



FINANCE, AUDIT AND RISK COMMITTEE

Agenda

NOTICE OF MEETING

An ordinary meeting will be held in the Supper Room, Waihinga Centre, Texas Street, Martinborough on Wednesday 21 April 2021 at 10:00am. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

MEMBERSHIP OF THE COMMITTEE

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

Open Section

Health and Safety Procedures

A1. Apologies

A2. Conflicts of interest

A3. Public participation

As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.

A4. Actions from public participation

A5. Extraordinary business

A6. Minutes for Confirmation: Finance, Audit and Risk Committee
Minutes of 24 February 2021

Pages 1-3

Proposed Resolution: *That the minutes of the Finance, Audit and Risk Committee meeting held on 24 February 2021 are confirmed as a true and correct record.*

A7. Notices of motion

B. Information and Verbal Reports from Chief Executive and Staff

B1. Corporate Services Report

Pages 4-23

B2. Policy and Governance Report

Pages 24-32

B3. Action Items Reports

Pages 33-36

C. Public Excluded Business

C1. Operational Risk Register

Pages 1-5PE

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
Operational Risk Register	Good reason to withhold exists under section 7(2)(c)(i) and section 7(2)(c)(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 protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied	Section 7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Section 7(2)(c)(ii)



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

FINANCE, AUDIT AND RISK COMMITTEE

Minutes from 24 February 2021

Present:	Councillors Leigh Hay (Chair), Garrick Emms, Brian Jephson, Brenda West, Mayor Alex Beijen and independent member Kit Nixon.
In Attendance:	Katrina Neems (Chief Financial Officer), Suzanne Clark (Committee Advisor) and Russell O'Leary (for part only).
Conduct of Business:	The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 10:00am and 11:45am except where expressly noted.

Open Section

A1. Apologies

Attendance apologies were received from Karen Yates (Policy and Governance Manager) and Anna Nielson (Destination Wairarapa).

A2. Conflicts of Interest

There were no conflicts of interest declared.

A3. Public Participation

There was no public participation.

A4. Actions from Public Participation

There were no actions from public participation.

A5. Extraordinary Business

The Chair advised that a verbal update from officers on the Strategic Risk Register would be added to the agenda as item B4.

A6. Minutes for Confirmation

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/01) to confirm that the Finance, Audit and Risk Committee minutes from the meeting held 21 October 2020 are a true and correct record.

(Moved Cr Hay/Seconded Cr West)

Carried

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/02) that the public excluded minutes of the Finance, Audit and Risk Committee meeting held on 21 October 2020 be received in public.

(Moved Cr Hay/Seconded Cr Jephson)

Carried

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/03) to confirm that the public excluded Finance, Audit and Risk Committee minutes from the meeting held 21 October 2020 are a true and correct record.

(Moved Cr West/Seconded Cr Colenso)

Carried

A7. Notices of Motion

There were no notices of motion.

B Information and Verbal Reports from Chief Executive and Staff

B1. Corporate Services Report

Members discussed investing in NZ owned banks and investment exceedance levels. Officers' challenges to meet Investment Policy requirements while still managing cash flow and investment returns and minimising risk was considered.

Cr Emms left the meeting at 10:14am.

Cr Emms returned to the meeting at 10:16am.

Cr Vickery left the meeting at 10:17am.

Cr Vickery returned to the meeting at 10:19am.

Members discussed the rates arrears, the average cost of borrowing and debt cap, LGOIMA requests and the cost to respond, the financial reports, the Provincial Growth Fund Featherston Community Centre project, collection of rates on behalf of Greater Wellington Regional Council (GWRC), and depletion of infrastructure reserves.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/04):

1. To receive the Corporate Services Report.

(Moved Cr West/Seconded Mayor Beijen)

Carried

2. Action 9: Review LGOIMA data to determine if there are requester or topic trends; K Yates

3. Action 10: Advise the FAR Committee how the Featherston Community Centre overspend will be funded; K Neems

The meeting adjourned at 11:15am.
The meeting reconvened at 11:20am.

B2. Action Items Report

Cr Hay requested that progressing the strategic risk register was given a higher level of importance and that it was provided to members at every meeting.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/05):

1. To receive the Action Items Report.
(Moved Cr Colenso/Seconded Cr Vickery) Carried
2. Action 11: Provide the FAR Committee with a catalogue of Council policies alongside their review date; K Yates
3. Action 12: Revise action 248 to read “Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation; K Neems

B3. Customer Satisfaction Report

Mrs Neems advised that the customer satisfaction survey was dependent on finalising the new performance measures and that officers were conscious of progressing the survey.

B4. Strategic Risk Register

Discussion held under item B2.

C Report from Financially Support Organisations

C1. Destination Wairarapa Report

In Ms Nielson’s absence Mayor Beijen reported that the South Wairarapa was the only area in the Wellington region experiencing tourism growth. Destination Wairarapa was funded by the Wairarapa councils and business memberships. Members discussed how services and funding could be changed moving forward given the focus on domestic tourism into the foreseeable future.

Confirmed as a true and correct record

.....(Chair)

.....(Date)

FINANCE, AUDIT AND RISK COMMITTEE

21 APRIL 2021

AGENDA ITEM B1

CORPORATE SERVICES REPORT

Purpose of Report

To present the Finance Report for March 2021.

Recommendations

Officers recommend that the Committee:

1. *Receive the Corporate Services Report.*

1. Executive Summary

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

- Financial statements to 31 January 2021
- Financial statements to 28 February 2021
- Financial statements and commentary to 31 March 2021
- Rates arrears report to 31 March 2021
- Unbudgeted costs to 31 March 2021
- Unplanned use of reserves to 31 March 2021

2. Financial and Other Reports

2.1 Financial Statements

The financial statements for 31 March 2021 along with the two months from 31 January 2021 and 28 February 2021 are attached and are presented at this meeting for review. (See Appendix 1 and 2).

Commentary on material variances in the first nine months of this financial year are included with the March 2021 financial reports.

2.2 Investments in term deposits

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

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

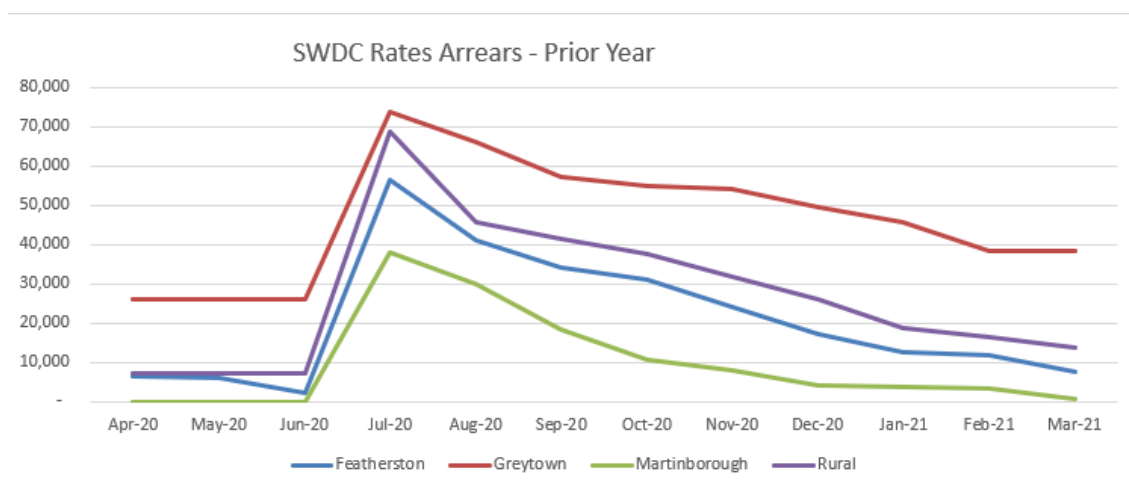
- *The maximum amount to be invested with any one approved institution is 30% of Council's total investments except for the Wairarapa Building Society which shall be 10%.*
- *Occasional and short term exceedances of the 30% rule are allowed, such exceedances are to be reported to the Audit and Risk Working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

