

**CARTERTON**  
DISTRICT COUNCIL

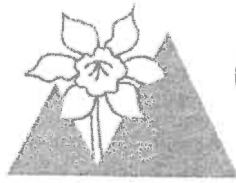
**Audit and Risk  
Committee Meeting**

**16 May 2017**

**10.00am**

Committee Members: Philip Jones, Mayor J Booth, Deputy Mayor R Keys, Councillors M Ashby, T O'Callaghan





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## **AGENDA**

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**The Agenda of the Audit and Risk Committee Meeting of the Carterton District Council  
to be held at the Hurunui o Rangi Rooms, Carterton Events Centre  
on Tuesday the 16<sup>th</sup> of May 2017 at 10.00am**

- 1. Apologies**
- 2. Conflict of Interest Declaration**
- 3. Public Forum**
- 4. Notification of General Business / Late Items**
- 5. Health and Safety Report – *page 1 - 6***
- 6. Health and Safety – Five Biggest Risks – *page 7 - 12***
- 7. Report on Parks and Reserves Staff Sick Leave Investigation - *page 13 - 14***
- 8. 3<sup>rd</sup> Quarter Financial Report – *page 15 - 22***
- 9. Policy Review Report – Review Dates and Actions – *page 23 - 24***
- 10. Asset Management Plans  
– Report of Progress and AECOM Asset Management Report – *page 25 - 28***
- 11. Report on Work Programme to Validate Rates Information Database – *page 29 - 30***
- 12. Report on all Audit NZ Management Recommendations and progress towards  
resolution – *page 31 - 36***
- 13. General Business / Late Items**
- 14. Confirmation of the Minutes – *page 37 - 38***
  - 14.1 Minutes of the Audit and Risk Committee meeting held on the 22 March 2017.**
- 15. Matters Arising from Minutes**

**16. Exclusion of the Public – page 39**

**16.1 Insurance Changes - page 41 - 44**

**16.2 Chief Executive Half year performance review 2017 – page 45 - 56**



3 May 2017

### 31 March 2017 – 30 April 2017 Health and Safety report

**1. PURPOSE OF THE REPORT**

To update the Committee on recent health and safety activities.

**2. SIGNIFICANCE**

The matters for decision in this report are not considered to be significant under the Council’s Significant and Engagement Policy.

**3 NEW SINCE THE LAST REPORT**

H & S Induction	H & S Training	Catching our people doing the right thing	Health & Wellness
<ul style="list-style-type: none"> <li>• Good progress has been made with the Health and Safety Handbook and its is hoped that it will be finalised in the next month or two.</li> </ul>	<ul style="list-style-type: none"> <li>• The definition of “Near Miss” has been created which will be used in internal training for all staff by Managers with their teams. It is hoped that this will encourage better reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduced the concept of Health and Safety Hero where staff who challenge unsafe practices by other staff, contractors of members of the public are recognised.</li> </ul>	<ul style="list-style-type: none"> <li>• An Epi Pen has been purchased and will be placed in the office at the Waste Water Treatment Plant as the introduction of beehives nearby could pose a risk.</li> </ul>

**4 RESOURCING**

There are no resourcing issues at this time.

**5 HEALTH AND SAFETY – PAST STATISTICS**

Since the 31<sup>st</sup> of March 2017:

- No near misses have been reported
- No non-injury accidents have been reported
- 1 accident resulting in injury has been reported

The accident did not result in the staff member having time off work and it was not considered to be notifiable event.

All accident and near miss reports have been referred to the Health and Safety Committee and Management who are satisfied that the appropriate actions have been taken and where necessary appropriate additional controls have been put in place.

- 25.5 days sick leave taken, averaging 0.42 days sick leave taken per staff member over the four week period.
- One staff member left during period since 31 March this year.

