



Audit & Risk Committee Agenda

Thursday 14 December 2023, 8.30 am

The meeting will be held in the Manawātū District Council Chambers, 135 Manchester Street, Feilding, and a video recording made available on www.mdc.govt.nz.

www.mdc.govt.nz

MEMBERSHIP

Chairperson

Councillor Stuart Campbell

Deputy Chairperson

Mr John Fowke

Members

Councillor Lara Blackmore

Councillor Grant Hadfield

Councillor Colin McFadzean

Councillor Alison Short

Her Worship the Mayor, Helen Worboys

TERMS OF REFERENCE

Purpose

To check and ensure continuity of business, enhance governance framework, risk management practices and the controls used to monitor Council's achievements.

Responsibilities

Analysing the financial reports in line with the Council's strategic direction and national accounting standards, including the following:

- 1
 - a. long term planning including the financial strategy;
 - b. appropriateness of accounting policies;
 - c. annual report; and
 - d. internal report (monthly and/or quarterly)
- 2 Risk management and the system of internal controls:
 - a. setting the Council's appetite for risk;
 - b. understanding the key risk areas including likelihood and consequences;
 - c. effectiveness of internal controls; and
 - d. fraud risk and procurement risk.
- 3 External audit:
 - a. relationship with auditor;
 - b. understanding scope and engagement;
 - c. review significant audit findings /recommendations; and
 - d. monitor progress on recommendations.
- 4 Internal audit:
 - a. appointment and relationship with internal auditor;
 - b. scope of work; and
 - c. responses to internal audit recommendations.

Delegated Authority

Committee delegated authority to act on all matters within its Terms of Reference (except those excluded by Clause 32(1) Schedule 7, Local Government Act 2002).

Quorum

Four members of the committee.



Shayne Harris
Chief Executive

ORDER OF BUSINESS

	PAGE
1. MEETING OPENING	
2. APOLOGIES	
3. CONFIRMATION OF MINUTES	6
<i>Recommendation</i>	
<i>That the minutes of the Audit & Risk Committee meeting held 28 September 2023 be adopted as a true and correct record.</i>	
4. DECLARATIONS OF INTEREST	
Notification from elected members of:	
4.1	Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and
4.2	Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968
5. PRESENTATIONS	
5.1	SAFETY AND WELLBEING DEEP DIVE PRESENTATION: 8.30 AM
	Presentation by the General Manager – People and Corporate and the Safety and Wellbeing Adviser.
5.2	LTP AUDIT PROCESS – DEBBIE PARERA: 9.30 AM
	Debbie Parera (Audit NZ) will be present to discuss the LTP audit process.
6. NOTIFICATION OF LATE ITEMS	
Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:	
6.1	The Committee by resolution so decides; and
6.2	The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.
7. OFFICER REPORTS	
7.1	SAFETY AND WELLBEING QUARTERLY REPORT 01 JULY – 30 SEPTEMBER 2023
	Report of the General Manager – People and Corporate dated 15 November 2023.

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7.2 COMMITTEE WORKPLAN UPDATE	16
Report of the General Manager – People and Corporate dated 29 November 2023.	
7.3 AUDIT NZ REPORT: ANNUAL AUDIT OF MDC FOR THE YEAR ENDED 30 JUNE 2023	21
Report of the Chief Financial Officer dated 29 November 2023.	
7.4 QUARTERLY PERFORMANCE REPORT TO 30 SEPTEMBER 2023	53
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7.5 INTERNAL CONTROLS UPDATE	93
Report of the General Manager – People and Corporate dated 29 November 2023.	
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7.7 LGOIMA REPORT	103
Report of the General Manager – People and Corporate dated 01 December 2023.	
8. CONSIDERATION OF LATE ITEMS	
9. UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE	
Progress update from the Council’s Governance Health and Safety Representative.	
10. NOTIFICATION OF ITEMS FOR RISK REGISTER	
11. NOTIFICATION OF ITEMS FOR NEXT MEETING	
12. PUBLIC EXCLUDED BUSINESS	
COMMITTEE TO RESOLVE:	
That the public be excluded from the following parts of the proceedings of this meeting, namely:	
1. Confirmation of Minutes; 28 September 2023	
2. Information Services Security and Audit Update	
That 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:	

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
13.1 Confirmation of Minutes; 28 September 2023	s7(2)(g) – legal privilege s7(2)(j) – improper gain or advantage	s48(1)(a)
13.2 Information Services Security and Audit Update	s7(2)(j) – improper gain or advantage	s48(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 interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as specified above.

14. MEETING CLOSURE

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

Minutes of a meeting of the Audit & Risk Committee meeting held on Thursday 28 September 2023, which commenced at 8.30 am in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT:	Cr Stuart Campbell	Chairperson
	Cr Lara Blackmore	
	Cr Grant Hadfield	
	Cr Colin McFadzean	
	Cr Alison Short	
APOLOGIES:	Mayor Helen Worboys	
	Mr John Fowke	
IN ATTENDANCE:	Shayne Harris	Chief Executive
	Wiremu Greening	Acting General Manager – Infrastructure
	Frances Smorti	General Manager – People and Corporate
	Lyn Daly	General Manager – Community
	Amanda Calman	Chief Financial Officer (Zoom)
	Ash Garstang	Governance and Assurance Manager
	Aimee Flanders	Safety and Wellbeing Adviser
	John Jones	Roading Manager
	Nick Galpin	Senior Emergency Management Adviser
	Marko Blagojevic	Information Services Manager
	Cr Michael Ford	

ARC 22-25/038

MEETING OPENING

ARC 22-25/039

APOLOGIES

Mayor Helen Worboys is on a pre-approved leave of absence.

RESOLVED

That the apology for Mr John Fowke, and the apology for lateness for Cr Alison Short, be received.

Moved by: Cr Grant Hadfield

Seconded by: Cr Colin McFadzean

CARRIED

ARC 22-25/040

CONFIRMATION OF MINUTES

RESOLVED

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

That the minutes of the Audit & Risk Committee meeting held 08 June 2023 be adopted as a true and correct record.

Moved by: Cr Grant Hadfield

Seconded by: Cr Stuart Campbell

CARRIED

ARC 22-25/041

DECLARATIONS OF INTEREST

There were no declarations of interest.

Cr Alison Short arrived to the meeting at 8.39 am.

ARC 22-25/042

SAFETY AND WELLBEING DEEP DIVE PRESENTATION

Frances Smorti, Aimee Flanders, Nick Galpin and John Jones provided an overview of the key Health, Safety and Wellbeing risks.

In response to questions, it was advised:

- 4x4 driver training follows NZQA standards, and covers off-road driving (e.g., mud, water, inclines).
- Emergency Management training is provided via the National Emergency Management Agency's (NEMA) Integrated Training Framework. The basic course is the minimum standard, although MDC officers are encouraged to also attend the Intermediate two-day course. There are also function-specific courses and advanced leadership courses that NEMA provide.
- Psychological First Aid training is provided by the Red Cross and is available for officers to attend.

ARC 22-25/043

NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

ARC 22-25/044

COMMITTEE WORKPLAN UPDATE

Report of the General Manager – People and Corporate dated 12 September 2023 seeking to update the Committee on the workplan for 2023.

RESOLVED

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

That the Audit and Risk Committee Workplan Update be received.

Moved by: Cr Lara Blackmore

Seconded by: Cr Grant Hadfield

CARRIED

ARC 22-25/045

AUDIT NZ REPORT ON AUDIT TO 30 JUNE 2022

Report of the General Manager – People and Corporate dated 24 August 2023 seeking the Committee’s receipt of the final audit report for the year ending 30 June 2022.

RESOLVED

That the Audit New Zealand report on the audit of Manawatu District Council for the year ending 30 June 2022, be received.

Note that the audit opinion issued is a qualified opinion with regard to the resource consent and building consents measure.

Moved by: Cr Grant Hadfield

Seconded by: Cr Lara Blackmore

CARRIED

ARC 22-25/046

SAFETY AND WELLBEING QUARTERLY REPORT 01 APRIL – 30 JUNE 2023

Report of the General Manager – People and Corporate dated 04 September 2023 seeking to update the Committee on the latest Safety and Wellbeing information relating to the operations of Council.

RESOLVED

That the Audit and Risk Committee receive the Safety and Wellbeing report for quarter four of the 2022-23 year.

Moved by: Cr Colin McFadzean

Seconded by: Cr Alison Short

CARRIED

ARC 22-25/047

DRAFT ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2023

Report of the Chief Financial Officer dated 03 September 2023 seeking the Committee’s review of the draft Annual Report for the year ending 30 June 2023.

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

RESOLVED

That the Audit and Risk Committee recommends:

That the Council receive the draft Annual Report for the year ended 30 June 2023.

That the Mayor and Chief Executive be delegated authority to make any minor changes requested by Audit New Zealand and to sign the Statement of Compliance and Responsibility that is contained within the Annual Report for the year ending 30 June 2023.

Moved by: Cr Lara Blackmore

Seconded by: Cr Colin McFadzean

CARRIED

ARC 22-25/048

QUARTERLY PERFORMANCE REPORT TO 30 JUNE 2023

Report of the Chief Financial Officer dated 03 September 2023 seeking the Committee's review of the Quarterly Performance Report and Treasury Report to 30 June 2023.

RESOLVED

That the Audit and Risk Committee recommend:

That the Council receive the Quarterly Performance Report and Treasury Report to 30 June 2023.

Moved by: Cr Lara Blackmore

Seconded by: Cr Alison Short

CARRIED

ARC 22-25/049

STATEMENT OF ACCOUNTING POLICIES

Report of the Chief Financial Officer dated 03 September 2023 seeking the Committee's review of the Statement of Accounting Policies.

RESOLVED

That the Audit and Risk Committee recommend:

That the Council adopt the Statement of Accounting Policies for the period starting 1 July 2024.

Moved by: Cr Colin McFadzean

Seconded by: Cr Grant Hadfield

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

CARRIED

ARC 22-25/050

LGOIMA REQUESTS 19 JULY TO 11 SEPTEMBER 2023

Report of the General Manager – People and Corporate dated 11 September 2023 seeking the Committee’s receipt of information requests received by Council under the Local Government Official Information and Meetings Act 1987.

RESOLVED

That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 from 19 July 2023 to 11 September 2023 be received.

Moved by: Cr Grant Hadfield

Seconded by: Cr Colin McFadzean

CARRIED

ARC 22-25/051

MANAGEMENT REPRESENTATION LETTER FROM THE CEO/CFO TO EXTERNAL AUDITORS

Report of the Chief Financial Officer dated 22 September 2023 seeking the Committee’s receipt of the Audit Proposal Letter, Engagement Letter and Audit Plan.

RESOLVED

That the Committee receive the Audit Proposal letter and subsequent Audit Engagement Letter.

That the Committee receive and note the Audit Plan for 30 June 2023.

That the Committee note that the audit fees for 30 June 2023 are within the existing budgets, however, the audit fee for 30 June 2024 is \$71,600 more than budgeted.

Moved by: Cr Lara Blackmore

Seconded by: Cr Alison Short

CARRIED

ARC 22-25/052

VERBAL UPDATE ON LEGAL COMPLIANCE

There was a general discussion on how the Committee provides oversight on the need for the Council to meet legislative requirements. Mr Shayne Harris, Chief Executive, advised that the matter of legal compliance is subject to audit, in addition to specific functions

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

(e.g., roading, resource management) having their own compliance audits. Officers are currently collating a comprehensive list of relevant legislation and detailing how we are ensuring compliance with them, and this information will be presented to the Committee.

ARC 22-25/053

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 22-25/054

UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

Cr Grant Hadfield provided an overview of his attendance at the Institute of Directors Advanced Health and Safety Governance workshop.

Highlights included:

- The facilitator of the course was complimentary of the work that the Council had done, and this is reflective of the good work that officers are doing in the Health, Safety and Wellbeing space.
- One of the topics discussed at the workshop was the brevity of the discussions and reporting around Health, Safety and Wellbeing.

ARC 22-25/055

NOTIFICATION OF ITEMS FOR RISK REGISTER

There were no items to be added to the risk register.

ARC 22-25/056

NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no additional items to be added to the agenda for the next meeting.

ARC 22-25/057

PUBLIC EXCLUDED BUSINESS

RESOLVED

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

MEETING MINUTES	
AUDIT & RISK COMMITTEE	TIME
THURSDAY 28 SEPTEMBER 2023	8:30 AM

1. Confirmation of Minutes; 08 June 2023
2. Information Services Security and Audit Update
3. Key Project Status Report
4. Internal Controls Update

That 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
13.1 Confirmation of Minutes; 08 June 2023	s7(2)(g) – legal privilege s7(2)(j) – improper gain	s48(1)(a)
13.2 Information Services Security and Audit Update	s7(2)(j) – improper gain	s48(1)(a)
13.3 Key Project Status Report	s7(2)(g) – legal privilege	s48(1)(a)
13.4 Internal Controls Update	s7(2)(j) – improper gain	s48(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 interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as specified above.

Moved by: Cr Stuart Campbell

Seconded by: Cr Grant Hadfield

CARRIED

The meeting went into public excluded session at 10.21 am. For items ARC 22-25/058 to ARC 22-25/062 refer to public excluded proceedings. The meeting returned to open session at 11.04 am.

ARC 22-25/063

MEETING CLOSURE

The meeting was declared closed at 11.04 am.

Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: Corporate and People

Date Created: 15 November 2023

Safety and Wellbeing Quarterly Report 1 July - 30 September 2023

Purpose Te Aronga o te Pūrongo

The purpose of this report is to update the Audit and Risk Committee on the latest Safety and Wellbeing information relating to the operations of Council.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Audit and Risk Committee receive the Safety and Wellbeing report for quarter one of the 2023-24 year.

Report prepared by:

Aimee Flanders

Safety and Wellbeing Adviser

Approved for submission by:

Frances Smorti

General Manager - People and Corporate

1 Contribution to Community Well-being and Council’s Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council’s strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

1.2 Manawatū District Council strives to lead in the Safety and Wellbeing space within the Local Government sector.

2 Te Kīwai (o te kete)

2.1 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

Safety and Wellbeing Dashboard

For the period ended 30 September 2023

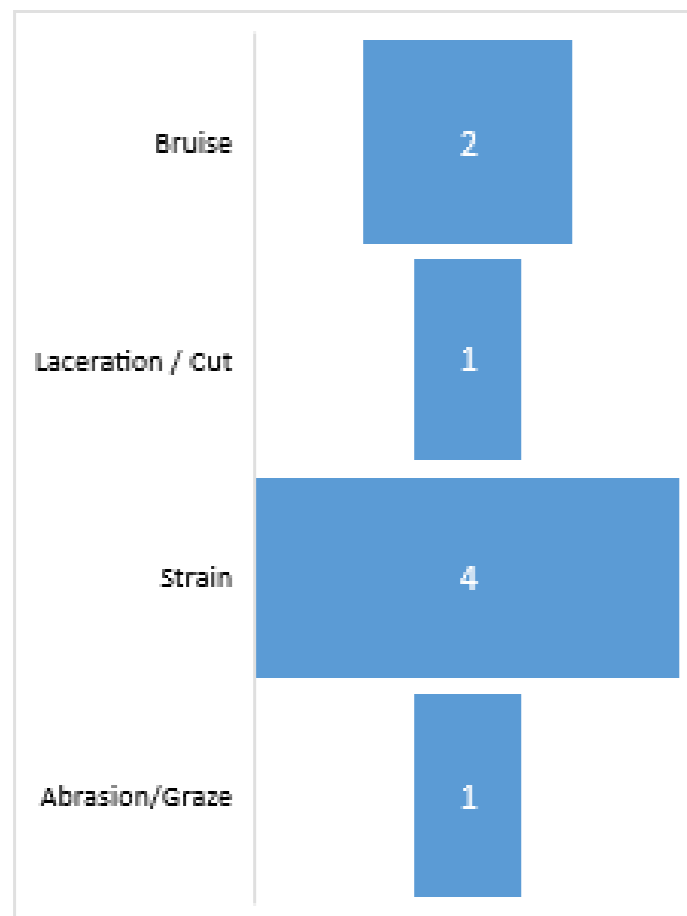
Lead and Lag Indicators

Indicator	Goal	Current
Notifiable incidents (lag)	0	0
Inductions for new staff	100%	100%
Active contractors pre-qual	100%	95%
H&S engagement score	80%	75%

Significant Incidents:

There have been no significant incidents this quarter.

Injuries This Quarter



Strategic Activities

1.0 Reviewed and updated the Emergency Management Team risks.

2.4 Held Sitewise user and refresher training for staff.

6.5 Dangerous goods training was undertaken by 4 members of the Operations Team, to assist with ensuring at least 80% of the team are qualified as Certified Handlers.

8.0 Work has commenced on the Active Attacker Policy and training.

10.0 Increase number of HSR's to incorporate 2x dedicated Reticulation HSR's (1 MDC based and one RDC based).

Wellness & Communication

- Workstation assessments: 9
- Eye Tests: 7
- Random Drug & Alcohol testing: 13
- Pre Employment Drug & Alcohol testing: 5
- GP Health Checks: 3
- Noise Cancelling Headphones: 8

Training

- HSR Representative Initial Training: 1
- First Aid Level 2: 1
- First Aid Refresher: 21
- NTU Leading Through Change Workshops: 18
- Dangerous Goods: 4
- Safeskills HSR Representative Conference: 2
- Sitewise User Training: 5

Audits & Compliance

Site Audits

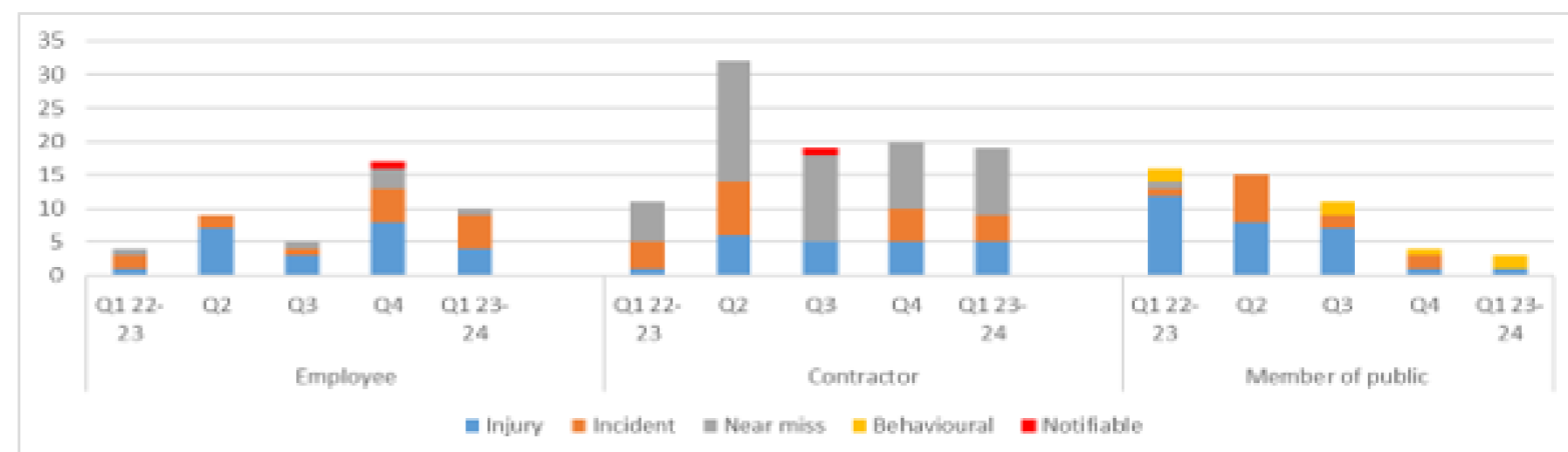
The following audits were undertaken:

- Manawatu Waste Water Treatment Plant
- Feilding Pond
- Rongotea WWTP
- Himatangi WWTP
- Sanson WWTP
- Kimbolton WWTP
- Kimbolton Pond
- Awahuri Pond
- Halcombe Pond WWTP
- Waituna West Rural Water Supply Bore

Deep Dive

The upcoming deep dive this quarter is with the Customer Services Team. The site visit with the team is on 7 December.