Date	Exceedances	Percent
January 2021	no exceedances	BNZ 40%
February 2021	no exceedances	BNZ 43%
March 2021	one exceedance	BNZ 38%

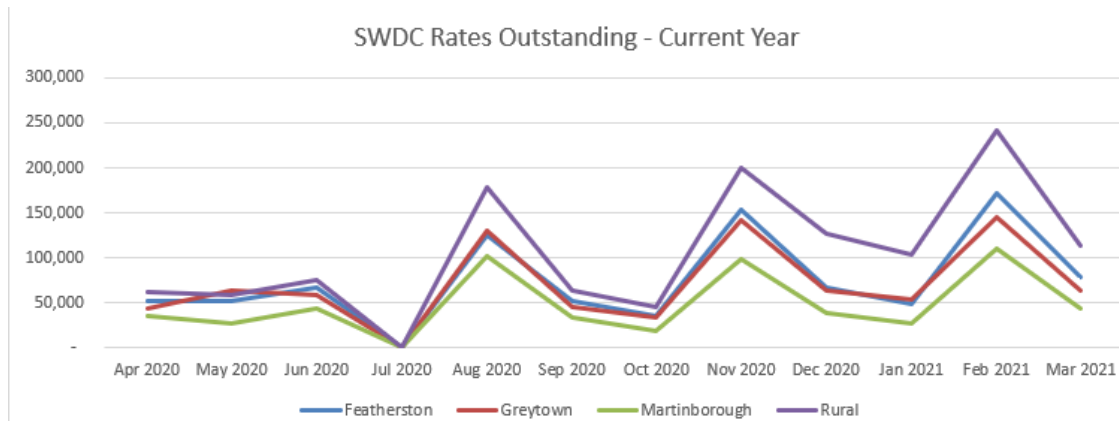
There were three instances in the last few months where the 30% threshold has been exceeded, this has not resulted in any loss to Council and the risk is considered very minor due to the stability of the banks the term deposits are held with. Council staff choose investments to maximise the return via interest payments which sometimes necessitates exceeding the 30% rule. The Policy allows for such exceedances.

2.3 Rates Arrears

The rates arrears graphs below shows an increase in amount of unpaid rates carried forward from the previous year (2019/20).



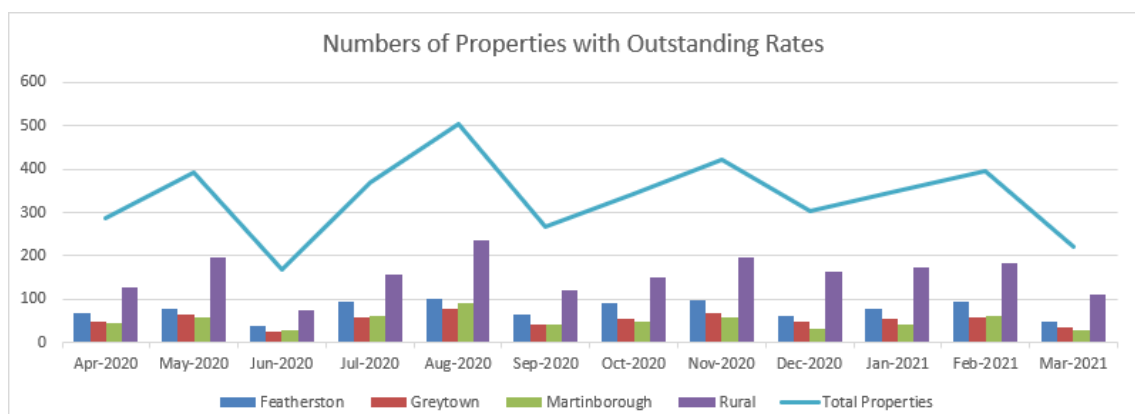
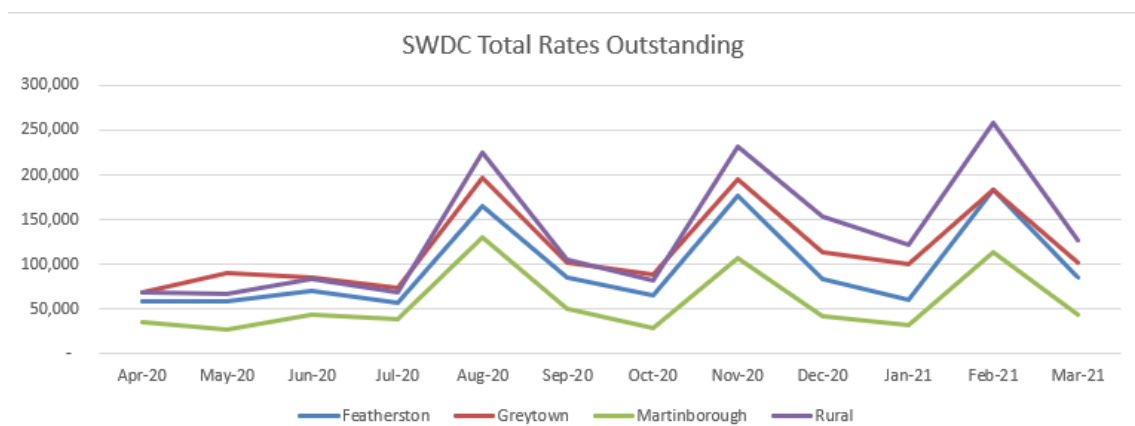
Prior years arrears have increased \$21k (34%) from the same time last year.



At the end of March 2021, the current years amount was \$298K, 50% higher than the same time last year.

Total rates outstanding have increased by \$169k (47%) from the same month last year.

Outstanding rates were \$358k in March 2021 to \$189k March 2020.



The total number of properties with outstanding rates has increased by 28 in March 2021 (222), 18 of which are for rural properties.

The rates team continues to actively promote direct debits and payment plans to assist ratepayers with financial difficulties. There are currently 11 active repayment plans.

2.4 Unbudgeted Costs

Year to date unbudgeted costs are included in the table below. Yellow highlights indicate changes from previous report.

	Committed		Spent YTD	Funded by
	Opex	Capex		
Waihinga Centre review (Lessons Learned)	\$15,000		\$0	Cashflow
PGF – Innovating Streets – Council contribution	\$18,000		\$0	Infrastructure Reserve
Aerial Mapping		\$25,000	\$21,880	Cashflow
Recovery Committee – contribution of annual costs	\$20,000		\$11,427	Cashflow
Citycare (Parks and Reserves) contract increase of 2.5%	\$25,000		\$4,000	Cashflow
Water races customer survey	\$50,000		\$11,340	Water Race Reserve
Insurance premiums	\$74,000		\$74,000	Cashflow
Policy for encroachment and road stopping	\$15,000		\$0	Cashflow – to be recovered from land sales
Procurement for Amenities review	\$30,000		\$0	Cashflow
Total	\$202,000	\$25,000	\$78,000	

2.5 Unplanned use of Reserves

Year to date unbudgeted costs are included in the table below. There are no additions from previous report.