## **6 HEALTH AND SAFETY STRATEGY**

Work has yet to commence on updating the strategy and while this needs to be done it is not likely in the short to medium term as it is not considered to be a priority over the completion and approval of all Hazard Registers.

## **7 ENGAGING WITH OUR PEOPLE**

The Health and Safety Committee have been meeting regularly and:

- Produced a new form for recording health and safety discussions at team meetings designed to highlight the importance of reporting near miss events. This is provided as Attachment 1.
- Produced a definition of “Near Miss” to be rolled out to all staff and for use by Managers at Team Meetings. This is provided as Attachment 2.
- We will also use a recent accident to create a story about the importance of reporting near misses and how in this case they would, almost certainly, have prevented a recent accident which has resulted in significant time off work.
- Undertaken a review of all recommendations as a result of accident investigations to ensure the appropriate follow up actions have been taken.
- Introduced the concept of “Health and Safety Hero” to recognise staff who have challenged unsafe practices from colleagues, contractors or members of the public.

## **8 WORKING WITH OUR CONTRACTORS**

We are currently designing a new letter to go to those contractors who have been tardy in sending information to Council about their health and safety policy and practices. This letter will advise them that continued failure to respond to our request may result in them being removed from the list of Council’s preferred providers.

## **9 RECOMMENDATIONS**

That the Committee:

1. **Receives** the report.
2. **Notes** the health and safety activities described in this report.

Peter Rickman  
**Human Resources Manager**

**Attachment 1: Team Meeting Record Form**

**Attachment 2: Near Miss Defined**



## Team Meeting Record

### Health and Safety

Date of Meeting: \_\_\_\_\_

What was covered? (tick box where appropriate)

- Message to our Team Mates when provided by Health and Safety Committee
- Importance of reporting accidents and near misses
- Were any accident and near miss reports provided by staff? - (if so please attach)
- Other health and safety matters – please detail below

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Detail any health and safety follow up actions that are required

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**Signed**

\_\_\_\_\_

Team

\_\_\_\_\_

Team Member

\_\_\_\_\_

Date





## Near Miss Defined

*“A **Near Miss** is an event that did not result in injury, illness, or damage – but had the potential to do so. Only a fortunate break in the chain of events prevented an injury, fatality or damage.”*

Near misses often precede accidents but are largely ignored because nothing (no injury, damage or loss) happened. Employees often do not report these close calls as there has been no disruption or loss in the form of injuries or property damage. Thus, many opportunities to prevent the accidents that the Council has not yet had are lost. Recognising and reporting near miss incidents can make a major difference to the safety of all of our staff. History has shown repeatedly that most accidents were preceded by warnings or near misses.

Recording these near misses can also help identify any weaknesses in our health and safety procedures as these near misses may only happen infrequently but could have potentially high consequences. A review of near misses over time may reveal patterns from which we can learn valuable lessons and take early action to stop an accident from occurring in the future.

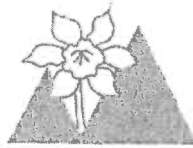
Recording near misses provides us with an opportunity to fix problems before something more serious happens. At its most simple, reporting the frayed carpet that nearly tripped someone can trigger a repair to prevent the accident in which someone actually trips and is injured.

We encourage all of you to report all near misses and can assure you that you will never be criticised for doing so. On the contrary, you will be praised. We want all of you to feel proud that you are part of Councils health and safety management process of injury prevention and hazard management which supports a positive workplace culture of ‘safe home every day’. To support this your reporting of near misses is critical.

## Near Miss or Close Call - Report it

Your Health and Safety Committee





19 April 2017

## **Health and Safety – Five Biggest Risks**

### **1. PURPOSE OF THE REPORT**

To present to the Committee a report on the five biggest Health and Safety risks.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be significant under the Council's Significant and Engagement Policy.

### **3. BACKGROUND**

At the last meeting of the Committee the Committee asked for a report on the five biggest Health and Safety risks, how they will be reduced and when reduction measures will take place.