Events Reported



Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: People and Corporate

Date Created: 29 November 2023

Committee Workplan Update

Purpose Te Aronga o te Pūrongo

The Committee Workplan lays out the 2023 reporting schedule for the Committee. The Workplan is updated throughout the year as required, and an update is being provided to this meeting for the Committee's reference.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Audit and Risk Committee Workplan Update be received.

Report prepared by:

Ash Garstang

Governance and Assurance Manager

Approved for submission by:

Frances Smorti

General Manager – People and Corporate

1 Background Ngā Kōrero o Muri

- 1.1 The Committee Workplan for 2023 was adopted by the Committee at its meeting 09 March 2023. It was also agreed that the Workplan (and any updates) would be presented to future Committee meetings for receipt.

2 Updates Ngā Whakahōu

- 2.1 The below updates have been made to the Workplan since an update was last provided in June 2023:

- **Strategic risk update** (under Risk Management):

This has been deferred to 2024, as strategic risk profiles will be established as the Long-term Plan 2024-34 is adopted. PWC provided a training session to elected members on 29 June 2023 on risk fundamentals and strategic risks, however these will need to be updated depending on elected member's adopted strategic priorities for the LTP.

- **Review risk appetite as part of LTP** (under Risk Management):

This has been deferred to 2024 due to time constraints and the current focus on LTP work. It will take place at the first meeting of 2024.

- **Review risk mitigation plans for significant risks** (under Risk Management):

This has been deferred to 2024, as work on codifying the risk mitigation plans is still underway.

- **Review risk management policy** (under Risk Management):

This has been deferred to 2024, due to time constraints and the current focus on LTP work.

- **Review renewals** (under Insurances):

This has been deferred to 2024, as officers do not yet have the confirmed insurance renewals.

- **Key Project Reports** (under Internal Controls):

This has been deferred to 2024, due to time constraints and the current focus on LTP work. It will take place at the first meeting of 2024.

3 Te Kīwai (o te kete)

- 3.1 There are no known cultural considerations associated with the matters addressed in this report.

4 Attachments Ngā ĀpitiHanga

- Committee Workplan 2023

Audit and Risk Committee

Workplan 2023

Meeting date	March	June	September	December
Governance	Committee Workplan (full)	Committee Workplan (summary)	Committee Workplan (summary)	Committee Workplan (summary)
External Audit and compliance			<p>Review the management representation letter from the CEO/CFO to the external auditors</p> <p>Meet with external auditors to discuss scope of audit for 2023/24 (<i>deferred from June</i>)</p> <p>Review external audit findings for 2021/22 (<i>deferred from June</i>)</p> <p>Review Annual Report 2022/23 and release for external audit (<i>brought forward from December</i>)</p>	Review external audit findings for 2022/23
Internal Audit	<p>Review of internal audit reports</p> <ul style="list-style-type: none"> • ALGIM web audit • Security Road Map 	<p>Review of internal audit reports</p> <ul style="list-style-type: none"> • CCR Privacy Audit • External IT Penetration Testing 	Review of internal audit reports	Review of internal audit report

			<ul style="list-style-type: none"> ALGIM cyber Security compliance report 	
Risk Management	Update on proposed risk work programme	LTP organisational risk review		<p>Review risk management policy (<i>deferred to 2024</i>)</p> <p>Review risk appetite as part of LTP (<i>deferred to first meeting of 2024</i>)</p> <p>Review risk mitigation plans for significant risks (<i>deferred to 2024</i>)</p> <p>Strategic risk update (<i>deferred to 2024</i>)</p>
Internal Controls	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> Breaches Policy refresh work programme Protected disclosures etc 	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> Breaches Policy refresh work programme Protected disclosures etc 	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> Breaches Policy refresh work programme Protected disclosures etc 	<p>Project Reporting (<i>deferred to first meeting of 2024</i>)</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> Breaches Policy refresh work programme Protected disclosures etc
Financial and Performance reporting	Quarterly Performance Report, for December quarter	<p>Quarterly Performance Report, for March quarter</p> <ul style="list-style-type: none"> Management Accounts 	Quarterly Performance Report, to review year-end financial statements and accounting policies	Quarterly Performance Report, for September quarter

	<ul style="list-style-type: none"> • Management Accounts • Compliance with Treasury Mgmt Policy 	<ul style="list-style-type: none"> • Compliance with Treasury Mgmt Policy 	<ul style="list-style-type: none"> • Management Accounts • Compliance with Treasury Mgmt Policy 	<ul style="list-style-type: none"> • Management Accounts • Compliance with Treasury Mgmt Policy
Health and Safety Reporting Including Deep Dives	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report
Insurances				Review renewals <i>(deferred to 2024)</i>
Legislative Compliance				Review the effectiveness of the system for monitoring legislative compliance
Local Government Official Information and Meetings Act 1987 – Requests for Information			LGOIMA Report	LGOIMA Report

Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: Finance

Date Created: 29 November 2023

Audit New Zealand Report – Annual Audit of Manawatu District Council for the Year Ended 30 June 2023

Purpose Te Aronga o te Pūrongo

To present Audit New Zealand's management report for the year ended 30 June 2023.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Audit and Risk Committee receives the Draft Audit New Zealand Management Report on the Manawātū District Council for the year ended 30 June 2023.

Report prepared by:
Debbie Fulton
Systems Accountant

Approved for submission by:
Amanda Calman
Chief Financial Officer

1 Contribution to Community Well-being and Council's Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council's strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

2 Background Ngā Kōrero o Muri

2.1 Audit New Zealand issued a non-standard audit opinion dated 30 October 2023 this opinion is due to the two opinions outlined below:

Audit NZ issued an unmodified audit opinion over the financial statements. This means they were satisfied that the financial statements present fairly the District Council's activity for the year and its financial position at the end of the year and that the financial statement comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Audit NZ issued a qualified opinion on the service provision as their work was limited with respect to the performance measures on processing times for resource consents and building consents. This is the same qualification as was included for the 30 June 2022 annual report.

2.2 Following completion of the annual audit, Council is provided with the Draft Report to Governors (as attached) and is required to provide a management response to any items identified. This is then sent back to Audit NZ and reissued to Council as a final report.

To date the management response has not been completed and sent back so the report presented is draft.

2.3 Audit NZ was pleased to note that there is only one new significant issue raised during the year and five of the prior year recommendations have been cleared in the current year.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 Audit New Zealand identified one new area of interest during the audit (section 1.1 of the attached report):

3.1.1 Vested Assets: This recommendation relates to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.

3.2 Audit New Zealand outlined the status of previous recommendations. Five of the previous recommendations have been implemented or closed. Of the outstanding previous recommendations, six are deemed to be necessary, and one urgent:

3.2.1 The urgent recommendation is with regards to the Resource Consents being recorded within the statutory timeframes.

3.2.2 The six deemed necessary recommendations include two items that management believe have been subsequently addressed.

4 Te Kīwai (o te kete)

4.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.

4.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

5 Community Engagement Te Whai Wāhitanga mai o te Hapori

5.1 There are no community engagement requirements associated with this report.

6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 The outstanding recommendations have the following status:

6.1.1 Timeliness of peer review of bank reconciliations – this is a standard process within the finance team that was delayed due to vacancies, recruitment is an ongoing issue.

6.1.2 Sensitive Expenditure policy review – this policy is due to for review and updating, some initial work has been undertaken and will be picked up again after Christmas when there is less focus on the Long Term Planning work.

6.1.3 Credit Card approvals for Mayor's Credit Card – the existing process is for the transaction report to be sent to the Chair of the Audit and Risk Committee who in turn approves via a return email. This is then saved as documentation and the Chief Executive is notified to approve the workflow. Some issues with locating the earlier email approvals are apparent but this has been resolved going forward.

- 6.1.4 Declarations of interest – this piece of work is a priority for early 2024.
- 6.1.5 Consolidation of Camp Rangī Woods – as Council is aware, work is underway to work through the Camp Rangī Woods options to allow Council to exit the trust. The financials of the Trust are not material on consolidation to Council accounts.
- 6.1.6 Asset Management Plans – these are reviewed in conjunction with the Long-term Plan audit which will occur early in 2024. Council officers are continually working to improve the data quality within the Asset Management Plans across all relevant activity areas.

7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 7.1 There have been no matters identified in the audit that are believed to present a financial risk to Council.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 There are no statutory requirements associated with this matter.

9 Delegations Te Mana Whakatau

- 9.1 The Audit and Risk Committee's Terms of Reference include the responsibility for reviewing significant audit findings and recommendations, as well as monitoring progress on recommendations within the audit report.

10 Conclusion Whakatepenga

- 10.1 The attached report from Audit New Zealand contains recommended actions arising from Council's recent audit, audit risk/issues and outcomes, and one management response on actions to be taken yet to be updated in the report. The Audit and Risk Committee are asked to note the findings outlined in the attached audit report.

11 Attachments Ngā Āpitihanga

- Audit New Zealand Draft Report to Governors for 30 June 2023

Report to the Council on the audit of

Manawatu District Council

For the year ended 30 June 2023

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Key messages

We have completed the audit for the year ended 30 June 2023. This report sets out our findings from the audit and draws attention to areas where the District Council is doing well and where we have made recommendations for improvement.

Audit opinion

We have issued a non-standard audit opinion dated 30 October 2023. Please refer to section 2.1 for details on the opinion that was issued.

Matters identified during the audit

We are pleased to note that the delivery by the Council of the draft annual report and the supporting workpapers was much improved from the prior year and this assisted greatly in ensuring that the audit could be completed by the statutory deadline which had moved back to 31 October for the current year.

We are also pleased to note that there is only one new significant issue raised during the year relating to the system for ensuring that vested assets and the associated revenue is recorded into the financial systems in a timely and accurate manner. Also, five of the prior year recommendations have been cleared in the current year.

Thank you

We would like to thank the Council, management and staff for the assistance received during the audit.

Debbie Perera
Appointed Auditor
DRAFT – 15 November 2023

1 Recommendations



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

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

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<p>Vested assets</p> <ul style="list-style-type: none"> Ensure timely communication of information between the Infrastructural and Roading Departments and the Finance Team Implement a shared system accessible to both departments for tracking project status, allowing the identification of key milestones for vesting assets to the council. Request the Schedule of Assets from Developers, even if it itemises costs, as this will aid in assessing the reasonableness of variances and ensuring that costs are accurately represented given the fair value recording 	4.1	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 2 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	1	6		7
Implemented or closed		4	1	5
Total	1	10	1	12

2 Our audit report

2.1 We issued a modified audit report



We issued a non-standard audit report on 30 October 2023.

We issued an unmodified opinion over the financial statements. This means we were satisfied that the financial statements present fairly the District Council's activity for the year and its financial position at the end of the year and that the financial statement comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

We issued a qualified opinion on the service provision as our work was limited with respect to the performance measures on processing times for resource consents and building consents. This is the same qualification as was included for the 30 June 2022 annual report.

An important part of the District Council's service performance is processing consent applications in accordance with statutory timeframes. In reporting its performance for the Regulatory group of activities, the District Council has reported against performance measures on:

- The percentage of building consent applications and code of compliance certificates that are processed and approved within the statutory 20 working days.
- The percentage of applications for resource consent under the Resource Management Act which are processed in accordance with the statutory timeframes for non-notified consents.

Our audit testing of a sample of consents identified issues with the recorded processing times not agreeing to underlying consent information.

Due to the extent of the inaccuracies, we identified from our sample testing, we are unable to determine whether the District Council's reported results for these two measures are materially correct. As a result, our work was limited and there were no practical audit procedures we could apply to obtain assurance over the reported results for building consent and resource consent processing times. Refer to appendix 1 for further detail.

Without further modifying our audit opinion, we included an emphasis of matter paragraph to draw attention to the disclosures in the financial statements relating to the water services reform programme.

Refer to sections 3 and 4 for detail on matters we considered when forming our audit opinion.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. There were no significant misstatements identified during the audit that required correcting.

2.3 Corrected misstatements

We also identified misstatements that were corrected by management. These corrected misstatements had the net effect of increasing revenue by \$272,504 and to increase the associated asset by the same amount compared to the draft financial statements. The corrected misstatements are listed below.

Current year corrected misstatements	Ref	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Accounts receivable	1	182,272			
Subsidies and grants					(182,272)
Three waters assets	2	649,232			
Vested assets revenue					(649,232)
Vested assets revenue	3				559,000
Roading assets			(559,000)		
Total parent and group		272,504			(272,504)

Explanation of corrected misstatements

- 1 To record the NZTA year end accrual.
- 2 To record three waters assets (SUB 9903) and the associated vested assets for the items vested prior to the end of the financial year.
- 3 To reverse the accrual of vested roading assets that occurred twice during the current financial year.

There were also some adjustments made as a result of further work completed by the Council during the audit.

2.4 Corrected disclosure deficiencies

Detail of disclosure deficiency
Figures included in the related parties disclosures needed to be updated to ensure that the Council and CCO annual reports were consistent.
The result for the rates increase affordability benchmarks for the current year needed to be updated to reflect the correct percentage as calculated from the financial statements.
Some disclosures needed to be updated to reflect 2023 information as originally, they included the prior year’s information that had not been updated.
The initial version of the annual report provided to us for audit had items in them that were rolled from the prior year initial version of the annual report. These items were substantially updated during the 2022 audit and should have been updated into the initial draft annual report.

2.5 Corrected performance reporting misstatements

Detail of misstatement
The Council needed to update the disclosures in the annual report to ensure that the requirements of PBE FRS 48 were met.
The number of code of completion certificates included in the annual report did not match the systems.
The disclosures relating to the compliance with the Drinking Water Quality Assurance Rules needed to be updated to be clear that there were two different standards in use during the year.

2.6 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. We provided a listing of information we required to management on 3 July 2023 via AuditDashBoard. This included the dates we required the information to be provided to us.

We are pleased to say that the Council staff produced a reasonably complete draft annual report and the supporting documents for this in line with the timelines agreed and included on AuditDashBoard. Any items that were not there at the start of the audit did not cause any major audit delays.

3 Matters raised in the Audit Plan



In our Audit Plan of 25 July 2023, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Revaluation of roading assets	
<p>The District Council revalues its infrastructure assets held at fair value every year and its land and buildings every three years or whenever there is expected to be a material movement in the fair value of these assets.</p> <p>Due to the judgemental nature of the revaluation, there is a risk of bias or error in the assumptions and inputs used. Due to the nature and value of the revaluations any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of infrastructure assets.</p> <p>The accuracy of the valuation depends on the valuation method applied, the completeness and accuracy of the source data and the appropriateness of underlying assumptions. Because of the large value of the assets held by the group, a small movement in the key assumptions can have a significant impact on the valuation and consequential depreciation expense recognised in the financial statements.</p>	<p>To address this risk we:</p> <ul style="list-style-type: none"> reviewed the method of valuing the assets and assessed if the applicable method used is in line with the financial reporting framework, including the reasonableness of the assumptions and judgements made by the valuer and other inputs to the valuation; assessed the valuation process, including the competence and experience of the person completing the valuation, the valuer and the peer reviewer; assessed relevant controls in place including the completeness of items being revalued, the reasonableness of useful lives and consideration of the condition of assets; reviewed evidence of management’s review of the appropriateness of the valuation inputs (e.g. confirming unit rates back to recent contract data); and assessed the presentation and disclosure of information related to the valuation in the financial statements, including whether the resulting change in values are correctly incorporated into the financial statements and the assumptions and judgements relating to the valuation are adequately disclosed. <p>Overall Conclusion</p> <p>We are satisfied that the 30 June 2023 revaluation of infrastructure assets is fairly stated.</p>

Audit risk/issue	Outcome
Management override	
<p>Management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it results in a risk of material misstatement due to fraud.</p>	<p>To reduce the risk of material misstatement due to fraud to an acceptable level we completed the following audit work:</p> <ul style="list-style-type: none"> • Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. • Reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. • Maintained awareness of any significant transactions that were outside the normal course of business, or that otherwise appear to be unusual given our understanding of the Council and its environment, and other information obtained during the audit. <p>Conclusion</p> <p>From our testing we did not identify any issues that indicated management override.</p>
Fair value/impairment assessment of land and buildings	
<p>For those assets that the Council is not planning to revalue, the Council should perform a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. <p>Alternatively Council could engage valuers to assist in preparing a fair value assessment.</p>	<p>Council engaged QV to consider the movement in value for land and buildings since the valuation as at 30 June 2022. From this it was determined that a full revaluation was not required.</p> <p>Overall conclusion</p> <p>We reviewed the fair value assessment and agreed that a revaluation of land and buildings was not required.</p>

Audit risk/issue	Outcome
PBE FRS 48 implementation	
<p>PBE FRS 48 Service Performance Reporting replaced that part of PBE IPSAS 1 Presentation of Financial Statements that deals with service performance reporting requirements and is effective for annual reporting periods beginning on or after 1 January 2022, that is, for the Council, it is for the year ending 30 June 2023.</p> <p>The objective of the standard is “to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report”. PBE FRS-48 requires an appropriate and meaningful mix of performance measures and/or descriptions, including, where appropriate, measures of both the goods and services provided and of what has been achieved in the Council’s areas of responsibility.</p> <p>In addition, PBE FRS 48 imposes additional disclosure obligations on entities. For example, paragraph 44 requires an entity to “disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information reported in accordance with this Standard that are relevant to an understanding of the entity’s service performance information”. Further if the District Council changes what it reports as service performance information compared to the previous year, then PBE FRS 48 requires the District Council to explain the nature of the changes and their effect.</p>	<p>We worked with the Council in relation to the disclosures that have been included in the annual report.</p> <p>Overall Conclusion</p> <p>From the work that we completed over the disclosures for PBE FRS 48 we are satisfied that disclosures meet the requirements of the standard.</p>

Audit risk/issue	Outcome
Asset Impairment considerations	
<p>In accordance with PBE IPSAS 21, Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets, at each reporting date management must assess whether there is any indication that an asset may be impaired. If management identifies any indication of an impairment, then they must estimate the recoverable service amount of the asset.</p> <p>Assets are required to be assessed for indicators of impairment on an annual basis.</p> <p>Irrespective of whether there are any indications of impairment, intangible assets not yet available for use (i.e. work in progress) and intangible assets with indefinite useful lives must be tested for impairment at least annually.</p> <p>Work-in-progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the life of the project. The Council needs to ensure that as phases of a project are completed, and assets become operational, capitalisation of the WIP balance occurs in a timely manner. This will ensure that depreciation expense on these assets is recognised and accounted for appropriately.</p> <p>The Council will need to complete the necessary assessment of impairment of assets (as above). In addition, intangible assets not yet available for use (i.e. work in progress) and intangible assets with indefinite useful lives must be tested for impairment at least annually.</p>	<p>Due to the judgemental nature of the valuations used in assessing impairment there is a risk of bias or error in the assumptions and inputs used. Any bias or errors in the inputs used or calculations performed could result in a material misstatement in the carrying value of property plant and equipment/investment property/intangible assets and the related impairment expense.</p> <p>We:</p> <ul style="list-style-type: none"> • reviewed the impairment assessment; • evaluated the reasonableness of the significant assumptions; • evaluated how management has addressed estimation uncertainty; and. • reperformed calculations made by management <p>Overall Conclusion</p> <p>From the work that we completed over the property plant and equipment we did not note any impairment of assets that had not been taken into account.</p>

Audit risk/issue	Outcome
Drinking water quality performance measures	
<p>Providing safe drinking water is a core function of the council and reporting how Council has performed in respect of this function in the annual report is important performance information.</p> <p>The regulatory regime in place over the safety of drinking water has transitioned in the current year from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) which came into effect on 14 November 2022.</p> <p>Performance measures about compliance with the DWS are currently mandated by the Department of Internal Affairs who have issued mandatory performance measures that are required to be reported against in Council’s annual report.</p> <p>There are currently no similar performance measures with respect to the new DWQARs. Despite this it is important that the Council includes appropriate performance information about their compliance with the new DWQARs. This performance information will be subject to audit and therefore it is important that Council is able to support the performance results that they report.</p>	<p>The District Council maintained their testing regimes in accordance with the appropriate standards. They engaged an expert (Matt Molloy – Matt Molloy Consulting Limited) to ensure that they complied with the drinking water standards. The Expert examined the District Councils processes and confirmed to us that the standards had been met. We assessed the experts work and were satisfied that the work of the expert, Matt Molloy Consulting, is suitable to use as audit evidence.</p> <p>Conclusion</p> <p>We were satisfied that the drinking water standards have accurately reflected in the annual report.</p>

4 Issues noted during the audit



In this section we outline the issues we have identified through the audit work we have performed.