Project	Reserve	Amount
PGF – Innovating Streets – Council contribution	Infrastructure Reserve	\$18,000
Water races customer survey	Water Races Reserve	\$50,000
Total		\$68,000

3. Appendices

Appendix 1 – Financial statements 31 March 2021

Appendix 2 – Financial statements 31 January 2021 and 28 February 2021

Contact Officers: Katrina Neems, Chief Financial Officer

Reviewed by: Karen Yates, Policy and Governance Manager

**Appendix 1 –
Financial statements to
31 March 2021**



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

Monthly Financial Statements

For the period ended

31 March 2021

Summary Financial Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cashflows

Schedule of Investments

Schedule of Capital Expenditure

South Wairarapa District Council

For the year to 31 March 2021

Financial Report

1. Summary and Highlights

Purpose

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

- Year to date budget vs actual financial results.
- Commentary on material variances.
- Full year risks (if any) for each significant activity.

Highlights

Operating Surplus year to date is overbudget by \$2,741k. Year to date operating deficit of \$825k against a budgeted year to date deficit of \$3,566k.

Total Surplus year to date is overbudget by \$3,913k. Total surplus YTD is \$1,920k vs. budget deficit of \$1,993k.

Operating income is overbudget by \$2,330k. However, \$1,400k of this is stimulus funding for the Three Water Reform programme, which was paid to Wellington Water in February. Removing this shows that income is \$930k overbudget, which includes unforeseen grants of:

- \$500k for the Mayor's Taskforce for Jobs,
- \$240k from the Provincial Growth Fund, and
- \$32k from the Responsible Camping scheme for operation of toilets.

Operating Expenditure is underbudget by \$411k.

Working Capital which expresses the ability of council to meet its short-term obligations is strong with a ratio of 5.0 times, and a total value of \$10,909k.

Interest cost 3.71% of rates revenue, comfortably below the SWDC maximum of 12%.

Current Net debt \$21,900k, at 2.76% average borrowing rate.

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

2. Statement of Financial Performance

Operating Income

Rates

1% Rates revenue overbudget \$97k. Revenue from rates penalties is underbudget (\$18k). Overall income from rates and penalties is slightly overbudget.

Interest Revenue

27% Interest received on term deposits underbudget (\$65k) variance YTD. This reflects lower short-term deposit rates.

Fees & Licences

34% Overbudget by \$338k. Activity has been strong in the following areas:

- Building consents & file charges (\$346k overbudget)
- Food hygiene fees (\$10k overbudget)
- Resource consents & compliance fines (\$5k overbudget)

This was offset slightly by lower than budgeted income from:

- Building Warrants & Swimming pool inspections (11k underbudget)
- Dog licences, infringement fees, & fines (\$16k underbudget)

User Levies

4% Underbudget by \$18k. The variance reflects reduced activity in several areas, including:

- Transfer stations (\$41k),
- Cemeteries (\$6k)
- Sewer connections (\$2k).

These are slightly offset by increased income from septic tank disposal charges (\$14k), LIM applications (\$11k), and Libraries (\$6k).

NZTA Operating Subsidy

16% Underbudget by \$240k due to work programme being delayed by NZTA approval.

Rental / Hire

5% Overbudget by \$24k.

Miscellaneous Income

73% Overbudget by \$1,213k. However, once the \$1,400k of unexpected income for water reform is removed, miscellaneous income is underbudget by \$177k. This is across several areas:

- GWRC recoveries (\$132k underbudget)
- NZTA other recoveries (\$78k underbudget)
- Miscellaneous income from wastewater land e.g. bailage (\$12k underbudget)
- Other miscellaneous income (\$20k underbudget)

Operating Expenditure

Corporate Services

2%

Underbudget by \$46k.

In-house Professional Services

9%

Overbudget by \$36k. This is mainly due to \$54k of salaries, which is offset slightly by savings in operating costs(\$25k)

Governance, Leadership & Advocacy

12%

Underbudget by \$59k, with \$5k being personnel costs and the remainder spread across operating costs.

Public Protection

1%

Overbudget by \$14k. Slightly higher-than-expected costs in Animal Control, Building & Construction, and Emergency Management have been offset by lower costs in Public Protection & Health.

Animal Control

Overbudget by \$22k, mostly due to salaries.

Building & Construction

Overbudget by \$18k, mostly due to contractors.

Emergency Management & Rural Fire

Overbudget by \$36k, mostly due to CDEM payments.

Public Protection & Health

Underbudget by \$63k, mainly due to lower salaries & legal expenses.

Resource Management

0%

On budget.

Economic Cultural & Community Development

64%

Underbudget by \$895k, mainly due to a budgeted grant of \$1,000k not having yet been paid.

Amenities

2%

Overall, Amenities is underbudget by \$46k. Some notable variances are:

Campgrounds

Underbudget by \$14k.

Cemeteries

Overbudget by \$7k.

Community Buildings - includes Wahinga Centre, and Greytown Town Hall

Underbudget by \$27k.

Housing

Underbudget by \$1k.



Libraries

Underbudget by \$39k.



Pain Farm

Overbudget by \$62k, due to higher than budgeted cost (\$80k) for repairs and maintenance, offset slightly by lower consultant and legal costs than budgeted.



Parks & Reserves

Underbudget by \$49k, mainly due to reduced personnel (\$8k) and works (\$50k) costs so far this year.



Rental Properties

Overbudget by \$13k, mainly due to legal and consulting costs for lease updates.



Swimming Pools

Overbudget, by \$48k, due to unbudgeted routine maintenance costs.



Toilets

Underbudget \$9k due to lower than budgeted works costs.

Land Transport

17%

Underbudget by \$832k, this reflects delay to work, particularly road markings, whilst waiting for NZTA approval.

Solid Waste Management

2%

Overbudget by \$30k, mainly due to higher than budgeted landfill and refuse collection costs (\$73k), offset slightly by lower than budgeted personnel and operating costs.

Water Supply

0%

Overall, Water Supply is overbudget by \$623k. However, this includes unbudgeted water stimulus payment of \$630k, for which we received income from DIA. Once this is adjusted the actual position is underbudget by \$7k. Wellington Water forecast is to be 4% overbudget by year-end.

Wastewater

11%

Overall, Wastewater is overbudget by \$441k. However, this includes unbudgeted water stimulus payment of \$630k, for which we received income from DIA. Once this is adjusted, the actual position is underbudget by \$189k. However, Wellington Water forecast wastewater costs to be 45% overbudget by year-end. The forecast overspend is due to

- increased monitoring costs following the Lake Ferry incident,
- unbudgeted costs of pond desludging at Greytown,
- reactive maintenance in Featherston where the sewer main collapsed, and
- costs of servicing UV filtration.

Stormwater Drainage

46%

Overall, Stormwater is overbudget by \$252k. However, this includes unbudgeted water stimulus payment of \$140k, for which we received income from DIA. Once this is adjusted, the actual position is overbudget by \$112k year to date, with forecast costs to be 6% overbudget by year-end.

Capital Expenditure Income

NZ Transport Agency

37%

Overbudget by \$208k, reflecting the increase in capital spending on subsidised roads.

Contributions

77%

Overbudget by \$777k due to contributions from large subdivisions in Greytown and Martinborough.

3. Statement of Financial Position

Working Capital

Working capital (current assets, less current liabilities) is \$10,909k (30 June 2020 \$12,073k).