### **4. FIVE BIGGEST HEALTH AND SAFETY RISKS**

A report on the five biggest Health and Safety risks including how they will be reduced and when reduction measures will take place is attached as Attachment 1. The risks are:

1. Contractors
2. Working Alone and Remotely
3. Machinery
4. Traffic
5. Under Reporting

Control measures are either underway or are planned as set out in the table.

We are confident that the controls, once put in place, will be effective in mitigating the risks.

### **5. RECOMMENDATIONS**

That the Committee:

1. **Receives** the report.

Peter Rickman  
Human Resource Manager

## Health and Safety Risks

## Attachment 1

Risk	Description of Risk	Controls and Reduction Measures	Actions	Timeframes
<b>Contractors</b>	Contractors pose a risk principally because we have little control over their staff and their work standards while they are on the job. It is not possible for us to supervise them at a micro level. We are reliant on them to employ staff who are trained and competent to undertake the work assigned while at all times observing safe practices and their obligations under the Health and Safety at Work Act.	All contractors used by the Council will have satisfied us that they have robust health and safety systems in place and that they understand their health and safety obligations to us and their staff. All contractors will be fully briefed (recorded in writing) by a Council official before they commence any task and will be randomly visited (recorded in writing) on the work site.	Contractors who have been checked and accredited by Council will be included on a preferred provider list.  Briefing processes to be developed and implemented including hazards present and controls.  Site safety Audit Checklists to be developed and then implemented.	On Going  By end of July and then as required  By end of July and then as required
<b>Working Alone and Remotely</b>	Being such a small organisation it is often impossible for staff to work in teams or even in pairs. Often staff are required to work alone and remotely where in some cases poor cell phone coverage is an additional factor.	All staff who work remotely or alone will be provided with in car radio transmitters and/or cell phones. They will be required to sign out before they leave, including their intended location and expected time of return. This will be monitored and action taken in line with an emergency response plan if help is summoned or they fail to return by the expected time. They will be required to sign in when they return. They will be provided with a device to summon assistance which do not require cell phone coverage.	Remote contact device provided (currently being trailed).  Working remotely or alone sign out/sign in and location system to be developed.  Monitoring of sign out/in system to be assigned.  Emergency Action Plans to be developed and implemented once assistance device available.	By end of July  By end of May  By end of May  By end of July

Risk	Description of Risk	Controls and Reduction Measures	Actions	Timeframes
Machinery	<p>Council possess a range of both heavy and light machinery which needs to be treated with care. Machinery includes trucks, diggers, tractor mowers, ride on mowers, compactors, chainsaws etc. Machinery such as this is inherently dangerous both to the operators and others so it poses a significant risk.</p>	<p>We need to ensure that all new machinery is fit for purpose and health and safety considerations are taken into account before purchase. All machinery is regularly maintained (recorded on schedule by in house mechanic) and that staff are trained (recorded in writing) to operate any particular piece of machinery safely well before they use it. Staff need to understand how to use the safety features of the machinery and need to check each piece of machinery before they use it by using the appropriate safety check list. Systems are in place for checking the ongoing validity of driver licenses.</p>	<p>Procurement policy to be developed and/or checked to ensure compliance issues addressed.</p> <p>Maintenance schedules are completed and filed.</p> <p>Staff equipment training (in house or external) completed and recorded.</p> <p>All Safe Operating Procedures to be developed/implemented.</p> <p>Equipment Safety Checklist to be developed/ implemented.</p> <p>Driver License check in place</p>	<p>By end of June</p> <p>By end of May</p> <p>By end of June</p> <p>By year end</p> <p>By end of June</p> <p>Completed</p>