4.1 Vested Assets

Recommendations

- Ensure timely communication of information between the Infrastructural and Roding Departments and the Finance Team
- Implement a shared system accessible to both departments for tracking project status, allowing the identification of key milestones for vesting assets to the council.
- Request the Schedule of Assets from Developers, even if it itemises costs, as this will aid in assessing the reasonableness of variances and ensuring that costs are accurately represented given the fair value recording.

Findings and analysis

While completing work over Vested Assets, we found the following:

- Vested Assets Revenue was overstated by \$559k due to a calculation error, which also had an equal overstatement effect on Infrastructure Assets (Roding).
- Vested Assets Revenue was understated by \$649k. This occurred because Infrastructure did not vest (SUB 9903) in the reporting financial year, whereas Roding had vested their assets. This affected both Revenue and Assets as there was an equal understatement.
- It also came to our attention that the Land Development team is responsible for notifying Roding and Infrastructure teams when a subdivision is ready to be vested to the council. However, there appears to be a communication gap between these departments.
- We also encountered difficulties in obtaining the Schedule of Assets for completed subdivisions. This document itemises the costs for different development elements/assets. However, we observed that the cost is considered to be its fair value at the date of acquisition for Infrastructure Assets which is deemed reasonable.

Management comment

The vested asset recognition, acceptance and reconciliation process will be refined and documented into Promapp with training given to all staff involved in these tasks. This new process will involve a tracking system housed on the Council SharePoint system with access to all relevant officers.

5 Assessment of internal control



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

5.1 Control environment

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

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

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

5.2 Internal controls

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

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

In performing this assessment we consider both the “design effectiveness” and “operational effectiveness” of internal control. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control, but we do report any deficiencies identified.

6 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- waste being incurred as a result of any act or failure to act by District Council;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by the District Council or by one or more of its members, office holders, or employees.

There were no issues that need to be brought to your attention.

7 Group audit



The group comprises:

- Manawatu District Council
- Manawatu Community Trust
- The Feilding Civic Centre trust
- Awahuri Forest/Kitchener Park Trust
- Heartland Contractors Limited

We identified the Manawatu Community Trust as a significant component of the group.

We note that Camp Rangi Woods Trust continues to not be consolidated into the group financial statements. We refer to our previous year recommendation in respect of this matter.

We have not identified any of the following during our audit for the year ended 30 June 2023:

- Instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- Limitations on the group audit, other than that relating to Camp Rangi Woods.
- Fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

Results of the audit of the significant component, Manawatu Community Trust:

- We issued an unmodified audit opinion on the financial statements and performance information, which means we were satisfied that the financial statements present fairly the Trust's activities for the year and its financial position at the end of the year.

8 Useful publications



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

Description	Where to find it
Performance reporting	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting
The Office of the Auditor-General, the Treasury and Audit New Zealand have jointly prepared good practice guidance on reporting about performance. The guidance provides good practice examples from public organisations in central government. Those working in other sectors may also find this useful.	On Audit New Zealand's website under good practice. Link: Good practice in reporting about performance — Office of the Auditor-General New Zealand (oag.parliament.nz)
Local government risk management practices	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices
Public accountability	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications. Link: Building a stronger public accountability system for New Zealanders

Description	Where to find it
Managing conflicts of interest involving council employees	
<p>This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.</p>	<p>On the Office of the Auditor-General’s website under publications.</p> <p>Link: Getting it right: Managing conflicts of interest involving council employees</p>
Model financial statements	
<p>Our model financial statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	<p>Link: Model Financial Statements</p>
Sensitive expenditure	
<p>The Auditor-General’s good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders “setting the tone from the top”. It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p>	<p>On the Office of the Auditor-General’s website under good practice.</p> <p>Link: Sensitive expenditure</p>
Conflicts of interest	
<p>The Auditor-General has published guidance on conflicts of interest. A conflict of interest is when your duties or responsibilities to a public organisation could be affected by some other interest or duty that you have.</p> <p>The material includes a printable A3 poster, an animated video on predetermination and bias, gifts and hospitality, and personal dealings with a tenderer. There is also an interactive quiz.</p> <p>These can all be used as training resources for your own employees.</p>	<p>On the Office of the Auditor-General’s website under 2019 publications.</p> <p>Link: Conflicts of interest</p>

Description	Where to find it
Severance payments	
<p>Because severance payments are discretionary and sometimes large, they are likely to come under scrutiny. The Auditor-General has released updated good practice guidance on severance payments. The guide is intended to help public sector employers when considering making a severance payment to a departing employee. It encourages public organisations to take a principled and practical approach to these situations. The update to the 2012 good practice guidance reflects recent case law and changes in accounting standards.</p>	<p>On the OAG’s website under 2019 publications.</p> <p>Link: Severance payments</p>
Good practice	
<p>The OAG’s website contains a range of good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> • audit committees; • conflicts of interest; • discouraging fraud; • good governance; • service performance reporting; • procurement; • sensitive expenditure; and • severance payments. 	<p>On the OAG’s website under good practice.</p> <p>Link: Good practice</p>
Procurement	
<p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p>	<p>On the OAG’s website under publications.</p> <p>Links: Strategic suppliers: Understanding and managing the risks of service disruption</p> <p>Getting the best from panels of suppliers</p> <p>Local government procurement</p>

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Urgent		
<p>Recording of resource management consents processed within statutory timeframes</p> <p>Implement a system to correctly record the number of days to process building consents and resource management consents, including extensions given, in accordance with the statutory timeframes to statutory timeframes.</p>	2022	<p>Open</p> <p>The District Council requires an update to their systems to enable consents to be appropriately calculated.</p>
Necessary		
<p>Bank reconciliations – timeliness of review</p> <p>Perform and review bank reconciliations on a timely basis.</p>	2022	<p>Open</p> <p>In the prior year we noted a significant lapse in time between the reconciliations being prepared and time they are reviewed.</p> <p>For 2023 we found that there was no review of bank reconciliations for 3 out of the 4 reconciliations tested.</p>
<p>Sensitive Expenditure Policy and System</p> <p>The Sensitive Expenditure Policy complies with the OAG's best practice guidelines. Specifically areas of travel, entertainment, and gifts.</p> <p>For the OAG guidelines, refer to https://oag.parliament.nz/2020/sensitive-expenditure.</p>	2019	<p>In progress</p> <p>The Sensitive Expenditure Policy was still being finalised at the time of our audit.</p>
<p>Credit card not appropriately approved</p> <p>The District Council follow the one-up approval process as required by the sensitive expenditure policy.</p> <p>The Chair of the Audit and Risk Committee's approval is included in Jarvis when the CE is approves the payments on the system.</p>	2019	<p>In progress</p> <p>The process for one-up approval has been reiterated with Council staff. In 2023 there has been no change on the approval process. The Mayor's expenditure is still being approved by the CEO.</p>

Recommendation	First raised	Status
<p>Declaration of interests</p> <p>The District Council should confirm with councillors and staff that their interests have been updated on the interest register.</p>	2020	<p>In progress</p> <p>The Council have a process of checking the Companies Register Website, however our examination of this showed some interests were not disclosed by all relevant people.</p>
<p>Consolidation</p> <p>That:</p> <ul style="list-style-type: none"> • The District Council instruct the Camp Rangi Woods Trust to provide up to date financial statements. • The necessary adjustments be made to consolidate the Trust's financial statements (including adjusting accounting treatment where applicable). 	2020	<p>In progress</p> <p>There has been no change in the current year.</p> <p>Council is still working to exit Camp Rangi Woods Trust, but this involves a legal process and is taking time.</p>
<p>Asset management plans</p> <p>That District Council continue work to improve their Asset Management Plans to ensure accuracy of data relating to condition and performance.</p>	2017	<p>In progress</p> <p>From the work completed during the review of the 2021-31 LTP audit this is an area that still needs improvement.</p> <p>This will be examined during the next LTP process.</p>

Implemented or closed recommendations

Recommendation	First raised	Status
<p>Generic log on accounts</p> <p>Review generic accounts and when possible, replace them with unique log-on accounts. If this cannot be practically implemented, ICT should ensure that the third-party providers have sufficient security controls that restrict access to these generic accounts and that the use of such account is traceable to an individual.</p>	2022	<p>Closed</p> <p>We are satisfied with the controls in place and business reasons for the remaining generic accounts.</p>
<p>Regular testing of the IT Disaster recovery plan</p> <p>Test the ICT Disaster recovery plan on a regular basis.</p>	2022	<p>Closed</p> <p>We are satisfied with the control activities that were completed over the last 12 months.</p>
<p>Adding, reviewing and removing staff and contractors from IT systems</p> <p>A review of procedures for adding, reviewing and removing contractors be done and a centralised database of contractors be established. All Managers need to be reminded of the correct procedures for advising all necessary people about staff and contractors' movements, so that all access can be removed promptly.</p>	2021	<p>Closed</p> <p>In our testing for this year, we have not noted any issues related to this audit item.</p>

Recommendation	First raised	Status
<p>Procurement of consultants</p> <p>We recommend that the District Council carries out the following actions:</p> <p>Deliver training to all staff involved in procurement on documenting a procurement plan, estimating the total value of procurement over the life of the project, and how to correctly apply the exemptions in the procurement policy.</p> <p>Develop an organisation wide set of standard templates for documenting the various aspects of the procurement process.</p> <p>Update the procurement policy to make it clear that the financial limits, which dictate the type of procurement process that is required, be considered first, and then other policy exemptions.</p>	2018	<p>Closed</p> <p>Key decision-making staff with budget/delegations responsibilities are trained and mentored in the use of the MDC procurement policy, which outlines the requirements for all contractual engagement including consultancy services. There is no standard templates due to the varied nature of council procurement across all activities and areas, however the procurement policy provides a robust framework for appropriate decision making.</p> <p>The procurement policy is clear on the financial limits relating to the various types of procurement undertaken by council officers and is aligned with the delegation’s manual.</p>
<p>Update fraud policy to align with best practice</p> <p>That the fraud policy is updated to align with the Office of the Controller and Auditor General’s (OAG) best practice guidance.</p>	2017	<p>Closed</p> <p>The Fraud Policy had been updated as of 21 June 2022 and aligns with the OAG’s best practice guidance.</p>

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit, we have carried out a limited assurance engagement related to the District Council’s Debenture Trust Deed. This engagement is compatible with those independence requirements. Other than this engagement, we have no relationship with, or interests in, the District Council or its subsidiaries.</p>
Fees	<p>The audit fee for the year is \$219,590, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$6,000 for the limited assurance engagement related to the District Council’s Debenture Trust Deed.</p>

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p> <p>The Audit Manager responsible for the audit has not undertaken any work related to the internal auditors (as her daughter is employed by CKS who undertake the internal audit process). The audit supervisor has reported directly to the Appointed Auditor on any of our work relating to internal audit.</p>

AUDIT NEW ZEALAND

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Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: Finance

Date Created: 13 November 2023

Quarterly Report to 30 September 2023

Purpose Te Aronga o te Pūrongo

To provide a summary both financial and non-financial performance against the targets outlined within year three of the 10-year plan (Referred to as Annual Plan 23/24)

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Council:

1. Receive the Quarterly Performance Report and Treasury Report to 30 September 2023
2. Note the current non-compliance with regard to the Interest Rate Risk Management area of the Liability Management Policy, as outlined in section 3.4.

Report prepared by:
Debbie Fulton
Systems Accountant

Approved for submission by:
Amanda Calman
Chief Financial Officer

1 Contribution to Community Well-being and Council’s Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council’s strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	✓
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

2 Background Ngā Kōrero o Muri

2.1 To provide a summary both financial and non-financial performance against the targets outlined within year three of the 10-year plan (Referred to as Annual Plan 23/24).

2.2 During the year, any adjustments to budget approved with in the delegation’s policy by General Managers, Chief Executive or Council, result in the forming of a revised budget, which is outlined next to the Annual Plan within the reports. A summary of these adjustments is also included within the report.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 The financial result for the month ending 30 September 2023 reflects a surplus of \$2M against a year to date budgeted loss of \$993k. This is the result of higher than budgeted revenue of \$1.4M combined with lower than budget expenditure of \$41k.

3.2 Capital expenditure to date is \$6.8M plus commitments of \$10.1M making a total of \$16.9M against a year to date budget of \$8M. The Annual plan budget is \$32M. The increased budget from Annual Plan to the revised budget of \$40M is outlined in the report named 'Approved Variations'.

3.3 Levels of service reflect 87 measures that are on track to be met by year end, 4 noted as requiring monitoring and 8 not yet met. Three of the not met measures are within regulatory as a result of staff vacancies, and three of the not met measures within water supply partly due to a compliance rule change.

- 3.4 The Quarterly treasure report highlights that Council is not currently compliant with its Liability Management Policy around the fixed rate hedging bands in the short term period of 0-4yrs – there is currently more debt in floating rate bonds than the bands require.

The floating rate notes (FRN) is debt taken at a floating rate for a period of time. To mitigate this issue Council could choose to look to break the bond at a penalty or to look to use swaps.

The cost to break compared to the use interest rate swaps was investigated and the use of swaps was the financially better option.

The use of swaps has not been used to this point due to the Three Waters Transition - it was very clear that debt associated with Three Waters would move to the new entity but not associated interest rate swaps. The risk of being fixed into an interest rate swap that would not go with the associated debt and asset was deemed too high.

As part of the 2023-34 LTP Liability Management Policy, Council has adjusted the fixed rate bands and the current situation would be deemed compliant.

4 Te Kīwai (o te kete)

- 4.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.

- 4.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

5 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 5.1 There is no community engagement required with this report, community engagement was sought and received during the setting of the budget.

6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 6.1 There are no capital or operational implications associated with this report.

7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 7.1 Any financial implications would be reported separately to Council.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 Quarterly governance reports provide an overview of results towards the Annual Report, which will be prepared and audited in accordance with the requirements of the Local Government Act 2002.

9 Delegations Te Mana Whakatau

9.1 The Audit and Risk Committee's Terms of Reference includes the responsibility for financial reporting, including the following:

- long term planning including the financial strategy;
- appropriateness of accounting policies;
- annual report; and
- internal report (monthly and/or quarterly).

10 Conclusion Whakatepenga

10.1 Quarterly reports are a mechanism of transparently reporting against progress towards achieving targets set in the Annual Plan and the Long-Term Plan.

11 Attachments Ngā ĀpitiHanga

- Quarterly Performance Report to 30 September 2023
- Quarterly Treasury Report to 30 September 2023



Manawatu District Council
Quarterly Performance Report
September 2023

Summary

The financial result for the month ending 30 September 2023 reflects a surplus of \$2M against a year to date budgeted loss of \$993k. This is the result of higher than budgeted revenue of \$1.4M combined with lower than budget expenditure of \$41k.

Revenue - \$1.4M favourable

Financial revenue is \$157k favourable to budget reflecting a higher amount of interest received on investments.

Subsidies and Grants are \$1.9M favourable to budget, comprised of Better Off Funding received for library development, and NZ Defence Force funding received for Feilding Wastewater Reticulation. This is offset by lower capital subsidies received due to timing of the capital works programmes.

Development contributions are \$351k unfavourable to budget as subdivision applications have slowed considerably.

Key variances in other revenue result in an overall unfavourable variance to budget of \$815k and are outlined in more detail in the activity reports, as it covers a range of smaller variances.

Other Gains/Losses of \$298k reflects the receipt from the sale of the Kimbolton Depot Land and Workshops.

Operating expenditure - \$41k favourable

Variances are made up of:

Staff costs show a favourable variance of \$627k this reflects the timing of the budget (1/12th each month) against the actual costs incurred which are impacted by staff leave and vacancies.

Depreciation is favourable to budget by \$429k reflecting the impact of the capital work not completed at 30 June 2023 combined with the slower progress of the current year work programme, as the work is not completed/capitalised it is therefore not incurring depreciation.

Interest costs are unfavourable which reflects the higher interest rates being incurred, currently this is almost entirely offset against the higher than budget interest revenue being earned due to higher investment rates being received.

Other operating expenditure is unfavourable by \$883k mostly due to subsidised roading operational jobs being ahead of schedule, combined with an inventory stock movement increase of \$123k.

Capital spend

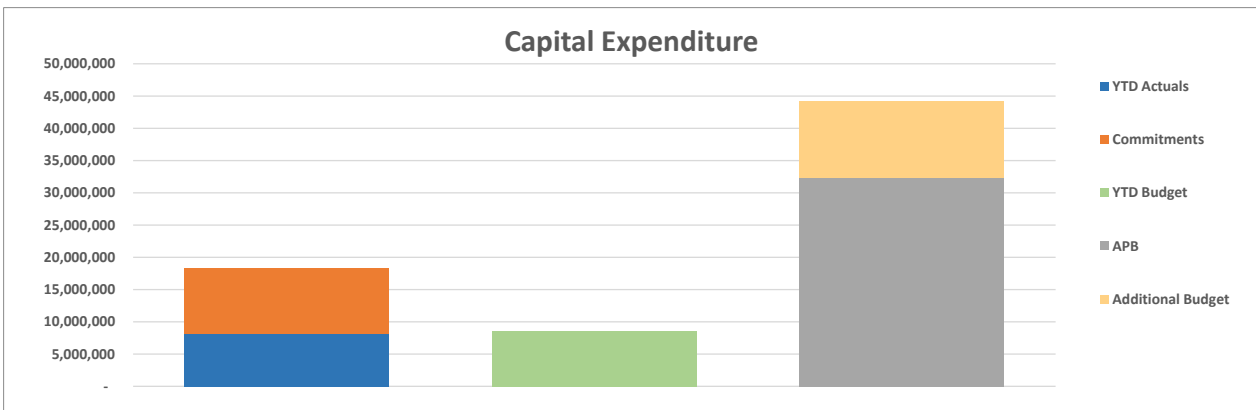
Spend to date is \$6.8M plus commitments of \$10.1M making a total of \$16.9M against a year to date budget of \$8M. The Annual plan budget is \$32M. The increased budget from Annual Plan to the revised budget of \$40M is outlined in the report named 'Approved Variations'.