Prepayments and Receivables

Prepayments and receivables total \$2,068k. Key components are:

- General Debtors \$760k,
- Rates Received in Advance \$624k,
- Prepayments \$347k,
- NZTA & Fuel Tax Receivable \$235k, and
- Water Debtors \$138k.

Investments

Term deposits with BNZ exceeded the maximum amount to be invested of 30% at the end of February, making up 38% of investments. \$1.5million has since been invested, on short terms, with another provider.

Payables and Accruals

Payables and accruals total \$3,096k. Key items are:

- Sundry creditors \$516k,
- SWDC rates in advance \$432k,
- accrued expenses not yet invoiced \$170k, and
- GWRC rates payable & in advance \$201k.

Gross Public Debt

Total public debt stands at \$21,900k. Our average interest rate on borrowings is 2.76%.

South Wairarapa District Council

Statement of Financial Performance

For the Period End 31 March 2021

Last Year		Current Year			Full Year	
Actual		Actual	Budget	Variance	Budget	%
<u>Operating Income</u>						
11,115,023	Rates	11,625,027	11,528,487	96,540	(15,371,307)	75.6%
86,297	Rates Penalty	74,253	92,250	(17,997)	(123,000)	60.4%
294,224	Interest	160,373	225,000	(64,627)	(300,000)	53.5%
15,732	Internal Interest Loans	15,674	15,660	14	(20,875)	75.1%
967,211	Fees & Licences	1,346,836	1,008,897	337,939	(1,304,200)	103.3%
459,428	User Levies	474,350	492,570	(18,220)	(830,446)	57.1%
57,732	Commissions	58,475	56,511	1,964	(75,350)	77.6%
1,391,759	NZ Transport Agency Subsidy	1,259,712	1,499,229	(239,517)	(1,998,975)	63.0%
73,705	Petrol Tax	76,436	64,944	11,492	(86,593)	88.3%
7,800	Grants, Donations & Subsidies	989,278	9,963	979,315	(13,283)	7447.7%
449,889	Rental / Hire	504,802	484,731	20,071	(646,308)	78.1%
137,803	Miscellaneous Income	1,464,743	242,214	1,222,529	(322,961)	453.5%
15,056,604		18,049,960	15,720,456	2,329,504	21,093,298	85.6%
<u>Operating Expenditure</u>						
1,825,135	Corporate Services	2,011,967	2,057,710	45,743	2,780,729	72.4%
1,222,584	Professional Services	416,314	384,525	(31,789)	511,544	81.4%
456,377	Governance, Leadership & Advocacy	493,300	502,962	9,662	664,187	74.3%
1,140,950	Public Protection	1,307,687	1,294,098	(13,589)	1,711,482	76.4%
518,826	Resource Management	569,014	570,333	1,319	759,433	74.9%
348,916	Economic, Cultural & Community Development	453,842	1,398,079	944,237	1,530,770	29.6%
2,357,262	Amenities	2,468,422	2,514,386	45,964	3,298,521	74.8%
3,946,869	Land Transport	4,155,032	4,908,407	753,375	6,292,557	66.0%
2,124,080	Water Supply	3,110,863	2,488,220	(622,643)	3,286,344	94.7%
1,131,187	Solid Waste Management	1,215,017	1,185,494	(29,523)	1,575,996	77.1%
1,440,941	Sewerage	2,156,434	1,715,590	(440,844)	2,274,943	94.8%
180,854	Stormwater Drainage	496,964	244,631	(252,333)	323,893	153.4%
15,344	Rate Debtors Written Off	16,032	22,500	6,468	30,000	53.4%
163	Bad Debts	2,087	-	(2,087)	-	0.0%
89,392	Loss on Sale of Assets	2,362	-	(2,362)	-	0.0%
16,798,879		18,875,336	19,286,935	411,599	25,040,399	75.4%
(1,742,276)	Operating Surplus/(Deficit)	(825,376)	(3,566,479)	2,741,103	(3,947,101)	20.9%
<u>Other Income</u>						
873,293	NZTA CAPEX Subsidy	765,241	557,145	208,096	742,856	103.0%
66,619	Grants, Donations & Subsidies	185,127	-	185,127	-	0.0%
863,199	Contributions	1,793,297	1,016,001	777,296	1,354,689	132.4%
31,000	Assets Vesting in Council	1,739	-	1,739	-	0.0%
-	Gain on Asset Revaluations	-	-	-	39,494	0.0%
1,834,111		2,745,404	1,573,146	1,172,258	2,137,039	128.5%
<u>Other Expenditure</u>						
-		-	-	-	-	0.0%
91,835	Total Surplus/(Deficit)	1,920,027	(1,993,333)	3,913,360	(1,810,062)	-106.1%
Included in the operating expenditure is:						
3,581,705	Depreciation	3,965,083	3,905,622	(59,461)	5,207,532	76.1%
459,035	Interest Expnese	431,577	489,672	58,095	652,909	66.1%

South Wairarapa District Council

Statement of Financial Position

As at 31 March 2021

	March 2021	June 2019	Movement
<u>Assets</u>			
<i>Current Assets</i>			
Cash and Bank	858,689	438,842	419,847
Short Term Deposits	10,685,587	13,373,243	(2,687,655)
Prepayments and Receivables	2,068,361	2,300,283	(231,922)
Inventories	42,875	54,418	(11,543)
	<hr/> 13,655,512	<hr/> 16,166,786	<hr/> (2,511,274)
<i>Non-Current Assets</i>			
Intangible Assets	69,306	52,854	16,452
Investment Properties	11,226,156	11,223,000	3,156
Investments	492,298	492,298	-
Property Plant and Equipment	455,121,646	452,024,550	3,097,097
	<hr/> 466,909,407	<hr/> 463,792,702	<hr/> 3,116,705
Total Assets	<hr/> 480,564,919	<hr/> 479,959,488	<hr/> 605,431
<u>Liabilities</u>			
<i>Current Liabilities</i>			
Payables and Accruals	2,216,379	3,654,554	(1,438,175)
Employee Entitlements	529,003	404,341	124,662
Provisions - Current Portion	-	34,578	(34,578)
	<hr/> 2,745,382	<hr/> 4,093,473	<hr/> 1,348,091
<i>Non-Current Liabilities</i>			
Public Debt - Non Current Portion	21,900,000	21,900,000	-
Provisions - Non Current Portion	477,117	442,538	34,578
	<hr/> 22,377,117	<hr/> 22,342,538	<hr/> (34,578)
<i>Equity</i>			
Public Equity	154,866,191	152,947,248	1,918,943
Special Separate and Trust Funds	28,553,747	28,553,747	-
Asset Revaluation Reserve	272,022,237	272,022,237	-
Other Reserves	245	245	-
	<hr/> 455,442,421	<hr/> 453,523,477	<hr/> 1,918,943
Total Liabilities & Equity	<hr/> 480,564,919	<hr/> 479,959,488	<hr/> (605,431)