Risk	Description of Risk	Controls and Reduction Measures	Actions	Timeframes
Traffic	<p>The biggest hazard concerns our staff in both operations and parks and reserves working on the roadways both side roads and state highways. In the case of working on the main roads and state highways large volumes of traffic constitute a significant hazard.</p> <p>This involves working on water, storm water and waste water pipes or tending to trees and or gardens on road verges.</p>	<p>We need to ensure that staff know when they are able to undertake minor work on road sides and when they need a traffic management plan to do so and what actions are needed to adequately protect them and the public.</p> <p>Staff also need to understand the types, levels and visibility of signage required to ensure that motorists are aware of the hazard at an early stage and are able to take actions accordingly.</p>	<p>PPE such as high visibility vest, high visibility cones provided and used.</p> <p>Flashing warning lights are present on vehicles and are used where appropriate.</p> <p>Signage appropriate to the work being undertaken is available and used.</p> <p>Protocols to be developed/ implemented that deals with the type of signage required and its positioning to maximise safety of both staff and the public.</p>	<p>Immediately</p> <p>Immediately</p> <p>Immediately</p> <p>By end of June</p>

Risk	Description of Risk	Controls and Reduction Measures	Actions	Timeframes
<p><b>Under Reporting</b></p>	<p>While accident reporting has significantly increased in the last year or so there are still issues with reporting of near misses. We suspect that it is a combination of staff thinking "nothing happened so why report it" and an issue with having to write out information where writing is not their preferred method of communication.</p>	<p>We need to take actions to remind staff of the importance of notifying us of any near miss so that we are able to both consider patterns and to take pre-emptive action to put in place safety measures where necessary. Wherever possible we need to make it easier for staff to report near misses.</p>	<p>Consider the terminology we use – Near Miss or Incidents</p> <p>Take action to ensure staff are aware of what a near miss is and what we need from them to capture the story. This could be achieved by the development of posters to place on notice boards encouraging staff to report near misses and explaining why it is important for them and their workmates.</p> <p>Back this up with verbal interactions by managers at team meetings where health and safety must be a standing Agenda item.</p> <p>Investigate use of phone app for ease of reporting near misses.</p>	<p>By end of April</p> <p>By mid May</p> <p>By end of May</p> <p>By end of June</p>







19 April 2017

## **Parks and Reserves Sick Leave Investigation**

### **1. PURPOSE OF THE REPORT**

To present to the Committee a report on the use of sick leave by members of the Parks and Reserves Team.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be significant under the Council's Significant and Engagement Policy.

### **3. BACKGROUND**

At the last meeting of the Committee a verbal report of the breakdown of sick leave by various teams was provided. That verbal report stated that the Parks and Reserves Team took significantly more sick leave compared to any other team. We have further investigated this matter and the results are reported below.

### **4. PARKS AND RESERVES SICK LEAVE**

Total sick leave taken by Parks and Reserves staff from 21 August 2016 to 19 February 2017 was 63 days. This was significantly more than the 41 days taken by Community Services staff or the 32 days by Operations staff.

On investigation it was discovered that one staff member took a significant period of leave to attend to his sick children, one took leave following a medical event, one took two weeks leave following a non-work related accident and others took leave following minor work related accidents that were not reported to ACC.

After taking these one off events into consideration the amount of leave taken was consistent with other teams at the Council. In addition the Manager has looked at all the leave taken and does not believe that there has been any individual abuse of Sick Leave, or any underlying health and safety issues with that team.

### **5. RECOMMENDATIONS**

That the Committee:

1. **Receives the report.**

Peter Rickman  
Human Resource Manager

Doc ID 39561



16 May 2017

Audit and Risk Committee

## **March 2017 financial report**

### **1. PURPOSE**

The purpose of this paper is to allow the Committee to consider the appropriateness of the regular financial reporting to Council.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

### **3. FINANCIAL REPORT TO COUNCIL**

Each Council meeting a summary financial report is included in the Chief Executive's report. As an example, the draft for March 2017 is attached as appendix A.