The main variances excluding commitments are (further details are within the report):

Feilding Library building renewal \$490k - work progressing no concerns at this point

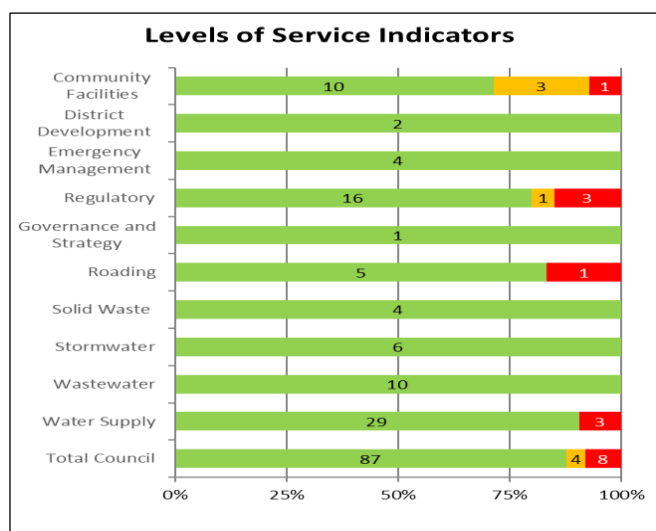
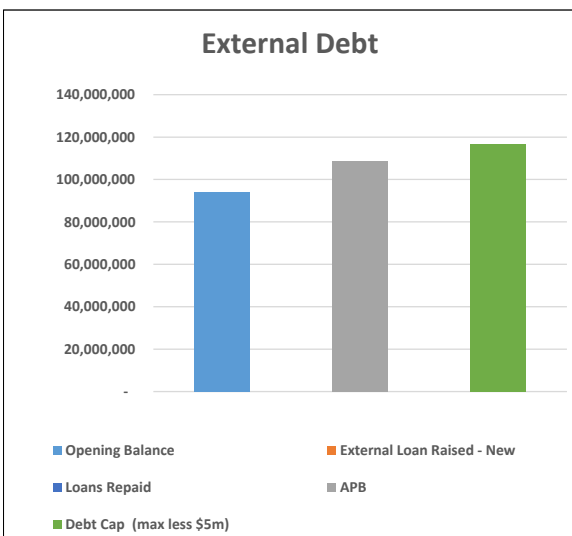
Administration building new works \$230k - Project planned to start towards end of year with the completion date in 24/25

452 Cycling Facilities \$180k - Te Araroa walkway section one underway



Debt Position Levels of Service Indicators Summary

The current balance is \$93M against budget of \$108M and the debt cap of \$116M. No new loans have been raised as yet.



Statement of Comprehensive Revenue and Expense

	2024 Actual YTD \$000	2024 Budget YTD \$000	Variance \$000	2024 Revised Budget \$000	2024 Annual Plan \$000
Revenue					
Rates revenue	11,894	11,714	180	46,630	46,630
Financial revenue	270	112	157	435	435
Subsidies and grants	6,712	3,234	3,478	17,364	9,181
Development contributions	480	830	(351)	3,321	3,524
Other revenue	2,774	3,589	(815)	13,779	13,427
Other gains/(losses)	298	4	293	17	(21)
Total revenue	22,428	19,484	1,382	81,546	73,176
Expenses					
Personnel costs	4,099	4,726	627	16,642	16,631
Depreciation and amortisation	6,381	6,860	479	27,691	27,683
Finance costs	1,141	958	(183)	3,824	3,824
Other operating expenses	8,815	7,932	(883)	29,920	29,105
Total expenditure	20,436	20,476	41	78,077	77,243
Surplus/(deficit) before tax	1,992	(993)	2,985	3,469	(4,068)
Income tax expense	-	-	-	-	-
Surplus/(deficit) after tax	1,992	(993)	2,985	3,469	(4,068)
Other comprehensive revenue & expense					
Gains/(losses) on the revaluation of property, plant and equipment	0	0	0	29,711	29,711
Impairment losses on restricted buildings through other comprehensive revenue and expenses	0	0	0	0	0
Total other comprehensive revenue and expense	0	0	0	29,711	29,711
Total comprehensive revenue and expense	1,992	(993)	2,985	33,180	25,643

Funding Impact Statement (Whole of Council)

	2024	2024		2024	2024
	Actual YTD	Budget YTD	Variance YTD	Revised Budget	Annual Plan
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,152	3,929	224	15,715	15,715
Targeted rates	7,742	7,785	(43)	31,140	30,915
Subsidies and grants for operating purposes	1,357	880	477	3,490	3,164
Fees and charges	2,017	2,464	(447)	9,085	9,085
Interest and dividends from investments	270	112	157	435	435
Local authorities fuel tax, fines, infringement fees and other receipts	757	1,124	(368)	4,693	4,341
Total operating funding	16,295	16,295	1	64,558	63,655
Applications of operating funding					
Payments to staff and suppliers	12,917	12,664	(253)	46,510	45,735
Finance costs	1,141	958	(183)	3,824	3,824
Other operating funding applications	0	0	0	0	0
Total applications of operating funding	14,057	13,622	(435)	50,334	49,559
Surplus (deficit) of operating funding	2,238	2,673	(631)	14,227	14,096
Sources of capital funding					
Subsidies and grants for capital expenditure	5,297	2,303	2,994	13,672	6,017
Development and financial contributions	538	881	(343)	3,524	3,524
Increase (decrease) in debt	0	1,963	(1,963)	17,500	7,850
Gross proceeds from sale of assets	298	(10)	308	0	(39)
Lump sum contributions	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0
Total sources of capital funding	6,132	5,137	995	34,696	17,352
Applications of capital funding					
Capital expenditure					
- to meet additional demand	825	960	135	4,843	3,583
- to improve the level of service	2,850	3,640	790	14,156	14,417
- to replace existing assets	3,173	3,221	47	25,163	14,296
Increase (decrease) in reserves	1,522	(10)	(1,532)	4,762	(848)
Increase (decrease) of investments	0	0	0	0	0
Total application of capital funding	8,371	7,810	(560)	48,923	31,448
Surplus (deficit) of capital funding	(2,238)	(2,673)	435	(14,227)	(14,096)
Funding balance	0	0	0	0	0

Statement of Financial Position

YTD Actuals 2022/23		YTD Actuals 2023/24
	<u>Assets</u>	
	Current Assets	
14,574,853	Cash and Cash Equivalents	3,885,235
7,650,784	Receivables and Accruals	7,020,268
271,987	Inventory on Hand	275,760
418,549	Other Financial Assets - Current	11,770,133
4,834,000	Non-current Assets for Sale	4,740,526
27,750,173	Total Current Assets	27,691,922
	Non-current Assets	
1,029,627,116	Property, Plant and Equipment	1,147,419,728
86,086	Intangible Assets	32,289
5,886,350	Other Financial Assets - Term	6,236,533
1,035,599,553	Total Non-current Assets	1,153,688,550
1,063,349,726	Total Assets	1,181,380,472
	<u>Liabilities</u>	
	Current Liabilities	
8,890,251	Accounts Payable and Accruals	11,307,147
42,981	Provisions - Current Portion	43,714
1,151,634	Employee Entitlements	1,650,296
18,500,000	Borrowing - Current Position	22,400,000
28,584,866	Total Current Liabilities	35,401,156
	Non-current Liabilities	
1,497,267	Provisions - Term Portion	1,536,217
70,288,879	Borrowings - Term Portion	71,431,154
71,786,146	Total Non-current Liabilities	72,967,371
100,371,012	Total Liabilities	108,368,528
	<u>Equity</u>	
490,581,758	Retained Earnings	493,892,955
468,218,760	Other Reserves	577,126,806
4,178,196	Current Earnings	1,992,183
962,978,713	Total Equity	1,073,011,944
1,063,349,726	Total Liabilities and Equity	1,181,380,472

Cash and Cash Equivalents and Other Current Financial Assets are comprised of the following:

	Oncall	Short Term	
Kiwibank	24,589	2,000,000	12.9%
ASB	939	6,700,000	42.8%
BNZ On call	3,838,010	2,600,000	41.1%
ANZ On call	712		0.0%
Westpac On call	18,850		0.1%
Float	2,135		0.0%
Total Cash and Cash Equivalents	3,885,235		
Community Loans & Receivables		470,133	3.0%
Total Other Financial Assets - Current		11,770,133	

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2023/24	Total Budget
Community Facilities											
Libraries and Archives	3,210,617	1,563,138	1,647,479	519,690	497,159	(22,531)	2,690,927	1,065,979	1,624,948	942,900	982,646
Halls and Recreation Complexes	216,726	204,580	12,146	300,451	296,638	(3,813)	(83,725)	(92,058)	8,333	(486,779)	(486,221)
Makino Aquatic Centre	687,722	697,610	(9,888)	652,343	709,428	57,085	35,379	(11,818)	47,197	0	(89,499)
Parks, Reserves & Sportsgrounds	1,098,521	1,128,400	(29,879)	1,027,534	1,131,868	104,334	70,987	(3,468)	74,455	(93,726)	(93,728)
Cemeteries	105,922	100,578	5,344	93,604	100,396	6,792	12,318	182	12,136	0	2
Public Conveniences	124,932	116,617	8,315	111,639	113,298	1,659	13,293	3,319	9,974	0	(2)
Property	468,528	181,769	286,759	203,197	224,883	21,686	265,331	(43,114)	308,445	(255,625)	(255,629)
Total Community Facilities	5,912,967	3,992,692	1,920,275	2,908,458	3,073,670	165,212	3,004,509	919,022	2,085,487	106,770	57,569

Libraries and Archives Favourable to budget by \$1.6M. Revenue is higher than budget by \$1.6M predominantly from capital grants received from the DIA to fund the construction of the new community centre. Expenditure is \$4k higher than budget due to subscription and computer maintenance costs being incurred ahead of budget.

Halls and Recreation Complexes Favourable to budget by \$8k. With minor variances in revenue and expenditure.

Makino Aquatic Centre Favourable to budget by \$47k. Personnel costs are \$37k under budget due to vacancies. Other expenditure is \$32k under budget with higher electricity costs being offset by a large range of favourable variances.

Parks, Reserves & Sports Grounds Favourable to budget by \$74k. Revenue is \$30k under budget due to lower development contributions and lease fees. Expenditure is \$104k lower than budget with higher maintenance costs being offset by lower interest costs and depreciation. Capital expenditure has been delayed with projects now taking place over summer months.

Cemeteries Favourable to budget by \$12k due to higher interment fees received and lower maintenance costs incurred.

Public Conveniences Favourable to budget by \$10k due to a range of favourable variances.

Property Favourable to budget by \$308k as a result of the sale of the Kimbolton depot and land.

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2023/24	Total Budget
Regulatory											
Animal Control	508,791	397,008	111,783	194,727	192,291	(2,436)	314,063	204,717	109,346	0	1
Building Control	775,418	961,852	(186,434)	789,366	960,637	171,271	(13,947)	1,215	(15,162)	0	3,400
Environmental Health	67,141	71,844	(4,703)	64,662	76,914	12,252	2,479	(5,070)	7,549	0	(3)
Alcohol Licensing	50,706	53,871	(3,165)	39,829	37,620	(2,209)	10,877	16,251	(5,374)	0	0
District Consents Planning	308,494	411,819	(103,325)	283,719	412,722	129,003	24,775	(903)	25,678	0	(1)
Total Regulatory	1,710,550	1,896,394	(185,844)	1,372,303	1,680,184	307,881	338,247	216,210	122,037	0	3,397

Animal Control

Favourable to budget by \$109k. Revenue is \$112k higher than budget due to dog registrations received at the start of the year.

Building Control

Unfavourable to budget by \$15k. Revenue is \$186k under budget due to lower building consents received. This has resulted in expenditure being \$171k under budget due to lower spend on consultants.

Environmental Health

Favourable to budget by \$8k with minor variances in revenue and expenditure.

Alcohol Licensing

Unfavourable to budget by \$5k with minor variances in revenue and expenditure.

District Consents Planning

Favourable to budget by \$26k. Revenue is lower than budget by \$103k mostly due fewer than expected subdivision fees due to a downturn in the volume of applications. Expenditure is \$129k favourable due to lower spend on consultants and less staff time spent working in the area.

Activity Summary - Infrastructure

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2023/24	Total Budget
Infrastructure											
Roading	4,827,832	4,607,023	220,809	6,563,025	5,554,630	(1,008,395)	(1,735,193)	(947,607)	(787,586)	(3,647,813)	2,529,019
Solid Waste	1,104,747	1,145,382	(40,635)	992,814	1,146,778	153,964	111,933	(1,396)	113,329	1,022	1,024
Stormwater and Drainage	551,747	712,683	(160,936)	400,722	597,758	197,036	151,026	114,925	36,101	353,817	353,819
Water Supply	1,408,266	1,453,914	(45,648)	1,352,875	1,510,421	157,546	55,390	(56,507)	111,897	(750,689)	(739,329)
Wastewater	3,553,248	2,316,446	1,236,802	2,121,936	2,322,799	200,863	1,431,312	(6,353)	1,437,665	(33,348)	1,387,533
Nursery	98,367	72,027	26,340	216,860	122,170	(94,690)	(118,493)	(50,143)	(68,350)	0	0
Total Infrastructure	11,544,206	10,307,475	1,236,731	11,648,231	11,254,556	(393,675)	(104,025)	(947,081)	843,056	(4,077,011)	3,532,066

Roading Unfavourable to budget by \$787k. Revenue is \$220k favourable to budget due to higher operational NZTA subsidies. Expenditure is \$1M unfavourable predominately due to higher maintenance costs incurred earlier than expected in response to the weather events.

Solid Waste Favourable to budget by \$113k. Revenue is \$41k unfavourable resulting from lower transfer station gate takings and blue bag sales. Expenditure is \$154k favourable resulting from low disposal costs due to lower tonnage collected and processed.

Stormwater and Drainage Favourable to budget by \$36k. Revenue is \$161k unfavourable due to lower development contributions. Total expenditure is \$197k favourable due to lower interest and depreciation as a result of FY2023 delays in completion of capital projects and staff time.

Water Supply Favourable to budget by \$112k. Revenue is \$46k unfavourable due to lower development contributions. Expenditure is \$158k favourable due to lower interest and depreciation as a result of FY2023 delays in completion of capital projects.

Wastewater* Favourable to budget by \$1.4M. Revenue is \$1.2M favourable due to a \$1.4M capital subsidy from NZ Defence Force offset by lower than budgeted trade waste charges and development contributions. Expenditure is \$201k favourable due to lower interest and depreciation as a result of FY2023 delays in completion of capital projects.

**The nursery is located within the wastewater budget however is currently being reported as a separate entity.*

Nursery Unfavourable to budget by \$68k. Revenue is \$26k favourable to budget due to June 2023 delayed sales now being recognised. Expenditure is \$95k unfavourable to budget resulting from \$48k in internal sales being under budget due to even phasing of the budget, yet sales occur as projects are undertaken, and the remaining variance is due to inventory level movement.

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2023/24	Total Budget
Other Activities											
District Development	1,154,023	1,086,071	67,952	1,923,500	1,962,591	39,091	(769,477)	(876,520)	107,043	169,635	307,133
Emergency Management	104,202	102,640	1,562	78,816	82,844	4,028	25,386	19,796	5,590	0	90,415
Governance Team	934,126	915,034	19,092	906,885	918,771	11,886	27,241	(3,737)	30,978	0	1
Total Other Activities	2,192,351	2,103,745	88,606	2,909,202	2,964,206	55,004	(716,850)	(860,461)	143,611	169,635	397,549

District Development

Favourable to budget by \$110k. Revenue is favourable by \$68k due to the Welcoming Communities seed funding and the Creative NZ funding being received in advance. Expenditure is favourable resulting from delays in applications received for grants.

Emergency Management

Favourable to budget by \$6k with minor variances in revenue and expenditure.

Governance

Favourable to budget by \$31k. Revenue favourable by \$19k with minor variances in revenues. Expenditure favourable by \$12k due to councillors remuneration lower than expected.

Accounts Receivable and Rating

Outstanding Rates

Accounts Receivable (Rates)	YTD Prior Year 30/09/2022 \$000	YTD Current 30/09/2023 \$000
Current Year's Rates Outstanding (incl Penalties)	847	1,035
Total Rates invoiced to date (incl GST)	12,171	13,242
Outstanding rates as a % of total rates levied	6.96%	7.82%
Prior Year's Rates Outstanding	609	822
Outstanding at Beginning of Year	908	1,163
% Prior Years Arrears Outstanding	67%	71%
Rate Received in Advance	(2,153)	(2,132)
Total Rates Outstanding	(697)	(275)

Prior Year Rate Details

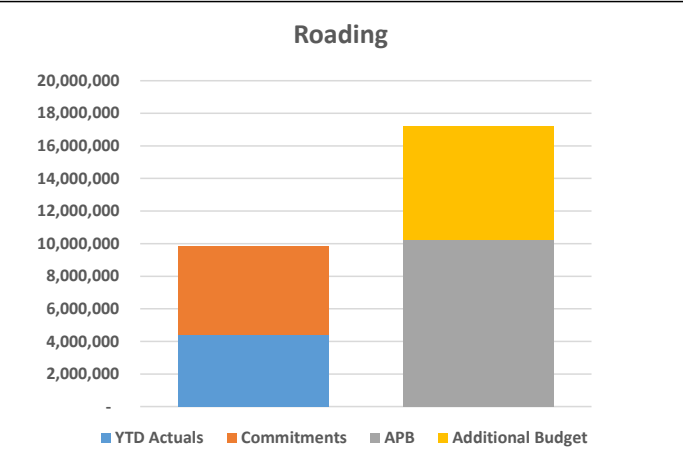
Rates Arrears (\$000)

Reconciliation Date	Arrears as at 1 July 2023	Collection Current Month	Collection to date	% of arrears collected YTD	Arrears Outstanding	% of arrears collected in prior years
30-Sep-23	1,163	76	461	41%	822	33.28%

Sundry Receivables (Non Rates)

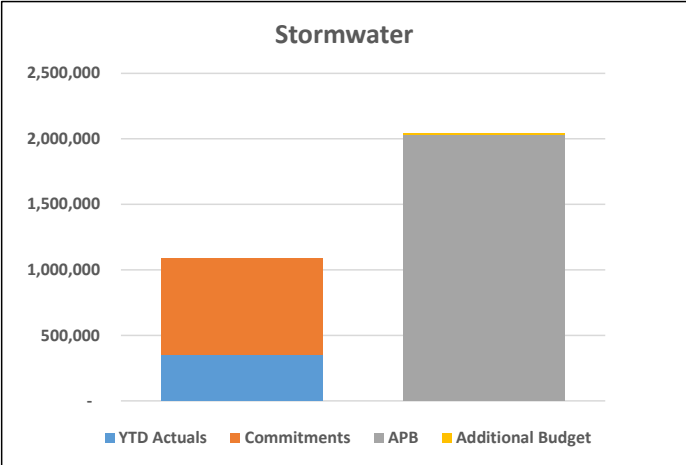
Accounts Receivable (Sundry) Aging (\$000)	Current	30 day	60 day	90 day	Total
	2480	250	92	97	2919
% of Total	84.94%	8.57%	3.16%	3.32%	100.00%
Analysis					
90 day debt (incl top 10) managed by MDC (\$000)				54	55.79%
Managed by DMC (\$000)				43	44.21%

Capital Expenditure - more detailed information is contained in the Capital Expenditure Report



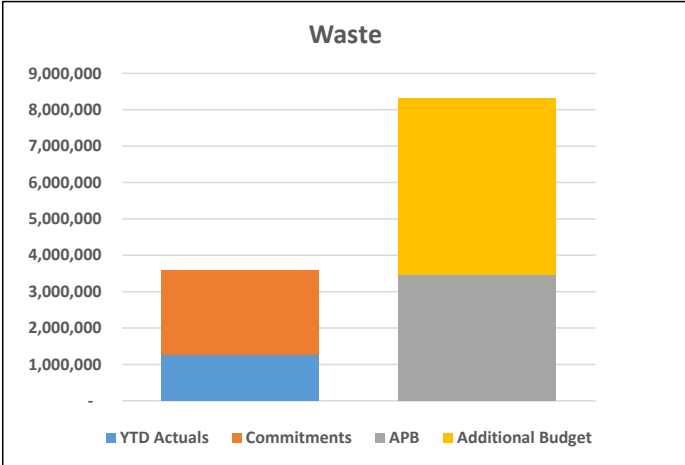
Overall capital spend is \$4.4M with an additional \$5.4M in commitments - totalling \$9.8M year to date.

