Assurance and Risk Committee:

1. Receive the *Health & Safety Update Report*.

3. Executive Summary

The Health and Safety at Work Act includes due diligence requirements for 'Officers' to proactively engage in health and safety matters. Officers includes Councillors and the Chief Executive.

Quarterly H&S reporting will update Elected Members on matters pertaining to Health, Safety & Wellbeing performance, and provide assurance that SWDC is managing risks appropriately.

This dashboard and summary and future updates will be presented at future ARF Committee meetings. These reports will include:

- Critical risk summary
- General risk monitoring updates
- Policy updates

4. Critical Risk Summary

From the operational Health & Safety risk register the five most critical risks are outlined below.

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Inappropriate behaviour directed towards staff	Abusive, threatening, rude, or inappropriate behaviour directed towards staff. Sources: members of public, media, EMs, other staff.	Psycho-social harm, potential for physical harm, traumatic psychological injury, staff attrition, reduced productivity	Critical	Policies, standard procedures De-escalation training Abusive incident response process Staff & EM Code of Conduct Leadership & EM's consistently providing support and encouragement to staff New employee H&S inductions EAP Lone worker and vehicle location monitoring protocols Body cameras Duress mechanisms Some separation of staff and public areas Security review of Kitchener St Reception	Moderate

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Working with other PCBU's	Work carried out on our behalf by other companies without direct employment management of workers, work arrangements, safety plans and culture.	<p>Potential for harm: fatalities, injuries, near miss</p> <p>Noncompliance with HSW Act: working with other PCBU's, notifiable events, risk management.</p> <p>Damage to public/council property, damage to reputation.</p> <p>Public reputation</p> <p>Inadequate insurance</p>	Critical	<p>Procedures for engaging contractors align with WorkSafe guidelines and Unit Standard 17595</p> <p>Ongoing roll out of SiteWise prequalification platform</p> <p>Ongoing training with officers who regularly engage contractors on best practice, risk identification, pre-qualification & selection, onboarding, monitoring and review.</p> <p>Review of safety plans for all high risk work for direct-hire contractors</p> <p>Assistance offered for completion of safety plans for lower risk work</p> <p>Review of performance reports, and safety plans as needed, for Service Level Agreement contractors.</p>	Moderate
Vehicles, Driving, Roads	Staff driving behaviour	Vehicular accident: fatality, serious injury, property damage	Critical	Driving policy & associated protocols: vehicle procurement standards, licence checks, etc.	Moderate

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
	<p>Very limited control of other road user behaviour</p> <p>Vehicle safety aspects</p> <p>Limited mobile reception in areas of district</p> <p>High driving hours in specific teams</p> <p>Largest geographic district in Wellington region</p> <p>Fatigue, impairment</p>	<p>Worker isolation: breakdown, accident, violence in areas without mobile reception</p> <p>Reputational damage</p> <p>Climate impact</p>		<p>Argus vehicle tracking: location, speed, behaviour monitoring. Garmin GPS devices</p> <p>Vehicle safety checks</p> <p>Corridor access training</p>	
Work at Height	Lack of physical equipment for heights access throughout property portfolio (e.g. ladder brackets, anchor points)	<p>Fall from heights: fatality, serious injury</p> <p>Items dropped: bystander impact</p>	Critical	<p>Policies, standard procedures</p> <p>Contractor engagement protocols</p> <p>Heights work designated as high risk requiring confirmation of safety plans</p>	Moderate

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
	<p>Added expense for contractors using appropriate methods</p> <p>Increased staff resource to ensure contractors using appropriate methods</p>	<p>Prosecution for risk management failure/ failure to adhere to safe working practices</p> <p>Reputational damage</p>		<p>Heights access equipment (ladder brackets and anchor points) included in budget, not yet installed</p>	
Under reporting	<p>Staff & contractors not reporting events relevant to H&S management</p> <p>Reluctance to report</p> <p>Lack of awareness of what and when to report</p>	<p>Lost opportunity to apply corrective actions, ensure treatment</p> <p>Risks/hazards unidentified</p> <p>Under appreciation of risk levels</p> <p>Failure to notify WorkSafe or relevant parties</p>	High	<p>Policies, standard procedures, IEA/CEA</p> <p>H&S induction</p> <p>Team meetings</p> <p>Multiple reporting channels</p> <p>Regular encouragement</p> <p>Informal conversation: actively asking</p> <p>Contractor reports</p>	Moderate

5. General risk monitoring

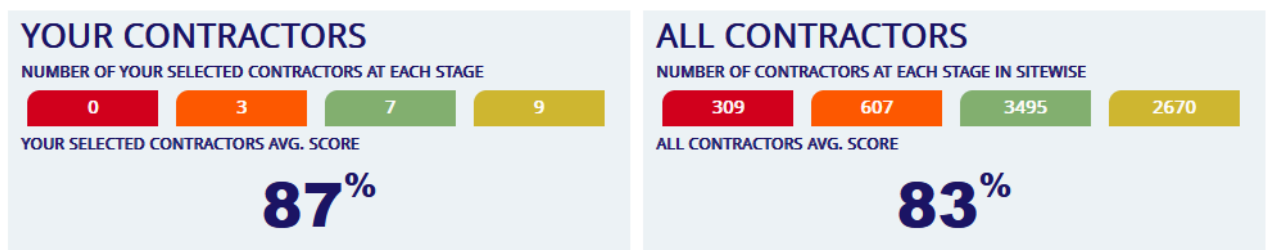
5.1 Safety reports

For the period 1st Nov 2023 to 31st Jan 2024 there were 9 internal H&S reports. See appendix 1 for metrics.