This format dates back to the last triennium when Council requested that a summary only was required and to limit the report to significant exceptions. More detailed financial statements were to be made available if an elected member requested them. An example of the detailed statements we have developed is attached as appendix B.

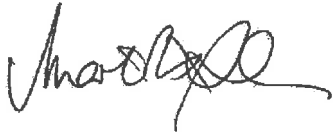
This year we have been developing a financial reporting package that comprises reports to managers for their operating and capital expenditure results, discussion with them on year-to-date variances from budget and year-end forecasts, and preparation of summary reports to the Chief Executive.

The Council summary and detailed reports reflect the output of this new reporting package, which was used for a full cycle for the first time last month.

**4. RECOMMENDATIONS**

That the Audit and Risk Committee:

1. **Receives** the report.
2. **Agrees** that the financial reports to Council are appropriate.

A handwritten signature in black ink, appearing to read 'Marty Sebire', with a stylized flourish at the end.

Marty Sebire  
Corporate Services Manager

**Appendix A—Draft summary financial report to Council for March 2017**  
**Appendix B—Detailed financial statements for financial year to March 2017**

## 2. FINANCIAL

This short report provides summary information on the financial results for the Council for the financial year to 31 March 2017. Full financial statements are available. Budgets used are those from the annual plan and any changes subsequently approved by Council.

### 2.1 Key financial measures

The Council has recorded an operating surplus of \$1,070,746 for the nine-month period to 31 March 2017. This compares with the budgeted surplus of \$657,605, a favourable variance of \$413,141.

Overall operating revenue was \$11,566,618, over budget by \$513,876. Revenue was over budget for most activities, in particular infrastructure contributions (\$311,733), building consent fees (\$122,869), and for Events Centre hireage (\$11,612). These are mostly permanent differences. The over-recovery was offset by negative timing variances for NZTA roading subsidies (\$159,988).

Overall operating expenditure was \$10,495,872, over budget by \$51,986. Expenditure included a number of unplanned items including sewerage activity consultancies and materials (\$96,659), and consultancy fees for building inspection (\$64,255) and health and safety (\$70,965). This was partly offset by positive timing variances for roading activity (\$101,704) and permanent variance for storm repairs at the Kaipaitangata water treatment plant (a final value is yet to be confirmed).

Total capital expenditure this year to date was \$2,881,410, which excludes \$333,329 work-in-progress balance brought forward from the previous year. The full-year budget in the Annual Plan is \$6,110,139. Council has approved a further \$651,325 mostly to complete capital items brought forward from the previous year, and Chief Executive has approved a further \$36,983 under delegated authority for emergency capital expenditure. Expenditure for the nine months to date is 42 percent of the revised total of \$6,798,447.

Currently the Council has twelve term loans held with the Bank of New Zealand totalling \$8,110,529 and five finance leases totalling \$78,799.

### 2.2 Unbudgeted expenditure

Additional expenditure beyond the budget can be approved by Council. Unbudgeted expenditure was approved by Council in October. In addition, unbudgeted expenditure has been approved by the Chief Executive under delegated authority. Since the last Council meeting the Chief Executive has approved the following emergency expenditure:

Emergency capital expenditure	Amount
Gas detector for sewage treatment plant	\$ 3,600

## **Recommendations**

That the Council:

- a **notes** that the Chief Executive has approved unbudgeted capital expenditure for a gas detector to be used at the sewage treatment plant.