Annual Plan budget is \$10.2M



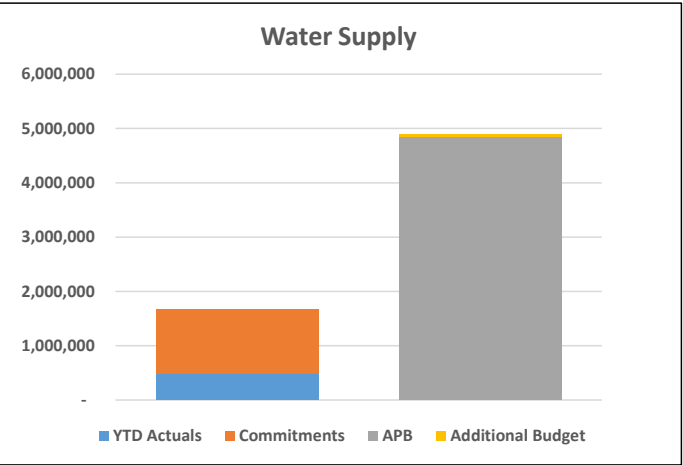
Overall capital spend is \$347k with an additional \$738k in commitments - totalling \$1.1M year to date.

Annual Plan budget is \$2.0M



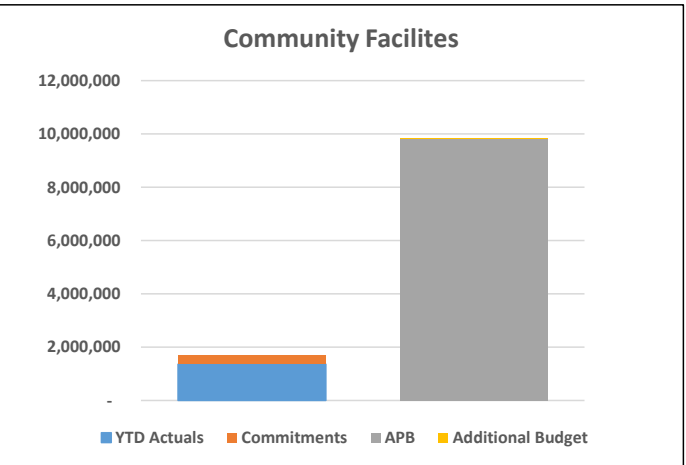
Overall capital spend is \$1.2M with an additional \$2.3M in commitments - totalling \$3.5M year to date.

Annual Plan budget is \$3.5M



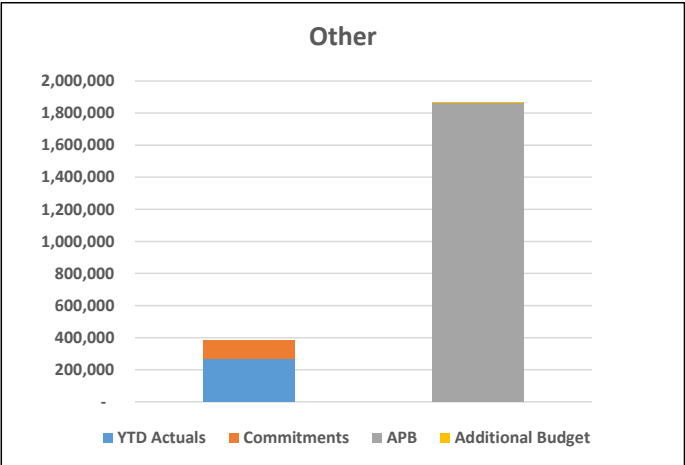
Overall capital spend is \$492k with an additional \$1.18M in commitments - totalling \$1.7M year to date.

Annual Plan budget is \$4.8M



Overall capital spend is \$1.3M with an additional \$332k in commitments - totalling \$1.7M year to date.

Annual Plan budget is \$9.8M



Comprises Administration Building, Emergency Services, Vehicles, and Organisational Management.
Overall capital spend is \$270k with an additional \$119k in commitments - totalling \$389k year to date.

Annual Plan budget is \$1.8M.

Capital Expenditure Report
For the period ended 30 September
2023

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Community Facilities									
Cemeteries									
Feilding Cemetery New Works	New LOS	8	0	8	0	8	0	0	
Rangiwahia Cemetery New Works	New LOS	11	0	11	0	11	0	0	0 Carry-forward from 2022/23 not yet confirmed.
Districtwide Cemetery Renewals	Renewal	0	2	(2)	0	0	8	8	8 Minor renewals undertaken as needed.
District Development									
District Libraries									
Library Collection Purchases	Renewal	15	37	(22)	38	53	147	147	147 Collection spend will be slow at the beginning of the year but will pick up as we plan to head back to the main library at the end of the year.
Library New Works	New LOS	0	27	(27)	4	4	108	108	108 Spend will co-inside with the redevelopment.
Library Major Dev New	New LOS	1,100	1,054	45	169	1,269	1,054	1,054	1,054 Redevelopment on track
Library Renewals	Renewal	0	489	(489)	0	0	4,895	4,895	4,895 Redevelopment on track
Makino Aquatic Centre									
Makino Pool 5yr Maint. Closure	Renewal	4	0	4	10	14	0	0	0 Spend is a run over project from 2022. Awaiting carry forwards decision and then this will balance out.
Indoor Pool - Equipment	Renewal	0	5	(5)	0	0	20	20	20 equipment will be purchased later in the year. Focus is on pool filtration at the moment
Outdoor Pool Mechanical	Renewal	0	29	(29)	0	0	118	135	135 DE filtration project - awaiting dates from contractor to commit to this job. Work in progress.
Indoor Pool - Equipment	Renewal	0	3	(3)	0	0	11	11	11 equipment will be purchased later in the year. Focus is on pool filtration at the moment
Indoor Complex Renewals	Renewal	12	4	8	3	15	17	0	0 Toilets completed. Remaining works being undertaken and planned for the rest of this year.
Halls and Recreation Complexes									
High Profile Hall Renewals	Renewal	10	10	0	0	10	42	42	42 Work has commenced on renewals to Kimbolton and Rangiwahia Halls, expect to be completed in third quarter.
Little Theatre Remediation	Renewal	125	0	125	1	126	0	0	0 Carry-forward from 2022/23 not yet confirmed, project completed.

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
<i>Parks, Reserves and Sports Grounds</i>									
Himatangi Walk Growth Project	Growth	0	36	(36)	0	0	145	145	Project has been moved to 2025/26 due to staff leave.
Kowhai Park Growth Projects	Growth	0	19	(19)	0	0	76	76	Works programmed for summer months as more favourable weather is required.
Pharazyn Park Growth	Growth	1	69	(68)	0	1	277	277	Works programmed for summer months as more favourable weather required (includes works carried forward from 2022/23 due to staff illness)
Rimu Park Growth	Growth	26	0	26	1	27	759	759	Playground renewal works continuing with carry forward from 2022/23 not yet confirmed. Land purchase budget to be used for detention pond planting.
Victoria Park Growth	Growth	0	27	(27)	0	0	106	106	Works programmed for summer months; more favourable weather required
Waugh's Road Amenity Growth	Growth	0	63	(63)	0	0	251	251	Project has been moved to 2025/26 due to staff leave
Feilding Walkway Growth	Growth	17	41	(23)	10	27	408	408	Land purchases for walkway are progressing
Johnston Park Growth Projects	Growth	0	32	(32)	0	0	128	128	Works on hold pending outcome of Sports Hub development
AF-KP New Works	New LOS	0	43	(43)	0	0	173	173	Works programmed for summer months; more favourable weather required
Districtwide Reserve New Works	New LOS	14	9	5	0	14	34	34	Community Planning Projects are underway. Reserve seating replacement will be undertaken as needed.
Districtwide Reserve New Works	New LOS	0	5	(5)	0	0	19	19	Works programmed for summer months; more favourable weather required
Himatangi Beach New Works	New LOS	0	14	(14)	0	0	54	54	Works programmed for summer months; more favourable weather required
Johnston Park New Works	New LOS	0	54	(54)	0	0	216	216	Works on hold pending outcome of Sports Hub development
Kowhai Park New Work	New LOS	0	20	(20)	0	0	81	81	Works programmed for summer months; more favourable weather required
Makino Precinct New Works	New LOS	14	0	14	0	14	0	0	Carry-forward from 2022/23 not yet confirmed
Mt Lees New Works	New LOS	6	0	6	0	6	0	0	Carry-forward from 2022/23 not yet confirmed
Rongotea Res New Works	New LOS	0	5	(5)	0	0	21	21	Works programmed for summer months; more favourable weather required, planting planned for next season
Tangi Res New Works	New LOS	0	1	(1)	0	0	5	5	Works programmed for summer months; more favourable weather required
AF-KP Renewals	Renewal	0	9	(9)	0	0	37	37	Works programmed for summer months; more favourable weather required
Apiti Valley Reserve Renewals	Renewal	0	1	(1)	0	0	6	6	Works programmed for summer months; more favourable weather required
Cheltenham Res New Works	New LOS	0	32	(32)	0	0	128	128	Project underway to replace toilets at Almadale Reserve
Districtwide Res Renewals	Renewal	0	9	(9)	0	0	35	35	Minor renewals undertaken as needed.
Johnston Park Renewals	Renewal	0	30	(30)	0	0	295	295	Works on hold pending outcome of Sports Hub development
Kimbolton Res Renewals	Renewal	0	2	(2)	0	0	7	7	Works programmed for summer months; more favourable weather required
Districtwide Reserve Renewals	Renewal	0	25	(25)	35	35	101	101	Works programmed for summer months; more favourable weather required
Mt Lees Renewals	Renewal	0	0	0	3	3	0	0	Carry-forward from 2022/23 not yet confirmed
Rangiwahia Res Renewals	Renewal	0	1	(1)	0	0	4	4	Works programmed for summer months; more favourable weather required
Timona Park Renewals	Renewal	0	5	(5)	0	0	21	21	Works programmed for summer months; more favourable weather required

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Property									
South Street Development	New LOS	0	0	0	36	36	0	0	1 section left on market
Property Renew Projects	Renewal	0	4	(4)	0	0	18	18	Minor renewals undertaken as needed.
Public Conveniences									
Insurance Repairs	Renewal	0	0	0	0	0	0	0	
Total Community Facilities		1,362	2,217	(853)	309	1,671	9,825	9,825	
Administration Building									
Administration Building - Renewals	Renewal	0	1	(1)	0	0	4	4	
Administration Building - New Works	New LOS	39	269	(230)	23	62	1,076	1,076	
Total Administration Building		39	270	(230)	23	62	1,079	1,080	
Emergency Management									
CDEM New Asset Purchases	New LOS	0	4	(4)	0	0	16	16	
Emergency Management Renewals	Renewal	1	19	(18)	37	38	77	77	Project has been passed to contractor, awaiting completion
EOC Building	New LOS	0	0	0	0	0	0	0	
Total Emergency Management		1	23	(22)	37	38	93	93	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Roading									
Sub Unsealed Road Metalling	Renewal	98	64	34	4	102	254	254	
Sub Sealed Road Resurfacing	Renewal	0	283	(283)	1,124	1,124	2,225	2,225	The sealing programme will start in November 23 and carry on through till March 24
Sub Roding Footpath Renewal	Renewal	3	13	(10)	17	20	52	52	
Subsidised Bridge Renewals	Renewal	0	77	(77)	53	53	309	309	Structural Assessment Report due October. Waka Kotahi approval is required before proceeding.
Sub Cycle Facilities	New LOS	189	0	189	69	258	0	0	Campbell Rd Shared Walking and Cycling Path is practically complete.
Roding Growth	Growth	425	355	70	2,329	2,755	1,421	1,421	Turner Rd, including \$300k for Kawakawa RTB
Sub Drainage Renewals	Renewal	106	121	(15)	233	339	484	484	
Sub Structures Renewals	Renewal	122	112	9	267	388	449	449	Otara Bridge Strengthening Contract Closes 19 October 23
Sub Traffic Services Renewal	Renewal	16	61	(45)	9	25	377	377	Road Remarking programme will start in November 23 and carry on through till March 24
Sub Pavement Rehabilitation	Renewal	716	630	86	313	1,029	1,050	1,050	Road Rehabilitation programme will be completed by November 23
2021-31 LCLR Programme Budget	New LOS	123	59	64	151	274	237	237	
322 Replacement of Bridges and	New LOS	0	128	(128)	0	0	512	512	Structural Assessment Report due October. Waka Kotahi approval is required before proceeding.
324 Road Improvements	New LOS	472	162	310	0	472	1,049	650	
341 Low Cost - Low Risk Prgm	New LOS	86	68	18	70	156	273	273	
341 Road to Zero	New LOS	302	153	148	231	532	614	614	Kairanga-Bunnythorpe Rd./Gillespies Line: Rural Intersection Activated Warning Signage (RIAWS) expected to be completed by Jan 24
357 Resilience Improvements	New LOS	0	16	(16)	32	32	66	66	Work underway. Programme expected to be complete by Jan 24
451 Walking Facilities	New LOS	0	76	(76)	150	150	306	306	Trent St. Rongotea, and Monmouth St. Halcombe complete. Himitungi St programmed for Nov 23
452 Cycling Facilities	New LOS	39	222	(183)	241	280	487	886	Te Araroa walkway 3 sections. Programmed for completion Feb 24.
Sub Renewal Emergency Works	Renewal	17	0	17	152	169	6,491	0	The project is for Makikie and Churchill Bridges. Investigation phase is underway.
Non Subsidised Roding Renewal	Renewal	0	27	(27)	0	0	106	106	
Non Sub Road Works	New LOS	406	466	(60)	0	406	466	0	
Total Roding		3,119	3,095	24	5,444	8,563	17,226	10,271	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Solid Waste									
Purchase of New Recycling Bins	New LOS	8	6	3	0	8	24	24	Financials for WMMP still to be presented to Council for formal acceptance. Purchase of bins to take place once WMMP adopted through LTP process.
Recycling Inventory	New LOS	0	(1)	1	0	0	(5)	(5)	Inventory in/out as required.
Resource Recovery Centre	New LOS	29	7	23	19	49	27	27	Second weighbridge has been ordered and is coming from overseas.
New Bin Purchases	New LOS	0	0	0	0	0	917	917	Financials for WMMP still to be presented to Council for formal acceptance. Purchase of bins to take place once WMMP adopted through LTP process.
Total Solid Waste		38	11	27	19	57	962	963	
Stormwater									
Stormwater - District Wide New	New LOS	30	287	(258)	116	145	1,149	1,149	Rongotea stage 1 stormwater project complete, with remainder of works to be tied into wastewater centralisation project. Halcombe catchment model and stormwater investigation underway with projects to be designed and constructed next financial year.
Stormwater Growth Feilding	Growth	79	63	16	340	419	251	251	Growth works have been staged in Precinct 4 with road 4A to begin construction early November. The design for Root Street is complete with staging to be done to tie in with the Detention pond project and align with the development being done by Classics on the Malcolm Bailey property.
Turners Road Extension Growth	Growth	116	0	116	92	207	0	0	Works are well underway for Turners Road project with stage 1 scheduled for mid November 2023.
Turners Road New Works	New LOS	0	0	0	1	1	0	0	Works are well underway for Turners Road project with stage 1 scheduled for mid November 2023.
Stormwater New Connections	New LOS	14	4	10	0	14	16	16	New connections to be done as required.
Stormwater New Work Feilding	New LOS	43	136	(93)	34	77	546	546	Feilding Stormwater model underway with capital projects to follow once scoping and investigation is complete.
Unplanned Renewals Feilding	Renewal	1	16	(15)	0	1	64	64	Reactive works to be completed as required by reticulation team.
Stormwater Flooding New Works	New LOS	64	0	64	158	222	15	0	Stages 1 & 2 preliminary floods works at Glasgow Terrace is complete. Stormwater modelling is underway and will be crucial for determining capital projects.
Total Stormwater		347	507	(160)	739	1,086	2,042	2,027	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Wastewater									
Wastewater Centralisation	Renewal	868	0	868	1,264	2,131	4,441	242	Sanson wastewater centralisation project getting closer to completion with intermediate pump stations underway and due for completion late Dec 23. The majority of pipe has been installed on the Rongotea leg with last 1km through the village still to be done. Design of pipework inside Rongotea and pump stations are underway. A review of the pump station design has proved beneficial with formal discussions to begin with preferred landowner. Funding approval received from NZDF.
Feilding WWTP Asset Renewal	Renewal	45	360	(315)	71	116	1,441	1,441	Consenting, ablution block, UV system, band screen and subo, road widening underway
Feilding WW Retic Renewals	Renewal	15	33	(18)	1	16	133	133	Reactive works completed as required by reticulation team.
Feilding WWTP Upgrade	New LOS	228	171	57	351	579	683	0	Planting of Bay 1 is now complete. Stringfellows awarded contract to build the intake, work to commence in November 2023. Planting of bay 2 to begin March 2024. Resource consent work underway.
Feilding Wastewater Growth	Growth	11	106	(94)	501	513	423	299	Growth works have been staged in Precinct 4 with road 4A to begin construction early November. The design for Root Street is complete with staging to be done to tie in with the Detention pond project and align with the development being done by Classics on the Malcolm Bailey property
Turners Road Extension Growth	Growth	27	0	27	85	111	0	0	Works are well underway for Turners Road project with stage 1 scheduled for mid November 2023.
Feilding WWTP - Irrigation	New LOS	16	40	(25)	0	16	160	310	Bay 1 wetland planting complete. Infill planting in southern areas, back of Reids block and buffer strip to be added by excavation site.
Rongotea WWTP Renewals	Renewal	(2)	1	(3)	3	1	5	5	Reactive works completed as required.
Himatangi WW Asset Replacement	Renewal	0	3	(3)	0	0	11	11	Reactive works completed as required.
Desludging Oxidation Ponds	Renewal	0	0	0	0	0	0	0	
District WWPS Telemetry	New LOS	7	0	7	22	29	0	0	Full upgrade Trent St Rongotea completed, commitments related to Mahinui pump station to be investigated.
Wastewater New Connections	New LOS	1	15	(14)	0	1	60	60	New connections completed as required.
Unplanned Renewals -Villages	Renewal	2	0	2	0	2	0	0	Reactive works completed as required.
Kimbolton WWTP Renewals	Renewal	4	0	4	1	5	0	0	Reactive works completed as required.
Total Wastewater		1,221	729	492	2,298	3,520	7,359	2,501	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Water Supply									
Feilding WTP Renewals	Renewal	274	25	249	568	842	100	50	Feilding water resilience project: Feilding exploratory bore complete, commencing construction of production bore complete. Still waiting on Iwi endorsement.
Feilding WS Reticulation Renew	Renewal	72	41	31	5	77	163	163	Reactive works completed as required by reticulation team.
Feilding Water Supply Growth	Growth	9	173	(164)	253	263	693	693	Growth works have been staged in Precinct 4 with road 4A to begin construction early November. The design for Root Street is complete with staging to be done to tie in with the Detention pond project and align with the development being done by Classics on the Malcolm Bailey property.
Turners Road Extension Growth	Growth	113	0	113	39	151	0	0	Works are well underway for Turners Road project with stage 1 scheduled for mid November 2023.
Water Supply New Connections	New LOS	0	6	(6)	0	0	24	24	New connections completed as required.
Feilding Water Pressure Zones	New LOS	2	98	(96)	0	2	982	982	Fraser Drive project concept design complete.
District Wide Improvements	New LOS	0	10	(10)	0	0	39	39	Ranfurly booster pump investigation underway. Project scope to be determined.
Feilding Reticulation Improvements	New LOS	0	210	(210)	0	0	839	839	Funding part of the water resilience project.
Himatangi Water Asset Renewals	Renewal	0	2	(2)	0	0	7	7	Reactive works completed as required.
Himatangi Water Supply New	New LOS	0	122	(122)	0	0	1,216	1,216	Exploring options as part of business case which includes a new bore in Himatangi. Consultation with hydrologist underway.
WS Unplanned Renewals-Villages	Renewal	13	4	9	2	15	17	17	Reactive works completed as required.
Stanway/Halcombe RWS Renewals	Renewal	1	6	(5)	0	1	22	22	Intake pump replacement underway, completion due end of November 2023.
Waituna West RWS Renewals	Renewal	6	3	3	1	7	12	12	Reactive works completed as required.
Stanway/Halcombe RWS	Renewal	0	4	(4)	0	0	14	14	Reactive works completed as required.
Stanway/Halcombe WTP New Works	New LOS	2	76	(75)	235	236	764	764	Project on hold pending protection works for bore intake. Undertaking
Ohakea RWS New Works	New LOS	0	0	0	0	0	0	0	Project complete with some site improvements to be finished off.
Ohakea RWS - Source/Treatment	New LOS	0	0	0	43	43	0	0	Project complete with some site improvements to be finished off.
Ohakea RWS - Connections	New LOS	1	0	1	0	1	0	0	Project complete with some site improvements to be finished off.
Vinegar Hill RWS New Works	New LOS	0	0	0	37	37	0	0	Consultant work underway.
Total Water Supply		493	779	(286)	1,183	1,676	4,893	4,843	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Support Services and Other									
Motor Vehicle Renewals	Renewal	175	93	82	55	229	311	311	Renewals programme is progressing ahead of schedule due to increased supply availability.
Computer Hardware Renewals	Renewal	49	68	(18)	2	51	270	270	Renewals programme is progressing as product availability issues ease up.
Software Replacement Renewals	Renewal	0	16	(16)	0	0	62	62	Project not going ahead due to software purchases classed as expenditure, no longer a capital expenditure.
IT - Capital New Jobs	New LOS	2	0	2	0	2	0	0	Hardware purchases for new staff positions in Information Management teams.
General Renewals	Renewal	0	7	(7)	2	2	27	27	No demand as yet.
General New Assets	New LOS	1	6	(5)	0	1	24	24	Cost is for UPS Battery in council chambers cabinet to protect Zoom tablet and other equipment.
Total Support Services and Other		227	189	39	59	286	695	694	
TOTAL CAPITAL EXPENDITURE		6,848	7,820	(970)	10,111	16,959	44,174	32,296	

Approved Variation to Annual Plan

These items consolidate to form the variance between Annual Plan and Revised Budget.