5.2 Contractors

The roll out of the SiteWise prequalification platform is continuing. The use of this platform so far has shown to reduce the workload on teams who regularly engage with contractors, while increasing consistency in our approach to managing contractor related risk. A minimum review score of 75% is required. Current average score:

CONTRACTOR ASSESSMENT SCORES



Engagement with contractors is ongoing to encourage the use of SiteWise, or by exception a manual prequalification process.

5.3 Staff Engagement

In response from feedback from staff the health and safety committee will be reset and relaunched with a wellbeing focus, while retaining health and safety risk in its remit. This arrangement will be shaped through further staff engagement in February 2024 to ensure it achieves appropriate levels of representation, participation and engagement.

6. Policy Updates

The following Health, Safety and Wellbeing policies have been identified as requiring review, and will be updated in the coming quarter:

- Health and Safety policy
- Driving policy

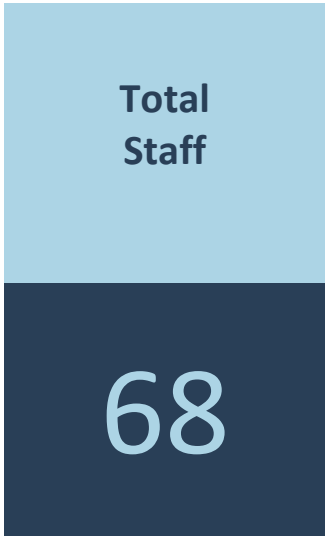
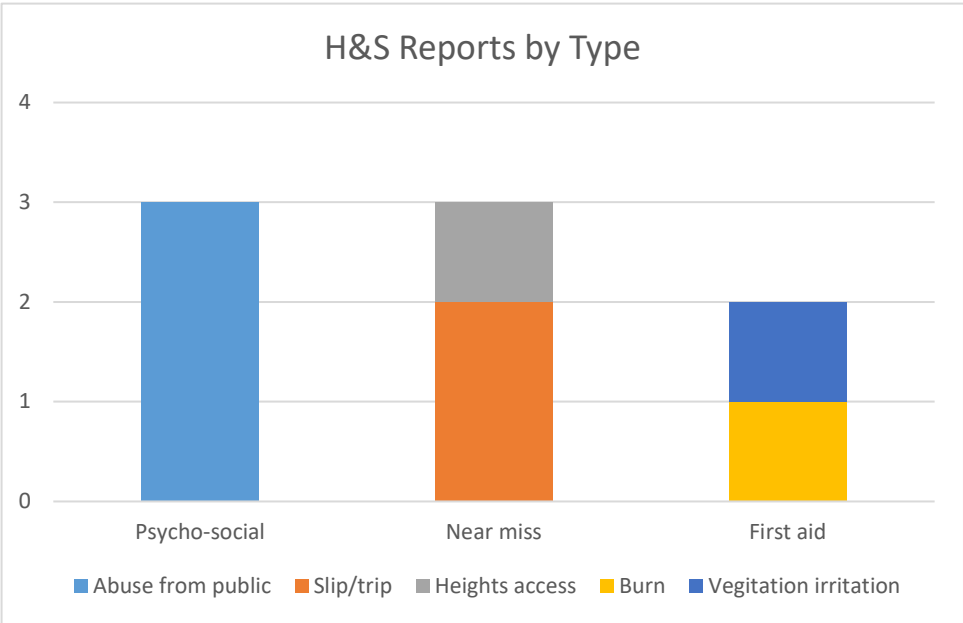
7. Appendices