# CARTERTON DISTRICT COUNCIL

## Statement Of Financial Performance For The Period Ended Mar-2017

Actual 30 June 2016 \$		Actual 31 March 2017 \$	Annual Plan 30 June 2017 \$
<b>Revenue</b>			
10,224,374	Rates	7,946,741	10,595,655
74,303	Rates penalties	4,799	25,000
175,860	Finance revenue	132,724	128,484
1,759,931	Fees and charges	1,469,894	1,486,100
1,499,039	NZTA subsidy	1,109,112	1,680,900
66,128	Petrol tax	58,421	62,500
129,091	Grants, subsidies and donations	23,966	25,900
186,328	Rental revenue	111,204	141,999
61,827	Miscellaneous revenue	121,977	77,500
428,805	Development and financial contributions	549,633	317,200
47,304	Commissions	35,868	48,000
24,574	Recoveries	2,229	97,000
-	Assets vesting in council	-	-
-	Forestry harvest	-	-
27,591	Bad debts recovered	-	-
13,000	Profit on sale of assets	49	-
-	Internal charges	-	(64,000)
<b>14,718,155</b>	<b>Total revenue</b>	<b>11,566,618</b>	<b>14,622,238</b>
<b>Expenditure</b>			
808,863	Governance	664,304	899,597
3,156,942	Roads and footpaths	2,421,467	3,392,791
1,773,632	Water supply	1,468,957	1,835,669
1,841,568	Sewerage	1,332,194	1,685,113
165,699	Stormwater	131,275	219,402
733,431	Waste management	556,654	849,394
3,394,976	Community support	2,754,746	3,469,478
1,602,011	Regulatory and planning	1,166,997	1,429,208
-	Bad debts	-	40,000
2,197,938	Gifted assets	-	-
19,046	Loss on sale of assets	1,663	-
-	Internal charges	(2,383)	(64,000)
<b>15,694,106</b>	<b>Total expenditure</b>	<b>10,495,872</b>	<b>13,756,652</b>
(975,951)	<b>Operating surplus/(deficit)</b>	<b>1,070,746</b>	<b>865,586</b>
77,802	Fair value gains/(losses)	-	-
(898,149)	<b>Total surplus/(deficit) before tax</b>	<b>1,070,746</b>	<b>865,586</b>
-	Income tax expense	-	-
<b>(898,149)</b>	<b>Total surplus/(deficit) after tax</b>	<b>1,070,746</b>	<b>865,586</b>
-	Increase/(decrease) in restricted reserves	-	-
2,985,041	Gain on property, plant & equipment revaluation	-	3,731,332
6,147	Financial assets at fair value through other comprehensive revenue and expense	-	1,000
<b>2,991,188</b>	<b>Total other comprehensive revenue and expense</b>	<b>-</b>	<b>3,732,332</b>
<b>2,093,039</b>	<b>Total comprehensive revenue and expense</b>	<b>1,070,746</b>	<b>4,597,918</b>
3,448,373	Note: Operating costs include the following expenses		
445,723	Depreciation and amortisation	2,619,210	3,548,783
3,630,024	Finance costs	297,740	499,549
	Personnel costs	2,890,533	

# CARTERTON DISTRICT COUNCIL

## Statement Of Financial Position

As at Mar-2017

Actual 30 June 2016 \$		Actual 31 March 2017 \$	Annual Plan 30 June 2017 \$
<b>Assets</b>			
<b>Current assets</b>			
4,394,885	Cash and cash equivalents	2,801,466	6,505,928
1,332,481	Debtors and other receivables	964,150	1,609,451
1,826,901	Investments	4,349,163	-
-	Inventory	-	-
-	Non-current assets held for sale	-	-
7,554,267	<b>Total current assets</b>	8,114,778	8,115,379
<b>Non-current assets</b>			
167,461,795	Property, plant & equipment	167,722,546	169,963,436
490,855	Forestry assets	490,855	413,053
421,626	Intangible assets	421,626	447,087
34,517	Investment in CCOs and section 6(4) entities	34,517	29,370
13,882	Investment in other entities	13,882	13,882
168,422,675	<b>Total non-current assets</b>	168,683,426	170,866,828
175,976,942	<b>Total assets</b>	176,798,205	178,982,207
<b>Liabilities</b>			
<b>Current liabilities</b>			
1,470,235	Creditors and other payables	545,434	1,703,916
308,860	Employee entitlements	268,856	257,373
-	Provisions	851,217	-
5,747,711	Borrowings	-	535,411
7,526,806	<b>Total current liabilities</b>	1,665,507	2,496,700
<b>Non-current liabilities</b>			
84,277	Employee entitlements	-	-
-	Provisions	-	-
90,066	Finance Leases	78,799	-
2,403,170	Borrowings	8,110,529	9,820,987
2,577,513	<b>Total non-current liabilities</b>	8,189,328	9,820,987
<b>Equity</b>			
112,421,319	Public equity	112,378,289	114,230,510
2,300,737	Restricted reserves	2,343,768	5,512,935
45,839,469	Revaluation reserves	45,839,469	46,920,075
5,311,098	Other reserves	5,311,097	1,000
	Operating Result	1,070,746	
165,872,623	<b>Total equity</b>	166,943,370	166,664,520
175,976,942	<b>Total liabilities and equity</b>	176,798,205	178,982,207