Annual Plan Net Surplus/(Deficit) **-4,053,000** deficit

Revenue Adjustments

Roading Emergency Works	<u>Council Approval</u>	6,177,000	
Oncharges		250,000	
Welcoming Communities grant		100,000	
NZTA Rooding Management plan		155,000	
Native Plant Nursery new contract revenue		60,000	
Freedom camping carryforward		35,000	loaded early as external funding
NZDF funding for Wastewater Centralisation		1,436,000	
Grant received for makerspace equipment		42,000	
Community Trailer funding		8,000	

Total Revenue Adjustments **8,263,000** Revenue

Operational Expenditure Adjustments

Council Approval

Carry Forwards		52,000	
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Total additional council approved expenditure **52,000**

Executive Approvals

Health and Safety requirements	GM	35,000	
Welcoming Communities grant		100,000	
NZTA Rooding Management plan		155,000	
Native Plant Nursery new contract expenditure		60,000	
Oncharges		250,000	
MAC Contracted Staffing		88,700	

Total additional CE approved expenditure **688,700**

Revised Budget Net Surplus/(Deficit) **3,469,300** surplus

Annual Plan Capital Budget

32,296,000

Council Approval

Carry forwards		3,470,000	
Rooding Emergency works		6,491,000	Approved 22/23
Land purchase Roots St		466,000	

Executive Approvals

Wastewater Centralisation		1,436,000	
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Total movements to capital budget **11,863,000**

Revised Capital Budget **44,159,000**

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Cemeteries							
Percentage of responses to our residents perception survey that are satisfied with the maintenance of cemeteries	95%	84%	Target Not Met				Result was 93% satisfaction for the quarter from the residents survey.
Monitoring the number of complaints about late or inadequate interment services	No complaints about late or inadequate interment services	0	Target Met				No complaints received in quarter 1
District Libraries							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Monitoring the number of issues per capita per annum.	8	10.1	Target Met				By the end of the first quarter, we achieved a ratio of 3.4 issues per capita exceeding the target for the quarter and on track for meeting the target by year end. Noting that digital borrowing has increased which is why we are exceeding our target. Statistics in detail can be found here: Collection items borrowed or accessed Statistics Jul 2021 to June 2024.xlsx
Monitoring the number of online transactions and users of Wi-Fi and internet	60,000	49,317	In progress				By the end of the first quarter, we are sitting at 11,588 logins to library e-resources and apps (including digital learning apps and heritage platforms. This is down largely due to diminished computer and Wi-Fi use in the smaller temporary library space with less computers and seats available. We are currently not on track to meet the target of 60,000 for the 12 months. Statistics in detail can be found here: Library e-resources apps computer and Wi-Fi usage statistics July 2021 to June 2024.xlsx
Monitoring the number of participants attending programmes, exhibitions, classes and events per annum	22,000	12,503	In progress				By the end of the first quarter we had a total of 4,241 participants attending programmes, classes, exhibitions, events, digital learning programmes or social interaction groups. The target for this year was set as if the library had re-opened with a target of 22,000 this year. We have had two busy months (July and September) with delivering school holiday activities, plus our big event of Te wiki o te reo Māori celebration in September, along with all the smaller activities we have been delivering. Plus we are starting the beginning of the preparation ready to start the transition back to the refurbished Community Hub. Statistics in detail can be found here: JARVIS: Community Hub Library: Auditing and Reporting: 2023 2024 Booking Schedule data.xlsx
Halls and Recreation Complexes							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Number of in-use Council-owned halls and recreational complexes that are compliant with current building warrant of fitness requirements and FENZ evacuation procedures	100%	100%	Target Met				100% of in-use halls and recreational complexes compliant for the first quarter
Makino Aquatic Centre							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Pool safe accreditation	Accredited	Target Met	Target Met				The Makino Aquatic Centre currently holds the PoolSafe accreditation, which remains valid until April 2024.
Participants in water activities and learning to swim programmes	51,000	45,142	In progress				From 1 July- 30 September 2023 there has been a total of 10,442 participants in water activities and learning to swim programs at the Makino Aquatic Centre.
Percentage of customers satisfied overall with their experience at the complex	90%	92.0%	Target Met				The Annual Customer Satisfaction Survey will be carried out in Feb/March 2024.
Number of general admissions (swimmers and spectators)	65,000	71,175	Target Met				From 1 July- 30 September 2023, there has been a total of 19,133 General Admissions (swimmers and spectators) at the Makino Aquatic Centre. Based on the quarter result we are on target to meet this measure for the year.

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Parks, Reserves and Sportsgrounds							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Percentage of survey participants satisfied with Council's parks, reserves and sportsgrounds	90%	90%	Target Met				Result was 94% satisfaction for the quarter from the residents survey.
Monitoring the number of health and safety incidents or injuries reported that occurred due to inadequate or poor maintenance in our parks, reserves and sports grounds	0	0	Target Met				No reported incidents during the first quarter
Property							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Council-owned buildings and properties are compliant with the relevant safety regulations	100%	100%	Target Met				100% of in-use buildings and properties compliant for the first quarter
Public Conveniences							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Monitoring the number of complaints we receive about inadequate maintenance and poor cleaning of our toilets	< 8	7	Target Met				1 complaint received about inadequate maintenance and poor cleaning in the first quarter
Animal Control							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Urgent requests about dog attacks/wandering stock responded to or caller contacted within 15 minutes of Council receiving the request (Priority 1)	90%	94%	Target Met				79 requests for priority 2 (Roaming dogs) were responded to for the period July 2023 to Sept 2023.
Notification of roaming dogs responded to or caller contacted the next working business day of Council receiving the request (Priority 2)	90%	99%	Target Met				75 were responded to within the required timeframes. A result of 95%
Routine animal control issues responded to or caller contacted the next working business day of Council receiving notification (Priority 3)	90%	97%	Target Met				There were 258 calls for priority 3 assistance (routine animal control issues). 242 were responded to within the required timeframe. A result of 94%
Building Control							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Number of the district's commercial and public buildings holding a current compliance schedule that are audited every 3 years	100%	81.00%	Target Not Met				There are 393 buildings with compliance schedules that require inspections. 300 have been inspected within the 3 year period. This is a result of 76%. MDC have been holding a vacancy for a Building Compliance officer since the departure of our last BCO. We have contracted the role out and though she is catching up she is currently working through the backlog
Complaints relating to our building control service are responded to within specified timeframes	90%	92%	Target Met				14 complaints were received for Building services during the period 1 July 2023 to 30 Sept 2023. All were scheduled within the required timeframe, a result of 100%
Number of residential swimming pools that are inspected every 3 years to ensure compliance with the Building Act	90%	98%	Target Met				There are 350 swimming pools requiring inspections, of which 345 have had inspections within the 3 year time frame of their last inspection. A result of 98.60%
Number of building consent applications and code compliance certificates processed and approved within 20 working days	95%	90%	Target Not Met				There were 62 building consents issued for the period 1 July 2023 to 30 Sept 2023, in addition there were 201 CCC's issued for the same period including fast track CCC's. Making a total of 263 Building consents and CCC's being issued for the period out of which 241 were processed in the required timeframe. This is a total of 92%
Number of fixed fee (small works) building consent applications are processed and approved within 10 working days	95%	89%	Target Met				There have been 66 fast track consents for small building work processed over the first quarter. 64 were processed in the required timeframe, a result of 97%

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Compliance and Monitoring							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Food premises are verified as per legislative requirements under the Food Regulations 2015.	100%	93%	Target Not Met				No verifications have been completed in the first quarter as we have not had a EHO. New EHO starts on 6th November 2023.
Requests for service related to incidents that endanger public health that are responded to within 24 hours of notification.	85%	95%	Target Met				There have been 9 complaints received for the period, all 9 have been responded to within 24hrs. a total of 100%
Urban noise complaints that are responded to within one hour of notification	85%	98%	Target Met				71 complaints of excessive noise in the urban area were received for the period. 70 were responded to within 1 hour, a total of 98.5%
Requests for service related to incidents that do not endanger public health that are responded to within 48 hours of notification	85%	97%	Target Met				There have been 92 complaints received for the period to 30 September 2023. Of those 90 have been responded to within 48hrs, a total of 98%
Number of licensed premises that are inspected annually to ensure compliance with the conditions of their license and to work with those who do not comply to bring them up to compliance.	95%	98%	In Progress				6 premises were inspected during the period to 30 September 2023 (11%)
Consents Planning							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Number of applications for permitted boundary activities under the Resource Management Act are processed in accordance with the statutory timeframes	100%	93%	Target Met				During the period to 30/9/2023 there were 5 (100%) permitted boundary activities processed within the statutory timeframes.
Number of non-notified resource consents completed within statutory timeframes	90%	91%	Target Met				During the period to 30/9/2023 there were 72 out of 75 (96%) consents processed within the statutory timeframes.
Number of notified and limited notified resource consents (not requiring a hearing) completed within statutory timeframes	90%	n/a	Target Met				There were no notified or limited notified consents (not requiring a hearing) during the period to 30/9/2023.
Number of limited notified resource consents (with hearing) completed within statutory timeframes	90%	n/a	Target Met				There were no limited notified consents (requiring a hearing) during the period to 30/9/2023.
The number of Resource Consent applications for resource consents returned to applicant as incomplete (under section 88 of the RMA) for permitted boundary activities	Number Recorded	0%	Target Met				There were no resource consents returned to applicant as incomplete (under section 88 of the RMA) for permitted boundary during the period to 30/9/2023.
The number of Resource Consent applications for resource consents returned to applicant as incomplete (under section 88 of the RMA) for Resource Consents	Number Recorded	13	Target Met				There were 5 resource consents returned to applicant as incomplete (under section 88 of the RMA) for resource consents during the period to 30/9/2023.
The number of applications for which a request for further information has been made. (under section 92 of the RMA)	Number Recorded	127	Target Met				There were 27 resource consents which a request for further information has been made (under section 92 of the RMA) during the period to 30/9/2023.
Governance and Strategy							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
The number of breaches in rates limits od debt levels as set in the Financial Strategy	0	0	Target Met				No breaches.

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
District Development							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Creative Communities Scheme projects administered by Council	Number Recorded	15 projects approved	Target Met				Creative New Zealand has contracted Council to administer the Creative Communities Scheme on their behalf in accordance with Creative New Zealand's guidelines. Council receives funding annually from Creative New Zealand which is allocated through an Assessment Committee made up of representatives from Council, the Community and Iwi. There are two funding rounds per year with the first funding round closing 31 August 2023 and the second on 31 March 2024. The Assessment Committee received and considered ten applications in the first quarter with eight applicants receiving a total of \$20,000.00. Creative New Zealand's Grant Accountability Tracking Tool was completed and submitted to Creative New Zealand.
Percentage of survey participants who feel a sense of connection with others in their neighbourhood/community	Baseline set 2021/22	69%	Target Met				Result was 70% satisfaction for the quarter from the residents survey.
Percentage of Results Based Accountability targets achieved under Priority Services contract	80%	95%	Target Met				89 Results Based Accountability Reports were received this quarter with two reports not fully meeting their performance targets resulting in 89% target met.
Percentage of targets CEDA has achieved under the relevant Statement of intent	80%	92.80%	Target Met				This is an annual result and won't be recorded until the end of the year.
Emergency Management							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
% of Incident Management Team personnel trained to at least intermediate level of the Integrated Training Framework	75%	90%	Target Met				Currently on 85% as there have been numerous staff moves.
% of survey participants who were satisfied with information and advice provided by Council in relation to an emergency event	≥48%	0%	Target Met				No emergency events have occurred this quarter.
Roading							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Lower than the previous financial year, measured on a per capita basis	0.00074	Target Met				To the end of the 1st Quarter there have been 5 crashes reported that have resulted in 1 fatality and 4 serious injuries. This equates to 0.00015 per capita.
The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold)	90%	97%	Target Met				The STE data will be reported at the end of Quarter 4.
A percentage of the sealed local road network that is resurfaced	5%	7.0%	Target Met				The resealing programme is scheduled to start in November 2023
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan	95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4)	99.29%	Target Met				The 2023 Footpath Rating survey resulted in 99.29% being acceptable.
For urgent requests for service, Council's will respond within three hours of the request being lodged.	90%	92.70%	Target Not Met				For Quarter 1, 83 urgent service requests were received. 74 were responded to within 3 hours. This equates to 89.15%
For non-urgent requests for service the contractor will include the repairs in the 3 month rolling programme or as instructed by Council's Roading Team.	90%	92.50%	Target Met				For Quarter 1, 283 non-urgent service requests were received. All are still within the 3 month timeframe - this equates to 100%

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Solid Waste							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Rural residents have convenient council refuse bag drop-off points close to their homes.	90% of rural residents have a refuse bag drop-off points close to their home	94%	Target Met				Present collection route meets the success measurement.
Mobile recycling centres are conveniently located within 5km of identified village centres.	100%	100%	Target Met				All stations in place, Halcombe MRC presently not accepting glass
Funding provided for waste education programmes that promote reduce and reuse.	100% achievement of confirmed participants in the Council-supported waste education programmes	YES	Target Met				20 Kindergarten/preschool & primary schools are participating in the EnviroSchools programme. 23 schools are part of the zero waste programme
Number of complaints received by Council about its performance of its solid waste services.	<100 complaints received per 100,000 annual collections	32.34	Target Met				Q1 - 24 complaints regarding waste services. RD1 report = 7669 collection points per week.
Stormwater							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
The number of flooding events in the district	0	1	Target Met				Quarter 1 = 0 flooding events.
The number of habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district	<10	0.35	Target Met				Quarter 1 = 0 habitable floors flooded.
Abatement notices received by Council in relation to resource consents. (measured per scheme)	<2	0	Target Met				No compliance issues
Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: • Infringement notices • Enforcement orders, and • Convictions received by Council in relation those resource consents (per scheme).	0	0	Target Met				No compliance issues
The median response times to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	<2 hours	2.65 hours	Target Met				Quarter 1 = 0 flooding events.
The number of complaints received by Council about the performance of its stormwater system. (Expressed per 1,000 properties connected to Council's stormwater system).	<20	4.95	Target Met				Quarter 1 = 11 complaints received. RDI report = 8595 connections, this equates to 1.28 complaints per 1000 connections.

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Wastewater							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	
Number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections.	< 6	0.12	Target Met				Quarter 1 = 1 dry weather overflow.
Abatement notices received by Council in relation to resource consents. (measured per scheme)	<2	0	Target Met				No abatement notices received
Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: • Infringement notices • Enforcement orders, and • Convictions received by Council in relation those resource consents (per scheme).	0	0	Target Met				No infringement notices, enforcement orders or convictions
Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (urgent)	< 2 hours	0.52 hrs	Target Met				Quarter 1 = 0.25 median response hours.
Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (non-urgent).	< 5 Days	1.38 hrs	Target Met				Quarter 1 = 0.48 median response hours.
Median response time (combined)	< 5 Days	1.11 hours	Target Met				
Median resolution time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (urgent)	< 5 hours	3.52 hours	Target Met				Quarter 1 = 1.82 median resolution hours.
Median resolution time to sewage overflows resulting from blockage or other fault in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (non-urgent).	< 10 Days	4.33 hours	Target Met				Quarter 1 = 3 median resolution hours.
Median resolution time (combined)	< 10 Days	4.33 hours	Target Met				
The total number of complaints received by Council about the following: • Sewage odour • Sewerage system faults • Sewerage system blockages • Council's response to issues with its sewerage system Expressed per 1,000 connections to the council sewerage system.	< 20 complaints in total per 1,000 connections per annum	3.58	Target Met				Quarter 1 = 8 complaints related to: odour = 0, system faults = 2, system blockages = 6, councils response to issues = 0. RDI report = 8508 connections, this equates to 0.94 complaints per 1000 connections.