SUMMARY OF INVESTMENTS AS AT 31 MARCH 2021

ORGANISATION	INTEREST RATE	INVESTED DATE	MATURITY DATE	Term	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM FUNDS							
ASB Bank							
ASB Call account	1.25%				\$751,235.74		
Term Deposit	1.88%	29-May-20	18-May-21	354 days	\$525,000.00		
Term Deposit	0.15%	19-Mar-21	8-Apr-21	20 days	\$500,000.00		
Term Deposit	0.20%	19-Mar-21	18-Apr-21	30 Days	\$1,000,000.00		
					\$2,776,235.74	26%	30%
ANZ Bank							
ANZ Call Account	50.00%				\$86.60		
Term Deposit	1.40%	31-Aug-20	31-Aug-21	365 days	\$1,000,000.00		
					\$1,000,086.60	9%	30%
BNZ Bank							
BNZ Call Account	0.00%				\$100,665.39		
BNZ Call Account	0.00%				\$1,905,000.00		
Term Deposit	0.85%	23-Nov-20	25-Nov-21	367 days	\$1,028,253.97		
Term Deposit	2.21%	29-May-20	31-May-21	367 days	\$1,000,000.00		
					\$4,033,919.36	38%	30%
Wairarapa Building Society							
WBS Call Account	0.50%	1-Mar-21	On Call	On Call	\$1.35		
Term Deposit	1.25%	22-Nov-20	21-Nov-21	365 days	\$203,581.63		
Term Deposit	1.25%	25-Nov-20	24-Nov-21	365 days	\$197,277.23		
Term Deposit	1.10%	21-Dec-20	20-Dec-21	366 days	\$160,049.82		
					\$560,910.03	5%	10%
Westpac Bank							
Westpac Call Account	0.10%	1-Mar-21	On Call	On Call	\$14.61		
Term Deposit	1.75%	24-Jun-20	24-Jun-21	365 days	\$1,314,421.02		
Term Deposit	1.60%	25-Aug-20	25-Aug-21	365 days	\$1,000,000.00		
					\$2,314,435.63	22%	30%
TOTAL					\$10,685,587.36	100%	100%
INVESTMENTS							
LGFA Borrower Bonds	3.01%	20-Jun-16	15-Apr-23		\$28,800.00		
LGFA Borrower Bonds	2.81%	20-Jun-16	15-May-21		\$91,200.00		
LGFA Borrower Bonds	1.29%	15-Apr-20	15-Apr-25		\$80,000.00		
LGFA Borrower Bonds	2.03%	15-Mar-19	15-Nov-21		\$22,400.00		
LGFA Borrower Bonds	2.07%	15-Mar-19	14-Apr-22		\$32,000.00		
LGFA Borrower Bonds	2.98%	21-Aug-17	15-May-22		\$40,000.00		
LGFA Borrower Bonds	3.08%	19-Feb-18	15-Apr-23		\$24,000.00		
LGFA Borrower Bonds	1.09%	15-Apr-20	15-Apr-24		\$32,000.00		
					\$350,400.00		
FORESTRY							
Plantation - Hurupi Stock					\$9,305.00		
					\$9,305.00		
SHARES							
Farmlands					\$1,159.00		
NZ Local Government Insurance Company					\$81,434.30		
Wellington Water Limited					\$50,000.00		
					\$132,593.30		
TOTAL INVESTMENTS					\$11,177,885.66		

SOUTH WAIRARAPA DISTRICT COUNCIL
Statement of cashflows
AS AT 31 MARCH 2021

	31 MARCH 2021	31-Jan-2020	30 JUNE 2020
OPERATING ACTIVITIES			
Cash was provided from:			
Rates	12,222,678	11,403,247	14,602,540
Grants & Subsidies	3,412,807	1,898,864	3,385,897
Petrol Tax	71,543	73,654	91,337
Other Income	5,482,538	3,820,374	4,418,720
Interest on Investments	231,278	197,464	361,428
Total Operating Cash Inflow	21,420,844	17,393,602	22,859,922
Cash was applied to:			
Payments to Suppliers & Employees	16,256,261	9,926,569	16,538,160
Interest Paid	348,242	359,958	624,765
Total Operating Cash Outflow	16,604,503	10,286,526	17,162,925
Net Cashflow from Operating Activities	4,816,341	7,107,076	5,696,997
INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Property, Plant & Equipment	-		1,726,130
Term Investments, Shares & Advances	2,669,000	428,858	18,512,156
Total Investing Cash Inflow	2,669,000	428,858	20,238,286
Cash was applied to:			
Purchase of Property, Plant & Equipment	7,084,150	4,870,575	8,947,522
Term Investments, Shares & Advances	2,669,000	459,764	21,250,000
Total Investing Cash Outflow	9,753,150	5,330,339	30,197,522
Net Cashflow from Investing Activities	(7,084,148)	(4,901,479)	(9,959,234)
FINANCING ACTIVITIES			
Cash was provided from:			
Public Debt	-		7,000,000
Total Financing Cash Inflow	-	-	7,000,000
Cash was applied to:			
Repayment of Public Debt	-	-	5,000,000
Total Financing Cash Outflow	-	-	5,000,000
Net Cash Flow from Financing Activities	-	-	2,000,000
NET INCREASE / (DECREASE) IN CASH	(2,267,807)	2,205,597	(2,262,236)
31 MARCH 2020	13,812,085	15,542,075	4,465,555
31 MARCH 2021	\$ 11,544,278	\$ 2,134,921	\$ 2,203,317
REPRESENTED BY:			
Cash and Cash equivalents	11,544,278	2,134,919	2,203,316
	-	-	-
\$ 11,544,278	\$ 2,134,919	\$ 2,203,316	

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE

FOR THE PERIOD ENDED 31 MARCH 2021

DESCRIPTION	Year to Date		Annual	Budget Brought Forward from Prev Years	Total Budget Available	Percentage spent Year to date	Carry Forward to 2020/21
	Actual	Budget	Budget				
Baseline CAPEX:							
Amenities	637,617	312,097	1,248,387	1,119,102	2,367,489	27%	1,729,872
Water Supply	2,839,118	777,600	3,407,400	716,290	4,123,690	69%	
Solid Waste Management	-	31,230	124,920	331,355	456,275	0%	456,275
Stormwater Reticulation	4,955	18,252	73,008	108,379	181,387	3%	176,432
Wastewater	1,527,021	963,891	3,855,562	1,931,507	5,787,069	26%	4,260,048
Land Transport	1,557,655	595,072	2,380,289	-	2,380,289	65%	822,634
Information Technology	118,398	19,779	79,116	53,753	132,869	89%	14,471
Council Property	232,873	22,797	91,189	636,433	727,622	32%	494,749
	\$ 6,917,637	\$ 2,740,718	\$ 11,259,871	\$ 4,896,818	\$ 16,156,689	43%	\$ 7,954,480