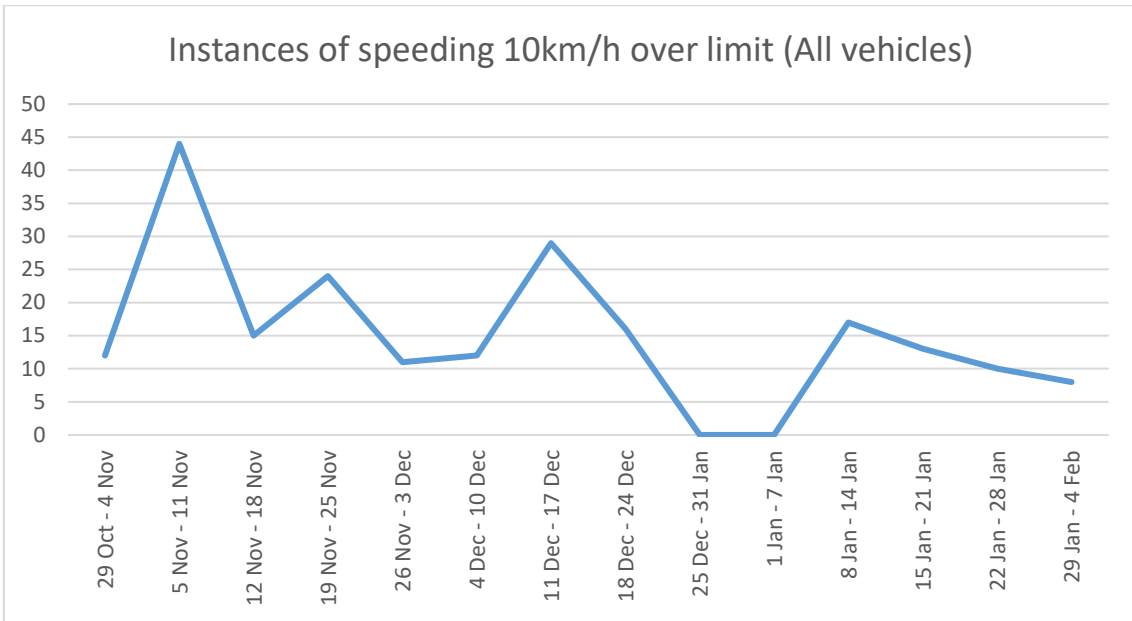
Appendix 1 – Safety reporting metrics 1st Nov 2023 to 31st Jan 2024

Contact Officer: Nigel Carter, Lead Advisor, Health, Safety & Emergency Management

Reviewed By: Paul Gardner, GM Corporate Services

Appendix 1:
Health and Safety Metrics 1st November 2023 –
31st January 2024







Council Action Items Report

1. Purpose

To present the Committee with updates on actions and resolutions.

2. 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 remain in a master register but no longer reported on. Procedural resolutions are not reported on.

In relation to the change of Terms of Reference in November/December 2023, the actioned items from the last meeting of the Finance Committee are included for information.

3. Appendices

Appendix 1 – Action Items to 21 February 2024

Contact Officer: Amy Andersen, Committee Advisor

Reviewed By: Janice Smith, Chief Executive Officer

Appendix 1 – Action Items to 21 February 2024

Number	Raised Date	Responsible Manager	Action or Task details	Open	Notes
313	9 Aug 23	S Corbett	To further explain roading costs included in the Finance Report (9 August 2023) and whether all claims to Waka Kotahi have been requested/actioned (A&R Committee)	Actioned	25/10/23: Further update sought for Action 313 – email assurance required. 31/10/23: Email from Committee Advisor sent to Council Officers for follow up. 10/11/23: Email update from Council Officer T Langley - All funding requests to Waka Kotahi have been made and approved in full. All claims based on accruals have been made monthly and paid in full by Waka Kotahi.
388	25 Oct 23	J Smith	<p>FINANCE COMMITTEE RESOLVED (FI2023/22) to:</p> <p>1. Receive the draft financial results for yearend 30 June 2023. (Moved Mayor Connelly/Seconded Cr Bosley) Carried</p> <p>2. a) Inform and receive an update on insurance premiums summary and final charges for 2023-24. b) Seek advice through the CE on how to manage insurance costs in the future. [Items 2a - 2b read together] (Moved Mayor Connelly/Seconded Cr Woodcock) Carried</p> <p>3. a) Receive an update on the final audit and the 2022/23 Annual Report. (Moved Mayor Connelly/Seconded Cr McAulay) Carried</p> <p>b) Direct the CE to publish that Council are not going to meet the Annual Report legislated deadline and the reasons why. (Moved Mayor Connelly/Seconded Cr Bosley)</p> <p>4. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream. (Moved Cr Olds/Seconded Mayor Connelly) Carried</p> <p>5. Inform and receive a draft of the revised Financial Delegations Policy.</p>	Open	25/10/23: Points 2b and 3b – to be clarified if further updates are required.

Number	Raised Date	Responsible Manager	Action or Task details	Open	Notes
			(Moved Cr McAulay/Seconded Cr Bosley) Carried		
390	25 Oct 23		<p>FINANCE COMMITTEE RESOLVED (FI2023/24) to:</p> <ol style="list-style-type: none"> 1. Receive the Continuation of Grant Funding Deliberations 2023/24 report. (Moved Mayor Connelly/Seconded Cr McAulay) Carried 2. Approve community and youth grant applicants (as agreed and attached) a combined total of \$13,000k to undertake projects as outlined in applications as submitted. 3. Ringfence funding in the amount of \$3,000k to undertake projects as outlined in the Community Networks Wairarapa application as submitted. 4. Ringfence funding in the amount of \$3,000k to undertake projects as outlined in the Hokai Tahī applications as submitted. 5. Agree to retain any remaining funds from 2023-24 funding round for distribution by the Finance Committee. [Items 2-5 read together] (Moved Cr Woody/Seconded Cr McAulay) Carried 	Actioned	