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Water Supply							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
No Public health risk with substantiated positive E-coli detected in the water supply							Not met at Awa Street Treatment plant due to a change in Compliance Rules. Bacterial compliance met at all other treatment plants
Feilding - Almadale	100%	100%	Target Met				
Feilding - Awa Street	100%	100%	Target Not Met				Not met at Awa Street Treatment plant due to a change in Compliance Rules
Himatangi Beach	100%	100%	Target Met				
Rongotea	100%	100%	Target Met				
Sanson	100%	100%	Target Met				
Stanway Halcombe	100%	97%	Target Met				
Waituna West	100%	100%	Target Met				
Ohakea	100%	100%	Target Met				
New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply							
Feilding	100%	100%	Target Met				
Himatangi Beach	100%	100%	Target Met				
Rongotea	100%	100%	Target Met				
Sanson	100%	100%	Target Met				
Stanway Halcombe	0%	0%	Target Met				
Waituna West	100%	100%	Target Met				
Percentage of real water loss from Council's networked reticulation system. This will be calculated for each water supply scheme using Method 1 - Water Balance as per the Department of Internal Affairs guidelines							
Feilding	< 35%	12%	Target Met				
Himatangi Beach	< 35%	39%	Target Met				This is an annual result and won't be recorded until the end of the year.
Rongotea	< 35%	18%	Target Met				This is an annual result and won't be recorded until the end of the year.
Sanson	< 35%	0%	Target Met				This is an annual result and won't be recorded until the end of the year.
Stanway Halcombe	< 35%	24%	Target Met				This is an annual result and won't be recorded until the end of the year.
Waituna West	< 35%	0%	Target Met				Trickle feed overnight so is calculated on an annual basis at year end
Attendance time for urgent call-outs: from the time the Council receives notification to the time that service personnel reach the site	2 hours	0.75 hours	Target Met				@Quarter 1 = 0.23 median attendance hours.
Resolution time of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm that the water supply has been reinstated.	9 hours	3.02 hours	Target Met				@Quarter 1 = 2.45 median resolution hours.
Attendance time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site	5 working days	24 hours	Target Met				@Quarter 1 = 1.58 median attendance hours.
Resolution time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	A further 5 working days	24 hours	Target Met				@Quarter 1 = 4.32 median resolution hours.
Monitoring the total number of complaints (per 1,000 connections) received by Council about any of the following: • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • The local authority's response to any of these issues	<20	8.73	Target Met				Quarter 1 = 14 total complaints relating to: clarity = 7, taste = 1, odour = 0, pressure or flow = 1, continuity of supply = 5, councils response to issues = 0. RDI report = 8014 connections, this equates to 1.75 complaints per 1000 connections.
The average consumption of drinking water per day, per resident within Council's authority area							
Feilding	300 litres/person/day for domestic supply only	192 litres/person/day for domestic supply only	Target Met				277 litres/resident/day
Himatangi Beach	1000 litres/person/day for domestic supply only	678 litres/person/day for domestic supply only	Target Met				669 litres/resident/day
Rongotea	300 litres/person/day for domestic supply only	109 litres/person/day for domestic supply only	Target Not Met				308 litres/resident/day
Sanson	300 litres/person/day for domestic supply only	202 litres/person/day for domestic supply only	Target Met				Supplied from Ohakea Plant now
Stanway Halcombe	1000 litres/person/day for domestic supply only	408 litres/person/day for domestic supply only	Target Met				412 litres/resident/day
Waituna West	1000 litres/person/day for domestic supply only	1370 litres/person/day for domestic supply only	Target Not Met				1071 litres/resident/day

Levels of Service							
Measure	Target for 2024	Prior Year Result	Result Q1	Result Q2	Result Q3	Result Q4	Comments
Ohakea	1000 litres/person/day for domestic supply only	738 litres/person/day for domestic supply only	Target Met				488 litres/resident/day includes Sanson and Ohakea Rural area



Quarterly Treasury Report

30 September 2023

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED



Economic Commentary

Global (for the September 2023 quarter)

Traditionally, September and October are known as months of high volatility, and September lived up to its reputation as central bankers struggled to allay inflationary fears as traders and speculators adopted a 'risk-off' environment. US financial markets had a volatile September 2023, with stocks and bonds both falling sharply, which contributed to higher yields and a stronger US-dollar. The Nasdaq fell -7.5% as investors attempted to diversify away from the 'magnificent 7' while the S&P500 fell -6.7% to record its worst monthly performance since March 2020. The DJI fell -5.3%. Bond markets also struggled to attract buyers, which saw rates increase sharply throughout the month, with the 10-year US Treasury yield reaching a 17-year high of 4.554% while the 2-year is threatening to breach its 14-year high at 5.27%.

At its September meeting, the Federal Reserve ("Fed") maintained its benchmark Fed funds range at 5.25%-5.50%; however, the pause could easily have been classified as a 'hawkish pause' as the central bank also indicated it expects one further rate hike before year-end while the 'dot-plots' suggested fewer rate cuts in 2024 and 2025 than previously indicated. Conversely, the Fed's decision to pause its hiking cycle in September was also seen as an acknowledgement there are growing concerns about the risk of a recession with Chair Jerome Powell emphasising, "*We have come very far, very fast. We are taking advantage of the fact that while we have moved quickly, we now have to move a little more carefully as we find our way to the right level of restriction to get inflation back down to 2%,"* before adding, "*we must proceed carefully!*" Overall, the Fed's September meeting was a cautious one with the central bank clearly concerned about the risks of a recession while also remaining committed to fighting inflation.

The European Central Bank ("ECB") stuck to its guns and raised their key interest rates for a 10th consecutive time with a 25bp hike, lifting the deposit rate to a record 4.00% and the main refinancing rate to 4.50%, its highest level since 2001. With a 'dovish' tone, the central bank signaled that it is likely done with the current tightening cycle, as inflation has started to decline, although they also warned they see inflation remaining persistently high while ECB President Christine Lagarde acknowledged she "*can't say*" if European rates have peaked. Policymakers also cut their growth and core inflation forecasts for every year through to 2025. Meanwhile the Bank of England ("BOE") surprised markets by easing back on its aggressive hiking cycle for its first pause, holding the cash rate at 5.25%, although it was a fine line with the MPC voting 5-4. Governor Andrew Bailey had the casting vote and said at the post meeting press conference that "*the good news is that inflation in the UK is coming down (although the) BOE has to stay the course on the inflation fight.*"

Despite a raft of stimulatory measures announced, the outlook for the Chinese economy still looks problematic, with the 5.0% growth target under threat as record youth unemployment and falling house prices continue to undermine consumer confidence and thus domestic demand. Fresh concerns at property developers Evergrande Group, China Oceanwide Holdings, and Country Garden have seen executives detained as defaults loom. Bank loans to property developers were down 25% in August from a year ago, and with Chinese President Xi trying to move his country away from debt fuelled growth, it seems that the issues facing the Chinese economy aren't going to go away anytime soon.

Global bond yields moved sharply higher in September as concerns mount that inflation would be stickier than previously expected, and the market struggled to absorb the increased issuance by the US, which is needed to fund the increasing budget deficit. The benchmark US 10-year Treasury bond yield started September at 4.09% and has since climbed relentlessly to its current level of 4.74%, a yield not seen since 2007.

Economic Commentary

New Zealand (for the September 2023 quarter)

3

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 June 2023	5.50%	5.70%	5.47%	5.09%	4.69%	4.55%	4.50%
30 Sept 2023	5.50%	5.74%	5.72%	5.48%	5.22%	5.17%	5.18%
Change	+0%	+0.04%	+0.25%	+0.39%	+0.53%	+0.62%	+0.68%

In the August *Monetary Policy Statement* (“MPS”), the RBNZ again left the OCR at 5.50% and, in a reiteration of the July MPR stated that “*The Committee agreed that the OCR will need to remain at a restrictive level for the foreseeable future.*” However, the RBNZ was confident that “*consumer price inflation will return to within its target range*”. The MPS could be summed up as being slightly more hawkish than anticipated with the projected track for the OCR increasing from 5.5% to 5.6% (which implies a 40% probability of an increase to 5.75%) and pushing out the timing of the projected OCR cuts to early 2025. The justification for this appears to be in the wording “*measures of core inflation remain too high*” and “*In the near term, there is a risk that activity and inflation measures do not slow as much as expected.*” Some commentators have interpreted the slight upward revision to the OCR track and the pushing out the timing of the first cut as a bit of a warning to the market not to unnecessarily pre-empt the easing as there is still a way to go on the inflation fighting front.

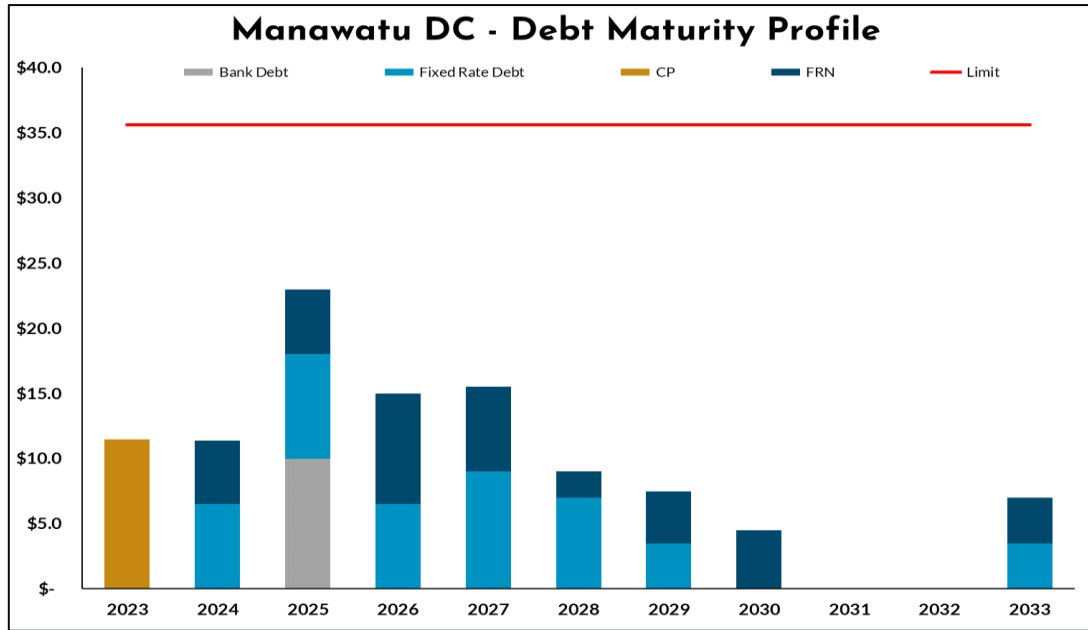
Ahead of the general election, the New Zealand Treasury's Half Year Economic and Fiscal Update (HYEFU) highlighted the Treasury will require an additional NZD9bn over the next 4 years, however, the expected borrowings were not as severe as initially forecasted, which is a positive. The Treasury is forecasting local economy will avoid a 'double dip' recession, which was supported by the Q2 GDP print which exceeded expectations at 0.9% while, for the year to June, GDP reached 1.8%, but that was where the good news ended with March 2024 growth downgraded from 2.2% to 1.2%, the unemployment forecast was upgraded to 4.6% from 4.1%, while the 2023-2024 budget deficit is expected to reach NZD11.4bn, although return to a surplus has been extended by a year to 2027. Ultimately, the HYEFU suggests businesses should prepare for a slower growing economy and higher interest rates while consumers should be prepared for a higher cost of living and a tighter labour market.

New Zealand's Q2 GDP came in far higher than expectations, at 0.9% for the quarter, against expectations of 0.4%. For the year to June, GDP was up 1.8% against expectations of 1.2%. The technical recession was also revised away as March quarter GDP was increased slightly on review to be flat for the March quarter. The industries that saw the greatest gains were mining, utilities, public administration and safety, recreation, and other.

Following the stronger than expected GDP print, markets are now pricing in one more rate hike from the RBNZ to take the OCR to 5.75% by April 2024, and then for it to decline to 5.50% by October 2024 and 5.25% by February 2025. Swap rates have moved sharply higher during the quarter, due primarily to moves in the US bond market, but also aided by the stronger than expected local GDP data. The 2-year rate climbed from 5.33% to 5.76%, currently it is at 5.72%, while the 10-year rate rose from 4.36% to 5.18%.



Liquidity and Funding



Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	No
Is the funding maturity profile within policy control limits?	Yes
Is liquidity within policy control limits?	Yes
Are counterparty exposures within policy control limits?	Yes

Debt
\$93.9
 External Council Drawn Debt

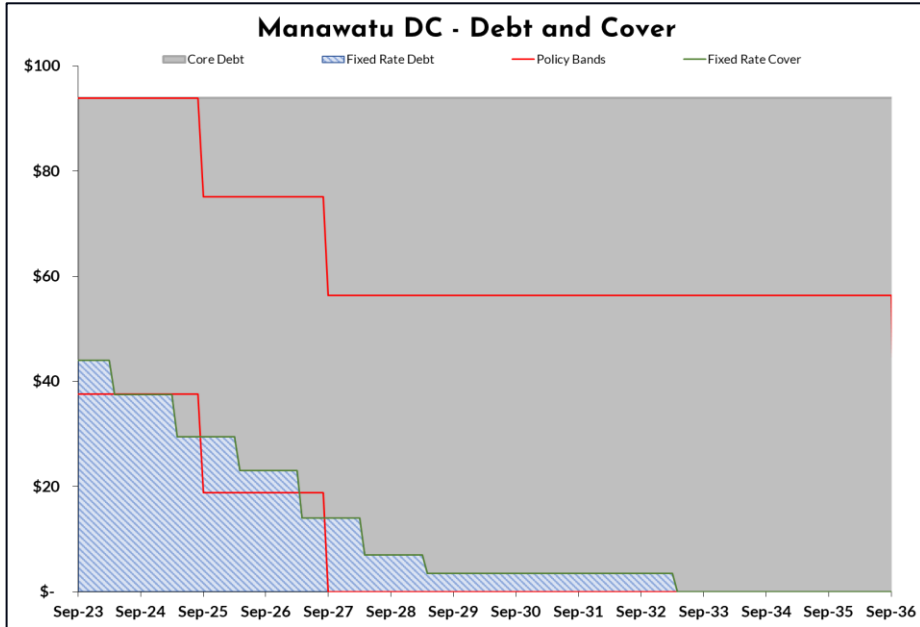
LGFA Debt
\$93.9m
 Funds Drawn from LGFA

Liquidity = cash in bank, term deposits and undrawn bank facility
\$25.18m

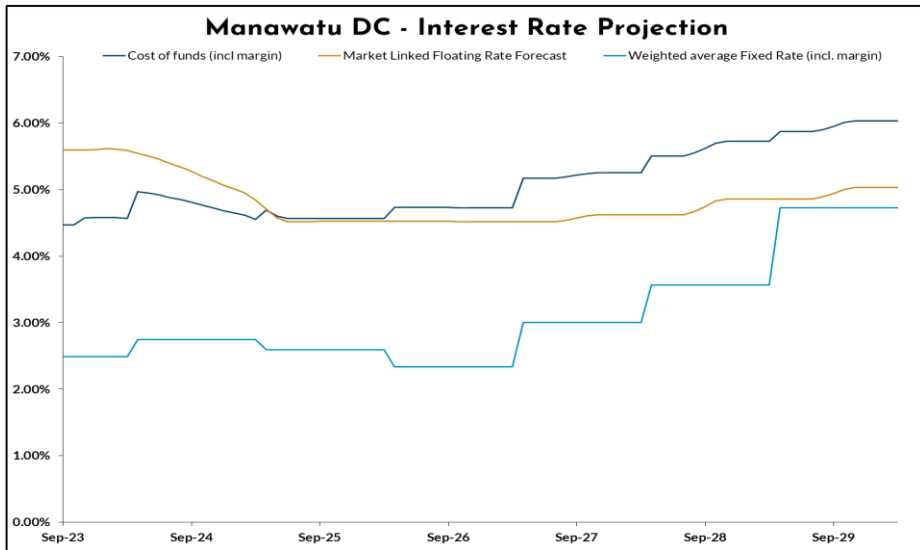
Liquidity Ratio
126.81%
 Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt

Cost of Funds as at 30 September
4.47%

Interest Rate Risk Management



Current % of Debt Fixed	46.9%
Current % of Debt Floating	53.14%
Value of Fixed Rate (m)	\$44.0
Weighted Average Cost of Fixed Rate Instruments	2.49%
Value of Floating Rate (m)	\$49.9
Current Floating Rate	5.59%
Current Floating Rate (incl margin)	6.21%
All Up Weighted Average Cost of Funds	4.47%
Total Facilities In Place	\$103.9
Facility Headroom	\$10.0



Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Non Compliant
2 - 4 years	20%	80%	Non Compliant
4 - 13 years	0%	60%	Compliant

For the Fixed Rate Hedging Bands, the non-compliance has been noted by MDC and will be addressed when there is clarification around the Water Reforms.

LGFA Borrowing Rates

As at 30 September

Listed below are the credit spreads and applicable interest rates as at 30 September for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Manawatu District Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP Rate)	FRB
3-month CP	0.20%	5.91%	N/A
6-month CP	0.20%	6.03%	N/A
April 2024	0.52%	6.23%	6.40%
April 2025	0.58%	6.29%	6.44%
April 2026	0.58%	6.29%	6.15%
April 2027	0.72%	6.43%	6.07%
May 2028	0.87%	6.58%	6.06%
April 2029	0.99%	6.70%	6.12%
May 2030	1.09%	6.80%	6.17%
May 2031	1.13%	6.84%	6.20%
April 2033	1.19%	6.90%	6.25%
May 2035	1.24%	6.95%	6.32%
April 2037	1.25%	6.96%	6.42%



Funding

As at 30 September 2023, MDC had \$93.9 million of core debt, all of which is sourced from the LGFA using Commercial Paper (“CP”), Floating Rate Notes (“FRN’s”) and Fixed Rate Bonds (“FRB’s”).

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	10-Nov-23	5.83%	N/A	\$11,500,000
LGFA FRB	15-Apr-24	1.81%	N/A	\$3,000,000
LGFA FRN	15-Apr-24	6.05%	0.40%	\$1,400,000
LGFA FRN	15-Apr-24	6.08%	0.43%	\$3,000,000
LGFA CP	15-Apr-24	5.85%	N/A	\$3,500,000
LGFA FRN	15-Apr-25	6.47%	0.82%	\$5,000,000
LGFA FRB	15-Apr-25	3.47%	N/A	\$5,000,000
LGFA FRB	15-Apr-25	3.05%	N/A	\$3,000,000
LGFA FRN	15-Apr-26	6.56%	0.91%	\$4,000,000
LGFA FRB	15-Apr-26	3.89%	N/A	\$4,000,000
LGFA FRN	15-Apr-26	6.53%	0.88%	\$2,000,000
LGFA FRN	15-Apr-26	6.44%	0.79%	\$2,500,000
LGFA FRB	15-Apr-26	2.90%	N/A	\$2,500,000
LGFA FRB	15-Apr-27	1.11%	N/A	\$7,000,000
LGFA FRB	15-Apr-27	1.95%	N/A	\$2,000,000
LGFA FRN	15-Apr-27	6.31%	0.66%	\$3,000,000
LGFA FRN	15-Apr-27	6.30%	0.65%	\$3,500,000
LGFA FRN	15-Apr-28	6.54%	0.89%	\$2,000,000
LGFA FRB	15-Apr-28	3.12%	N/A	\$2,000,000
LGFA FRB	15-Apr-28	2.20%	N/A	\$3,000,000
LGFA FRB	15-Apr-28	2.12%	N/A	\$2,000,000
LGFA FRB	20-Apr-29	2.42%	N/A	\$1,000,000
LGFA FRB	20-Apr-29	2.41%	N/A	\$2,500,000
LGFA FRN	20-Apr-29	6.29%	0.00%	\$2,000,000
LGFA FRN	20-Apr-29	6.52%	0.82%	\$2,000,000
LGFA FRN	15-Apr-30	6.34%	0.63%	\$4,500,000
LGFA FRN	14-Apr-33	6.59%	0.82%	\$3,500,000
LGFA FRB	14-Apr-33	4.72%	N/A	\$3,500,000



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Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: People and Corporate
Date Created: 29 November 2023

Internal Controls Update

Purpose Te Aronga o te Pūrongo

To provide an update to the Committee on several key internal controls, including cybersecurity breaches, policy reviews, protected disclosures and fraudulent activity.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohunga

That the Committee receives the Internal Controls Update, covering the period 12 September to 29 November 2023.

Report prepared by:
Ash Garstang
Governance and Assurance Manager

Approved for submission by:
Frances Smorti
General Manager – People and Corporate

1 Background Ngā Kōrero o Muri

1.1 This report provides a high-level summary of several key internal controls, and any notable breaches of these. The period of reporting for this update is **12 September to 29 November 2023**.

2 Cybersecurity Breaches

2.1 There have not been any cybersecurity breaches in this reporting period.

3 Governance Policy Work Programme

3.1 The Council currently has 27 Governance Policies. These policies are subject to review at set intervals, and the below table provides a brief status update of these reviews.

Status of Governance Policies
17 are current, and due for review from July 2024 onwards.
5 are current, and due for review in the first half of 2024.
5 are overdue for review.

3.2 The 5 overdue policies are:

- a. Halls Management Policy. Currently under review.
- b. Code of Conduct (for elected members). Currently with officers for amendment, and following this it will be brought to a future Council meeting for further amendment and/or adoption.
- c. Te Kawai (o te Kete). May be reviewed alongside the Long-Term Plan 2024-34.
- d. Community Committees Policy. Currently under review.
- e. Rates Remission and Postponement Policies. Being reviewed as part of the Long-Term Plan 2024-34.