**Appendix 2 –
Financial statements for
31 January 2021
to
28 February 2021**

South Wairarapa District Council

Statement of Financial Performance For the Period End 28 February 2021

Last Year		Current Year			Full Year	
Actual		Actual	Budget	Variance	Budget	%
<u>Operating Income</u>						
11,115,023	Rates	11,625,027	11,528,487	96,540	15,371,307	75.6%
89,174	Rates Penalty	75,516	92,000	(16,484)	123,000	61.4%
258,905	Interest	143,183	200,000	(56,817)	300,000	47.7%
13,958	Internal Interest Loans	13,901	13,920	(19)	20,875	66.6%
846,534	Fees & Licences	1,137,262	910,464	226,798	1,304,200	87.2%
409,241	User Levies	386,487	437,840	(51,353)	830,446	46.5%
51,489	Commissions	52,065	50,232	1,833	75,350	69.1%
1,172,667	NZ Transport Agency Subsidy	1,151,488	1,332,648	(181,160)	1,998,975	57.6%
63,749	Petrol Tax	66,976	57,728	9,248	86,593	77.3%
7,178	Grants, Donations & Subsidies	498,254	8,856	489,398	13,283	3751.1%
402,856	Rental / Hire	450,895	430,872	20,023	646,308	69.8%
82,579	Miscellaneous Income	1,445,915	231,968	1,213,947	322,961	447.7%
14,513,354		17,046,968	15,295,015	1,751,953	21,093,298	80.8%
<u>Operating Expenditure</u>						
840,075	Governance, Leadership & Advocacy	945,062	797,943	(147,119)	1,187,284	79.6%
1,206,124	Public Protection	1,379,101	1,480,925	101,824	2,217,577	62.2%
560,303	Resource Management	598,946	617,768	18,822	925,142	64.7%
385,887	Economic, Cultural & Community Developmrr	485,200	1,415,824	930,624	1,623,737	29.9%
2,698,723	Amenities	2,731,228	2,740,826	9,598	4,029,350	67.8%
4,023,126	Land Transport	4,081,791	4,644,770	562,979	6,785,223	60.2%
2,177,951	Water Supply	3,034,467	2,431,994	(602,473)	3,601,078	84.3%
1,127,593	Solid Waste Management	1,166,211	1,155,952	(10,259)	1,726,932	67.5%
1,554,271	Sewerage	2,160,859	1,701,860	(458,999)	2,534,024	85.3%
230,695	Stormwater Drainage	494,702	255,630	(239,072)	380,026	130.2%
15,344	Rate Debtors Written Off	16,032	22,500	6,468	30,000	53.4%
163	Bad Debts	2,087	-	(2,087)	-	0.0%
89,392	Loss on Sale of Assets	2,362	-	(2,362)	-	0.0%
14,909,648		17,098,048	17,255,435	157,387	25,040,399	68.3%
(396,294)	Operating Surplus/(Deficit)	(51,079)	(1,960,420)	1,909,341	(3,947,101)	1.3%
<u>Other Income</u>						
729,366	NZTA CAPEX Subsidy	670,742	495,240	175,502	742,856	90.3%
66,619	Grants, Donations & Subsidies	140,000	-	140,000	-	0.0%
842,197	Contributions	1,958,085	903,112	1,054,973	1,354,689	144.5%
31,000	Assets Vesting in Council	1,739	-	1,739	-	0.0%
-	Gain on Asset Revaluations	-	-	-	39,494	0.0%
1,669,182		2,770,566	1,398,352	1,372,214	2,137,039	129.6%
<u>Other Expenditure</u>						
-		-	-	-	-	0.0%
1,272,888	Total Surplus/(Deficit)	2,719,487	(562,068)	3,281,555	(1,810,062)	-150.2%
Included in the operating expenditure is:						
3,177,618	Depreciation	3,504,598	3,471,664	(32,934)	5,207,532	67.3%
406,009	Interest Expnese	380,573	435,264	54,691	652,909	58.3%

South Wairarapa District Council

Statement of Financial Performance For the Period End 31 January 2021

Last Year Actual		Current Year			Full Year	
		Actual	Budget	Variance	Budget	%
<u>Operating Income</u>						
11,122,832	Rates	11,625,027	11,528,487	96,540	15,371,307	75.6%
65,833	Rates Penalty	56,087	91,750	(35,663)	123,000	45.6%
227,845	Interest	141,406	175,000	(33,594)	300,000	47.1%
12,299	Internal Interest Loans	12,299	12,180	119	20,875	58.9%
763,221	Fees & Licences	1,042,929	812,031	230,898	1,304,200	80.0%
325,437	User Levies	318,066	383,110	(65,044)	830,446	38.3%
44,753	Commissions	45,976	43,953	2,023	75,350	61.0%
1,049,285	NZ Transport Agency Subsidy	1,076,837	1,166,067	(89,230)	1,998,975	53.9%
55,634	Petrol Tax	58,915	50,512	8,403	86,593	68.0%
4,642	Grants, Donations & Subsidies	248,130	7,749	240,381	13,283	1868.0%
361,581	Rental / Hire	387,592	377,013	10,579	646,308	60.0%
72,683	Miscellaneous Income	1,689,253	171,722	1,517,531	322,961	523.1%
14,106,045		16,702,517	14,819,574	1,882,943	21,093,298	79.2%
<u>Operating Expenditure</u>						
709,302	Governance, Leadership & Advocacy	846,121	700,596 -	145,525	1,187,284	71.3%
1,036,874	Public Protection	1,215,847	1,300,474	84,627	2,217,577	54.8%
489,357	Resource Management	532,534	539,692	7,158	925,142	57.6%
345,385	Economic, Cultural & Community Development	361,979	1,363,846	1,001,867	1,623,737	22.3%
2,333,261	Amenities	2,352,972	2,419,010	66,038	4,029,350	58.4%
3,456,114	Land Transport	3,587,553	4,011,629	424,076	6,785,223	52.9%
1,777,281	Water Supply	2,742,650	2,139,716 -	602,934	3,601,078	76.2%
958,388	Solid Waste Management	1,017,265	1,013,208 -	4,057	1,726,932	58.9%
1,299,059	Sewerage	1,986,445	1,493,820 -	492,625	2,534,024	78.4%
180,383	Stormwater Drainage	457,949	224,536 -	233,413	380,026	120.5%
15,344	Rate Debtors Written Off	16,032	22,500	6,468	30,000	53.4%
-	Bad Debts	2,087	- -	2,087	-	0.0%
89,392	Loss on Sale of Assets	-	-	-	-	0.0%
12,690,140		15,143,905	15,234,864	90,959	25,040,399	60.5%
1,415,905	Operating Surplus/(Deficit)	1,558,612	(415,290)	1,973,902	(3,947,101)	-39.5%
<u>Other Income</u>						
618,219	NZTA CAPEX Subsidy	649,173	433,335	215,838	742,856	87.4%
66,619	Grants, Donations & Subsidies	140,000	-	140,000	-	0.0%
745,671	Contributions	1,857,636	790,223	1,067,413	1,354,689	137.1%
31,000	Assets Vesting in Council	1,739	-	1,739	-	0.0%
-	Gain on Asset Revaluations	-	-	-	39,494	0.0%
1,461,509		2,648,548	1,223,558	1,424,990	2,137,039	123.9%
<u>Other Expenditure</u>						
-		-	-	-	-	0.0%
2,877,414	Total Surplus/(Deficit)	4,207,160	808,268	3,398,892	(1,810,062)	-232.4%
Included in the operating expenditure is:						
2,775,480	Depreciation	3,054,321	3,037,706 -	16,615	5,207,532	58.7%
356,754	Interest Exponese	334,854	380,856	46,002	652,909	51.3%

FINANCE, AUDIT AND RISK COMMITTEE

21 APRIL 2021

AGENDA ITEM B2

POLICY AND GOVERNANCE REPORT

Purpose of Report

To present the Policy and Governance Report for April 2021.

Recommendations

Officers recommend that the Committee:

1. *Receive the Policy and Governance Report.*

1. Executive Summary

Officers present the following updates for consideration by the Finance, Audit and Risk Committee:

- Strategic risk register
- Policy review
- Official information and Privacy Act
- Customer Survey

2. Strategic Risk Register

Council's strategic risk register has been updated and is attached at Appendix 1.

3. Policy Review

The Committee requested an update of the review dates for Council's policies. An excerpt from the Policy Register is attached at Appendix 2. This includes policies, terms of reference, bylaws and strategies ("policies").

There are a number of policies that are overdue for renewal and this potentially presents risk to the Council. Officers are scoping a policy review programme which will be reported to the next Committee meeting. A new Policy and Governance Advisor is being recruited and will assist in delivering this programme.

The Council's liquor bylaws are currently under review in order that a new alcohol bylaw is in place prior to the Toast Martinborough event.

4. Official Information and Privacy Act

4.1 Official Information and Privacy Requests

There were 92 requests for official information under the Local Government Official Information and Meetings Act logged by officers between 1 July 2020 and 31 March 2021.

Decisions on 50 requests were provided within the 20 working days statutory timeframes and 7 requests are still being actioned within the statutory timeframes. Decisions on 24 requests were sent outside of these timeframes, 1 following an extension of time, and there are 10 requests with no response date recorded.

In addition, there was one complaint made to the Ombudsman following inaction to an urgent request for information. The request was actioned immediately and the Ombudsman closed the complaint the next day. Breakdowns in the LGOIMA process were identified and remedial action has been undertaken.

Officers recognise that improvements to LGOIMA processing and response times are necessary and are undertaking further action, identified in paragraph 4.2 below.

The Committee requested at the February meeting that LGOIMA data be reviewed to determine if there are requester and topic trends. Officers will carry out this review for the next Committee meeting.

4.2 Training and process improvement

Council has appointed a full time Information Officer who has responsibility for processing official information and privacy requests. We have amended the official information process and policy, including an online request form, and will shortly be providing an update to staff and councillors on the new process.

We have also provided training to key staff on the processing of Land Information Memoranda to provide cover for the Information Officer.

5. Customer survey

Council agreed not to carry out a customer survey for the 2019/20 financial year contrary to that indicated in the Annual Plan. The reasons for this decision were:

- The proposed methodology was inadequate. The previous survey had not reached target responder rates for more than one age category bracket with the older age bracket over-represented. This was largely due to the survey being carried out via land-line only.
- The survey questions did not provide the information required, and expenditure on something that provided less than meaningful information was not prudent.

Council agreed to redesign the survey and seek customer satisfaction views before the 31 December 2020. Council has since agreed to wait until new performance measures have been developed for the LTP as we can then incorporate questions on new

measures into the survey to provide a baseline. The survey work can now be commenced in time for reporting in the 2020/21 Annual Report.

6. Appendices

Appendix 1 – Strategic Risk Register

Appendix 2 – Excerpt from Policy Register

Contact Officer: Karen Yates, Policy and Governance Manager

Reviewed by: Katrina Neems, Chief Financial Officer

Appendix 1 – Strategic Risk Register



STRATEGIC RISK REGISTER as at April 2021

Risk Identification		Risk Level	Risk Management				
Risk Category	Risk and Impact		What are we already doing about it? (mitigating factors)	What more can we do about it?	Timescale	Person Responsible	Reviewed Level of Risk
Climate Change	The risk relates to failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions. This may result from the complexity of processes and dependencies that may not adequately consider climate impacts, lack of leadership, knowledge or information or insufficient application of resources. 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.	Extreme	With CDC, we appointed a Climate Change Advisor in 2019 and developed a Climate Change carbon reduction strategy and action plan. This involves education and assessing council's performance of Council's activities. We have worked with the Wellington region to develop common climate change assumptions have have used these to carry out a risk assessment of climate change impacts on community wellbeing and our services. We are building contingency into assets plans and LTP budgets and propose to develop energy audits on key community buildings, provide self-assessment kits, develop a Climate Change Resilience and Risk Strategy and review Council's procurement policy to support sustainability. We will also be advancing planning measures including coastal retreat into our District Plan, currently under review.	We will continue implementing the action plan.	On-going	Council/CE/PGM	
Financial Sustainability	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.	High	Council has some short-term resilience to a financial shock through a combination of cash reserves and loan facilities with LGFA . A significant shock may require Council to review its planned capital and operating spending. Risk is managed through adherence to financial policies and financial delegations and reporting to FAR.		ongoing	FAR/CE/CFO	
Governance failure	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. This may impact Council reputation, trust and confidence and the ability to deliver strategic goals or meet service levels.	Moderate	Improved council reporting to enable good decision-making. Council induction training, developpment of new strategic direction and regular opportunities for team-orientated problem solving and decision-	Continue providing improvement opportunities.	ongoing	Council/CE/PGM	
Significant government reform	There are number of significant government reforms including changes to the Privacy Act and Residential Tenancies Act, and proposals for climate change, resource management and three waters reform. These changes may impact council's strategic direction and may raise challenges in terms of compliance for drinking and wastewater standards. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.	Extreme	We have completed DIA's full RFI on three waters reforms and are working closely with Wellington Water and through regional forum as the reform progresses. The CE is part of the SOLGM working group on RMA reforms. Regular advice is provided to the council and community on the reforms and their potential impact on council delivery. Training has been provided to staff on legislative updates.	Continue to work with government, build reform response into corporate planning and provide advice.	ongoing	ELT	
People safety and wellbeing	External or internal events or work environment may have a material impact on the health and safety or wellbeing of staff and the community and impact Council reputation and legal compliance.	High	We have employed a full time Health and Safety Advisor who is lead advisor for Emergency Management. We are employing a full time Human Resources Manager. We are strengthening our HR and H&S policies and carrying out a staff engagement survey which will be reported to FAR.	Improve risk management across the organisation and reporting to ELT and FAR. Develop our Business Continuity Plan for non-CDEM events.	ongoing	CE	

Disaster event	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.	Extreme	We are part of the Wellington Region Civil Defence Emergency Management Group which focuses on the 4 Rs; reduction, readiness, response and recovery of the relevant Civil Defence hazards and risks for the Wellington region, and consults and communicates on these. We participate in the Wellington Regional Leaders Committee which will be developing regional economic response plan. We have staff actively participating in the Wairarapa Emergency Operation Centre (EOC) to provide emergency management for a regional activation. The EOC works with agencies (central government agencies, emergency services, etc), to respond to a natural disaster, human-induced event, or other event, such as a resurgence of Covid-19. Covid-19 and other disaster responses have been incorporated to some degree into the 2021-31 LTP. We have inhouse crisis response teams to respond to local events. We engage the community to participate in the Community Emergency Hubs and are working with WREMO to strengthen the community's knowledge and participation of these. We are also working with WREMO on coastal community tsunami response awareness.	Work with the other councils in the region to address impacts on social and cultural wellbeing identified in the Covid-19 response e.g seniors and other vulnerable groups and Maori. Increase staffing level in the EOC. Further develop CDEM related business continuity and improve reporting.	ongoing	CE/GM-PO	
Cybersecurity	There is a continued risk of a cyber attack or data breach with could significantly disrupt service delivery and the integrity of financial services or result in the release of private information. External cyber-attacks are mainly taking the form of phishing and similar campaigns. Internal risk from intentional or unintentional staff activities or lack of training. This may impact the health and safety or wellbeing of staff, Council reputation, service delivery and legal compliance and result in financial loss.	Extreme	Ongoing training for staff and regular updates on how to identify and respond to threats. We are migrating our systems to more secure services e.g. Microsoft 365 and have off-site server back-up. Updated Code of Conduct issued.	Ongoing training for phishing and other external attacks. We have carried out a review of our IT infrastructure and security and are commencing an RFI process for service provision which will include security enhancements. Develop business continuity plan and improve reporting.	ongoing	CE/CFO	
Significant operational service failure	There is a risk of operational failure that has a material impact on service delivery, including failure of critical assets. 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.	Extreme	Revised Infrastructure Strategy for LTP and associated budget proposed for asset planning, condition assessments and bringing maintenance on critical assets forward for water and roading. Wellington Water has appointed a Delivery Manager for SWDC. improving monitoring and control systems for early warning of issues. improved supply contingency capabilities for water.	increase resourcing. Develop business continuity plan and improve reporting.	ongoing	CE/GM-PO	
Shortage of resources/capability	There is a shortage of resources 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.	Extreme	Wellington Water has appointed a Delivery Manager, is using Consultation and Contractor panels to secure capacity and is undertaking an internal external capability review to ensure the business is sized appropriately. Also shared work programme with contractors.	Develop contingency plan for constrained materials	ongoing	CE/GM-PO/CFO	
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.	High	Peer review has been strengthened.	Process improvements and training	ongoing	CE/CFO/PGM	