4 Protected Disclosures

4.1 There have not been any protected disclosures in this reporting period.

5 Fraudulent Activity

5.1 There has not been any fraudulent activity in this reporting period.

Audit and Risk Committee

Meeting of 14 December 2023

Business Unit: People and Corporate
Date Created: 29 November 2023

Legislative Compliance

Purpose Te Aronga o te Pūrongo

To provide an update to the Committee on the Council's compliance with key legislation. Ensuring compliance with relevant laws and regulations is a critical aspect of good governance and risk management for the Council.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Committee receives the Legislative Compliance report dated 29 November 2023.

Report prepared by:
Ash Garstang
Governance and Assurance Manager

Approved for submission by:
Frances Smorti
General Manager – People and Corporate

1 Background Ngā Kōrero o Muri

- 1.1 The Council has various obligations under local, regional, and national legislation. These legal requirements encompass a wide range of areas, including but not limited to planning and zoning, environmental protection, health and safety, financial reporting, and community welfare. Compliance with these laws is essential for the Council to ensure that it treats all residents fairly, maintains public trust and avoids legal repercussions.
- 1.2 The Audit and Risk Committee plays a crucial role in overseeing the Council's risk management practices and ensuring that legislative compliance is effectively monitored and maintained.

2 Changes to Legislation and Rules

- 2.1 The Council becomes aware of changes to key legislation through public announcements, Local Government New Zealand and Taituarā, and other professional networks that are in place.
- 2.2 There are generally opportunities for the Council to submit on draft legislation and rules (e.g., bills of Parliament, regional council policies), where the Council (elected members and/or officers) can express their view on how the proposed legislation is likely to affect the Council's budgets, operations and residents.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 3.1 As per the attachment to this report, the officers have compiled a list of key legislation and provided commentary around their compliance and impacts.

4 Attachments Ngā Āpitihanga

- Legislation that applies to Local Government

Legislation that applies to local government in New Zealand includes:	Comments
<p>1. Local Government Act 2002: This is one of the central pieces of legislation governing local authorities' powers, responsibilities, and structure. It outlines the functions of local government, including planning, financial management, and community engagement.</p>	<p>Audit NZ audits the financial sections of the Long-term Plans, Annual Plans and Annual Reports.</p> <p>Various other key documents and activity areas have oversight via our internal audit functions.</p> <p>Covenant Trustees Services Ltd audit the Council's compliance with the balance benchmark requirements, and contract requirements for the Local Government Funding Agency.</p>
<p>2. Local Government (Rating) Act 2002: This Act governs the rating system used by local authorities to collect revenue for funding local services and infrastructure.</p>	<p>Audit NZ audits the financial sections of the Long-term Plans, Annual Plans, and Annual Reports which include the rating area.</p> <p>Price Water House Cooper reviews the rates resolution before the Council adopts the rating funding impact statement for the Annual Report and Long-term Plan.</p>
<p>3. Resource Management Act 1991: While not exclusively focused on local government, this Act is crucial for local authorities as it deals with resource management, land use planning, and environmental protection.</p>	<p>The Council reports to the Ministry for the Environment each year in regards to offences and enforcement under sects 9, 11, 12, 13, 14, 15, 16, 327 of the Act.</p> <p>Additionally, the Council completes quarterly KPI reports for consent processing timeframes, hearing reports, permitted boundary consents, and marginal consents processed under the Act.</p>
<p>4. Local Electoral Act 2001: This Act covers the rules and procedures for local government elections, including the election of mayors, councillors, and community board members.</p>	<p>Compliance with this act falls to our Electoral Officer, Warwick Lampp of the Election Services company Electionz.com Ltd. The Council signs a contract each election with electionz.com, which details their approach and commitment to meeting the requirements set out in the Local Electoral Act 2001. Council staff who participate in elections (the Deputy Electoral Officer, and Electoral Officials) are 'sworn in' to those roles, and the Electoral Office holds training with those staff prior to elections to ensure the obligations are understood.</p>
<p>5. Local Government Official Information and Meetings Act 1987 (LGOIMA): LGOIMA provides a framework for the public's right to access official information held by local authorities and regulates local authority meetings.</p>	<p>The Privacy Audit will cover some, but not all aspects of our LGOIMA responsibilities.</p> <p>In every LGOIMA response that withholds parts of requested information for privacy reasons, the Council advise the requester of their rights to appeal</p>

	<p>this to the Ombudsman:</p> <p>The Council has the ability to withhold information under the Act (e.g., privacy, commercial negotiations) in response to LGOIMA requests. Where this is done, the requestor is advised of their right to appeal this to the Ombudsman.</p> <p><i>“You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.”</i></p>
<p>6. Building Act 2004: This Act contains provisions related to building standards, consents, and inspections, which local authorities enforce in their jurisdictions.</p>	<p>The International Accreditation New Zealand (IANZ) reviews the Council’s processes and systems every two years. This includes the Council’s processes around substantive compliance, quality management systems, code compliance certificates, consent processing, and compliance schedules.</p>
<p>7. Public Works Act 1981: Local authorities may use this Act to acquire land for public works projects, such as infrastructure development.</p>	<p>This relates to the Council’s ability to acquire land for a public work under the relevant section of the Public Works Act 1981, depending on what the public work is for. Council must identify that the work meets the definition of a ‘public work’ before undertaking an acquisition using the Act. The Act sets out a framework for land acquisition that can be used whenever Council acquires land as the best practice method to fairly compensate the affected landowner.</p>
<p>8. Civil Defence Emergency Management Act 2002: This Act governs emergency management at the local level, including the roles and responsibilities of local authorities during emergencies.</p>	<p>The Council must plan and provide for civil defence emergency management within the district. Additionally, the Council must ensure that it is able to function to the fullest possible extent, even if this is at a reduced level, during and after an emergency. Council follows the National Emergency Management Agency’s backed Integrated Training Framework to provide staff with emergency management skills.</p> <p>Council adheres to section 27 of the Act by having appointed Local Controllers. These appointments are noted within the Group Plan.</p>
<p>9. Land Transport Management Act 2003: This Act relates to transportation planning, funding, and management, which is often a significant responsibility for local government.</p>	<p>This relates to the Council’s function as a Road Controlling Authority (RCA) and includes everything from the setting of speed limits on local roads to the Council’s obligation to maintain the roading network in accordance with Waka Kotahi standards. The Council contributes to the development of the Regional Land Transport Plan (a regional council function) which underpins</p>

	the regional roading investment from the National Land Transport Fund.
10. Local Government (Community Well-being) Amendment Act 2019: This amendment emphasizes the broader well-being of communities and encourages local authorities to consider social, economic, cultural, and environmental well-being in their decision-making processes.	The Council's strategic priorities link to the social, economic, cultural and environmental well-beings. The strategic priorities for Council are at the forefront of all of Council's decision-making, with officers required to report against these priorities and to demonstrate how they are related to recommendations proposed within Council reporting.

Other legislation and regulations that affect Councils includes:	Comments
1. Health and Safety at Work Act 2015: Local councils are responsible for ensuring the health and safety of their employees and may have to comply with this Act, which sets out health and safety requirements for workplaces.	SafePlus undertakes an audit every 2 - 3 years on the Council's health and safety compliance under the Act.
2. Resource Management Act 1991: While mentioned earlier, this Act is significant for land use planning, environmental protection, and resource management, which local councils must administer and adhere to in their planning and development processes.	<p>The Council reports to the Ministry for the Environment each year in regards to offences and enforcement under sects 9, 11, 12, 13, 14, 15, 16, 327 of the Act.</p> <p>Additionally, the Council completes quarterly KPI reports for consent processing timeframes, hearing reports, permitted boundary consents, and marginal consents processed under the Act.</p> <p>The Council is required to provide information to the Ministry for the Environment, via the National Monitoring System, to ensure our compliance on land use planning, environmental protection and resource management.</p> <p>Sections 35 and 35A of the Act details the duty to gather information and maintain records about the environment and iwi/hapū.</p>
3. Land Transport Act 1998: This Act covers various aspects of transport, including road management, public transport, and driver licensing, and local councils often have responsibilities in these areas.	The Council's obligations around road management and investment are primarily driven by the Land Transport Management Act 2003. The primary aspects of this legislation relate to driver licencing and road user behaviour – these are NZ Police functions.
4. Biosecurity Act 1993: Local councils may be involved in biosecurity efforts to prevent the spread of pests, diseases, and other biosecurity risks within their regions.	Not applicable for our Council.
5. Dog Control Act 1996: Councils are responsible for administering dog control regulations, including dog registration and managing dangerous dogs.	The Council reports each year (under Section 10A of the Act) on dog numbers in the district, registration fees, prosecutions, hearings, disqualified owners, and the number of dogs that are classified as being menacing or dangerous. Internal quarterly reporting also ensures that priority 1, 2 and 3 reports are responded to within agreed timeframes.
6. Waste Minimisation Act 2008: Councils have responsibilities related to waste management and minimizing waste in their communities, in accordance with this Act.	The Council's key responsibility under this legislation is to develop, consult on and implement a Waste Management & Minimisation Plan on a six yearly cycle. This Plan should outline how the Council intends to invest the Waste Levy it collects for waste minimisation initiatives. The Act also outlines what

	fines the Council can impose for rubbish related offences (i.e., fly-tipping).
7. Sale and Supply of Alcohol Act 2012: Councils may issue licenses and monitor the sale and supply of alcohol within their areas in compliance with this Act.	The Council does quarterly KPI reporting on inspections that have been conducted. The Council also reports to the Alcohol Regulatory & Licensing Authority, who oversee our compliance with the Act.
8. Local Alcohol Policy: In addition to the national alcohol regulations, councils can develop their own Local Alcohol Policies to regulate alcohol sales and licensing in their communities.	Not applicable (MDC does not have a local alcohol policy).
9. Local Initiatives Fund Regulations: These regulations govern the Local Initiatives Fund, which allows local councils to apply for funding to support projects and initiatives within their communities.	Agencies require a range of reporting requirements before the Council can utilise any funds that have been granted to it – these are done as per each funding agreement, including (but not limited to) the Lotteries commission and Department of Internal Affairs.
10. Electoral Regulations: Local councils must adhere to various regulations related to local government elections, which are periodically held to elect mayors, councillors, and community board members.	Compliance with this Act falls to our Electoral Officer, Warwick Lampp of the Election Services company Electionz.com Ltd. The Council signs a contract each election with electionz.com, which details their approach and commitment to meeting the requirements set out in the Local Electoral Act 2001. Council staff who participate in elections (the Deputy Electoral Officer, and Electoral Officials) are ‘sworn in’ to those roles, and the Electoral Office holds training with those staff prior to elections to ensure the obligations are understood.
11. Civil Defence Emergency Management Act 2002: Local councils play a critical role in emergency management and must adhere to this Act in preparing for and responding to emergencies.	<p>The Council has prepared and delivered Response and Recovery Plans to our communities enabling them to be better prepared for an event. The Council has also prepared and made use of flood and other hazard action plans in liaison with neighbouring districts and the regional council.</p> <p>The Council requires that all staff have completed, at minimum, an introduction to emergency management as per the nationally agreed Integrated Training Framework governed by the National Emergency Management Agency. This is to better prepare staff to operate in an Emergency Operations Centre which is over and above their regular duties. Some individuals within Council have notified roles such as Local Controller and Local Recovery Manager.</p>
12. Housing Regulations: Councils may be involved in administering regulations related to housing, such as building warrants of fitness and	The Council reports on the number of complaints received around substandard or unsanitary housing, on a quarterly basis.

housing standards.	The International Accreditation New Zealand (IANZ) reviews the Council's processes and systems every two years. This includes the Council's processes around building warrants of fitness and compliance schedules detailed in the Building Act 2004. The Council's building functions are also subject to external auditing.
13. Heritage Regulations: Local councils may have responsibilities related to the protection and preservation of heritage buildings and sites within their jurisdictions.	<p>The Council must apply for archaeological authority if undertaking any activity or investigation that will (or may) modify or destroy the whole or any part of an archaeological site. Heritage NZ Pouhere Taonga Act 2014.</p> <p>Modification or demolition of a scheduled heritage building requires consent under the Resource Management Act 1991.</p> <p>The Council must consider the New Zealand Heritage List/Rārangi Kōrero when considering review of District Plan heritage schedules.</p>
14. Traffic and Parking Regulations: Councils often manage traffic flow, parking regulations, and road safety within their areas.	The Council does not currently cover parking enforcement, but has a Traffic Safety Bylaw (not subject to audit). The Council does not conduct road safety enforcement.
15. Food Act 2014, regulates our food industry ensuring that premises have food control plans.	The Ministry for Primary Industries (MPI) monitors the Council's compliance and monitoring of food control plans. Details around premise inspections (that the Council conducts) are entered onto MPI's TiTiro and MAPS system. Additionally, internal quarterly reporting ensures that premises are inspected in accordance with timeframes specified by the Act.
16. Health Act, legislation governing the investigation of health complaints, hoarding, health nuisances and premises such as hairdresser compliance, Funeral parlours, Trade waste applications, offensive trades.	The Council does quarterly reporting on all inspections completed under the Health Act, such as hairdressers, offensive trades, and funeral parlours. This reporting helps to ensure that inspections are conducted annually, as per legislation.
17. Reserves Act 1977	<p>Reserve management plans are developed and adhered to for every reserve under Council control.</p> <p>Rangers are appointed to enforce any actions or non-compliance with the Act.</p>

Council

Meeting of 14 December 2023

Business Unit: People and Corporate
Date Created: 01 December 2023

LGOIMA Report

Purpose Te Aronga o te Pūrongo

To present requests for information received by Council under the Local Government Official Information and Meetings Act 1987.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohunga

That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 from 12 September 2023 to 30 November 2023 be received.

Report prepared by:
Dianne McKay
Information Officer

Approved for submission by:
Frances Smorti
General Manager – People and Corporate

1 Contribution to Community Well-being and Council's Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council's strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

1.2 The Council makes decisions on behalf of the wider public interest, taking into account the needs of current and future generations, and the strategic priorities identified by the Council. The matter addressed by this report relates to the Council's Kawanatanga (Governance) role and therefore to all of the above strategic priorities in a wider sense.

2 Background Ngā Kōrero o Muri

2.1 The Local Government Official Information and Meetings Act 1987 makes provision for public access to Council information.

2.2 The Act also provides requirements for how the Council must deal with any requests for access to information that it holds.

2.3 Each month the Council makes available to elected members a list of requests received, including the name of the requestor, a description of the information being sought, the timelines for that request, and the responses given.

2.4 This report covers the period 12 September 2023 to 30 November 2023.

SUMMARY	19 July 2023 to 11 September 2023	12 September 2023 to 30 November 2023
Received	9	20
Closed	10	18
In Progress	2	4

FINANCIAL YEAR	1 July 2023 to 30 November 2023	1 July 2022 to 18 June 2023
Total	33	129
Closed	29	128
% Sent in time frame	100%	99%

2.5 Requests received and/or closed from 12 September 2023 to 30 November 2023

LGOIMA Number	Date Received	Requester Name	Organisation	Request Summary	Due Date	Request Status	Completed Date
LG2207	17/08/2023	Emma Abbot	Wotton Kearney	Details of liability insurance from 2010 - 2023, including policy documents and correspondence	14/09/2023	Complete	11/09/2023
LG2210	23/08/2023	Suzanne Wood	Individual	Further details about water connection for 1759 & 1761 Cheltenham Hunterville Road	20/09/2023	Complete	11/09/2023
LG2212	11/09/2023	Malishia Lewis	Individual	How does MDC keep personal information safe, does MDC share details with others and does MDC let people know when their information is disclosed to third party.	9/10/2023	Complete	4/10/2023
LG2213	15/09/2023	Luke Benner	Luke Benner Consulting	Any traffic and speed surveys on file for Mount Biggs Road, Halcombe	13/10/2023	Complete	21/09/2023
LG2214	14/09/2023	Doug Astill	Individual	Information about abandoned vehicles, Councils current policies/initiatives to reduce the number of and environmental impacts from abandoned vehicles.	12/10/2023	Complete	19/09/2023
LG2215	21/09/2023	Trudy McDonald	Individual	Details about Councils Liability Insurances	19/10/2023	Complete	4/10/2023
LG2216	22/09/2023	Samuel Tranter	Individual	Further details about Water Carriers	20/10/2023	Complete	6/10/2023
LG2217	23/09/2023	Llyvonne Barber	Individual	Information about change of speed limit on Waughs Road	20/10/2023	Complete	27/09/2023
LG2218	03/10/2023	Christopher Smith	Individual	Details of rates arrears and mortgagee/rating sales for years 2018 - 2023	1/11/2023	Complete	4/10/2023
LG2219	03/10/2023	Aimee Byers	Boffa Miskell	Decision reports for solar farms granted from 2021 to 03 October 2023	1/11/2023	Complete	6/10/2023
LG2220	29/09/2023	Janika ter Ellen	Newhub	Information on council swimming pools	30/10/2023	Complete	10/10/2023
LG2221	09/10/2023	Nathan Raman	Beca	Information about wastewater, stormwater and water capacity in Fitzroy and Charles Streets. Also any information about known flood issues.	7/11/2023	Complete	12/10/2023
LG2222	17/10/2023	Jonathan Parsons	Individual	Does the Airbnb building on 906 Reid Line East have a consent?	15/11/2023	Complete	19/10/2023
LG2223	19/10/2023	Gillain Johnston	Snapshot Research NZ	Information regarding cycle, pedestrian and service bridges.	17/11/2023	Complete	14/11/2023
LG2224	02/11/2023	Kent Barrett	thinkstep anz	Volume or weight of waste collected, taken to landfill or diverted to landfill for the year ending March 31 2020.	30/11/2023	Complete	14/11/2023
LG2225	03/11/2023	Graham Thomas	MPI	Details about Rangiwahia bulk rubbish collection	1/12/2023	Complete	15/11/2023
LG2226	08/11/2023	Harry Zheng	Manatū Hauora - Ministry of Health	Information about fires and damages from vaping devices	6/12/2023	Transferred to Fire and Emergency	15/11/2023
LG2227	08/11/2023	Matthew Greaves	Individual	Information regarding procurement costs for functions	6/12/2023	With SME	
LG2228	11/11/2023	Linus Langbacka	Govstats	Payments made over \$5000 for external goods and services from 01-01-2022 to 31-12-2022	8/12/2023	With SME	
LG2229	14/11/2023	Paul Stanaway	Individual	Information and communications regarding work done at 266 Puke Puke Road	12/12/2023	With SME	

LG2230	15/11/2023	Bridgette Murphy	Individual	Details of what the Rangiwahia Community Committee has spent its annual project funding allocation on since Council has provided annual funding.	13/12/2023	Complete	24/11/2023
LG2231	17/11/2023	Penny Salmon	Individual	Information about the performance of MDC Council Controlled Organisations	15/12/2023	With SME	

3 Te Kīwai (o te kete)

- 3.1 Te Kīwai is the engagement process which guides Council’s practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.
- 3.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

4 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 4.1 There are no community engagement requirements associated with this report.

5 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 5.1 There are no operational implications associated with this report.

6 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 6.1 There are no financial implications associated with this report.

7 Statutory Requirements Ngā Here ā-Ture

- 7.1 The statutory requirements for access to local authority information, and procedures for dealing with requests received for information held by local authorities is set out in Parts 1, 2, 3, 4, 5 and 6 of the Local Government Official Information and Meetings Act 1987.

8 Delegations Te Mana Whakatau

- 8.1 The Audit and Risk Committee has authority to consider this matter.

9 Conclusion Whakatepenga

- 9.1 The Requests for Information that have been received from 12 September 2023 to 30 November are reported to the Audit and Risk Committee for information.