Appendix 2 – Excerpt of Policy Register

Policies		Review date
Democracy	Council Committees and Working Parties	Feb-20
	Code of Conduct Councillors, Community Board Members and Committees	Oct-19
	Remuneration - Elected Members	May-20
	Conferences, Seminars and Training Policy	Sep-19
	Significance and Engagement Policy	Jun-21
	Irrigation of Key Council Assets Policy	Oct-19
	Māori Policy	Jun-18
Operations	Risk Policy	Aug-21
Roading	Infrastructure Protection Deposits	Jan-22
	Policy for Footpaths, Road Crossings and Water/Wastewater Connections	
	Naming of Public Roads, Private Roads and Rights of Way Policy	Nov-19
	Street Banners and Flags Policy	Apr-20
Services	Blue Signs Policy / Directional Sign Policy	Not Stated
	Town Water Supply Policy	Apr-20
	Waste Water Disposal Policy	Apr-20
Property	Acquisitions and Disposal of Property Policy	Jul-21
	Hire of Council Facilities Policy	Feb-23
	Housing for Seniors Policy	Feb-22
	Community Groups Use of and Access to Council Parks and Reserves Policy	Dec-20
	Leasing of Property Policy	May-20
	Policy for the Display of Artworks in the Greytown Town Centre	As required
	Urban Street Tree Policy	Nov-18
	Graffiti Prevention and Management Policy	Aug-20
Regulatory	Control of Dogs Policy 2013	Sep-18
	Wairarapa Local Alcohol Policy	Nov-21
	Street Days, Appeals and Raffles Policy	Apr-19
	Wairarapa Class 4 Gambling and Standalone TAB Venues Policy	Jun-22
	Dangerous and Insanitary Buildings Policy	Aug-22
	Psychoactive Substances Act Local Approved Products Policy	Apr-19
	Health & Safety Policy	Aug-20
	Local Easter Sunday Shop Trading Policy	Jun-18
	Smoke Free Environment Policy	Jun-19
Civil Defence and Emergency Management	Infectious Disease and Pandemic Policy	Apr-20
Promotion, Publicity and Media Liaison	Promotion, Publicity and Media Liaison Policy	May-18
Community Services	Concessions for Charitable and Like Community Organisations and Groups	Mar-18
Libraries	Wairarapa Library Service – Customer Service Policy	Dec-23
	Wairarapa Library Service: Donations Policy 2021-2024	Dec-23
	Wairarapa Library Service: Collection Development and Management Policy 2021-2024	Dec-23
Financial	Revenue and Financing Policy	Jun-21
	Liability Management Policy	Jun-21
	Investment Policy	Oct-20
	Procuring Goods and Services Policy	Dec-20
	Development Contributions and Financial Contributions Policy	Jun-21
	Grants Policy	Jun-21
	Remission and Postponement of Rates on Maori Freehold Land Policy	Jun-21
	Remission of Rates Policy	Sep-20
	Pain Farm Trust Lands Income Distribution Policy	Apr-18
	Water By Meter Leak Write-off Policy	Dec-19
	Postponement of Rates Policies	Jun-21
	Coastal Erosion Policy (Rating Information database)	Aug-19
	Wairarapa Shared Services – Funding Policy	Not stated
Administration	Common Seal Policy	Jun-20
	Equal Employment Opportunity Policy	Mar-20
	Information and Technology Policy	Mar-20
	Fraud Policy	Jul-21
	Compliments and Complaints Policy	Apr-20
	Working with Volunteers	Aug-22
	Code of Conduct - Staff	Jun-18
	Financial Delegations Policy	Jun-22

Bylaws	Review date
Wairarapa Consolidated Bylaw	2029
South Wairarapa District Council Bylaw for Camping in Coastal Areas 2009 (amended 2013)	2023
Prostitution Bylaw 2009	2014
South Wairarapa Liquor Control Bylaw 2011	2016
Featherston Liquor Bylaw 2010	2015
Moroa Water Race Bylaw 2007	TBC
Longwood Water Race Bylaw 1936	When consent is due for renewal
Water Race Code of Practice	TBC
Dog Control Bylaw 2013	2018
Wairarapa Solid Waste Management and Minimisation Bylaw and Bylaw Controls 2021 of the Masterton, Carterton and South Wairarapa District Councils	2031

FINANCE AUDIT AND RISK COMMITTEE

21 APRIL 2021

AGENDA ITEM B3

ACTION ITEMS REPORT

Purpose of Report

To present the Committee with updates on actions and resolutions.

Recommendations

Officers recommend that the Committee:

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

1. Executive Summary

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

2. Appendices

Appendix 1 – Action items to 21 April 2021

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Katrina Neems, Finance Manager

Appendix 1 – Action Items to 21 April 2021

Number	Raised Date	Action Type	Responsible Manager	Action or Task details	Open	Notes
245	11-Dec-19	Action	Katrina	Review the Reserves Policy to establish a process for when use of the reserve funds would cause the fund to enter a negative balance	Actioned	22/06/2020 Deferred due to AP. Review for August FAR Should refer to Financial Contributions Policy 16/04/2021 Financial Delegations register has been amended to include Unbudgeted Use of Reserves. Unplanned use of Reserves are now being reported to FAR on a quarterly basis.
248	11-Dec-19	Action	Euan	Find out the background to the Bonnie Glen landfill risk and update FAR Committee members Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation	Open	14/8/20 Bonnie Glen is owned by Waste Management and Environmental Services and charges are climbing outside of regular pricing for waste disposal due to a monopoly and limited future capacity at the site. We have a contract for service to use Bonnie Glen which ends shortly. Alternative avenues to dispose of refuse will be researched prior to the contract ending. 24/2/20: Action updated by FAR 16/4/21: Bonnie Glen has had their contract resource consent extended landfill will continue to be available. The risk is the pricing as with the Waste Levy between now and 2024/25 will go from \$10.00 per tonne to \$50.00 per tonne. July 1 st raises to \$20.00 per tonne to encourage councils to recycle and stop refuse to Landfill.
249	11-Dec-19	Action	Karen	Review the Sensitive Expenditure Policy in March 2020 to ensure best practice guidelines are followed	Open	16/4/21: Will be considered as part of policy review programme
250	11-Dec-19	Action	Karen	Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities	Open	16/4/21: Will be considered as part of policy review programme following review of CDC's policy for sustainability matters

Number	Raised Date	Action Type	Responsible Manager	Action or Task details	Open	Notes
191	21-May-20	Action	Katrina	Work towards revising the financial accounts to include a rolling forecast alongside the full year budget.	Open	22/06/2020 changes to financial reporting are ongoing 14/8/20 Aiming to progress towards the end of the financial year
9	24-Feb-21	Action	Karen	Review LGOIMA data to determine if there are requester and topic trends	Open	16/4/21 TBA
10	24-Feb-21	Action	Katrina	Advise the FAR Committee how the Featherston Community Centre overspend will be funded	Open	
11	24-Feb-21	Action	Karen	Provide the FAR Committee with a catalogue of Council policies alongside their review date	Actioned	16/4/21 Actioned