# CARTERTON DISTRICT COUNCIL

## Statement Of Cashflows For The Year to

Mar-2017

Actual 30 June 2016 \$		Actual 31 March 2017 \$	Annual Plan 30 June 2017 \$
<b><u>Cash flows from operating activities</u></b>			
<b>Cash was received from:</b>			
10,392,257	Receipts from rates revenue	8,271,829	10,620,655
1,321,358	Grants, subsidies and donations	1,133,078	1,706,800
65,272	Petrol tax	58,421	62,500
4,376,641	Receipts from other revenue	2,290,805	1,433,454
175,881	Finance revenue	132,724	128,484
16,331,409		11,886,857	13,951,893
<b>Cash was applied to:</b>			
10,766,945	Payments to suppliers and employees	7,727,081	8,535,855
446,433	Finance expenditure	297,740	499,549
11,213,378		8,024,821	9,035,404
5,118,031	<b>Net cash flow from operating activities</b>	3,862,036	4,916,489
<b><u>Cash flows from investing activities</u></b>			
<b>Cash was received from:</b>			
67,655	Sale of property, plant and equipment	(1,614)	-
-	Term investments, shares and advances	1,826,901	-
-	Forestry investment	-	-
67,655		1,825,287	-
<b>Cash was applied to:</b>			
3,550,811	Purchase of property, plant and equipment	2,879,961	6,110,139
1,813,384	Term investments, shares and advances	4,349,163	-
-	Forestry capital expenditure	-	-
5,364,195		7,229,124	6,110,139
(5,296,540)	<b>Net cash flow from investing activities</b>	(5,403,837)	(6,110,139)
<b><u>Cash flows from financing activities</u></b>			
<b>Cash was received from:</b>			
443,625	Proceeds from borrowings	-	2,998,550
443,625		-	2,998,550
<b>Cash was applied to:</b>			
460,135	Repayment of borrowings	51,619	515,980
460,135		51,619	515,980
(16,510)	<b>Net cash flow from financing activities</b>	(51,619)	2,482,570
(195,019)	Net increase/(decrease) in cash held	(1,593,419)	1,288,920
4,589,904	Add cash at start of year (1 July)	4,394,885	4,228,984
4,394,885	<b>Balance at end of year (30 June)</b>	2,801,466	6,595,617
<b><u>Represented by:</u></b>			
4,394,885	Cash, cash equivalents and bank overdrafts	2,801,466	6,595,617
4,394,885		2,801,466	6,595,617

Monthly Statement

Operating Statement

Mar-17

	ALL RESPONSIBILITY CENTRES					
	TOTAL		GENERAL			
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Income</b>	7,946,741	7,946,741	(0)	0	0	0
RATES	4,799	20,000	15,201	1,776	20,000	18,224
RATES PENALTIES	132,724	96,363	(36,361)	132,724	96,363	(36,361)
INTEREST	1,469,894	1,194,935	(274,959)	104	0	(104)
FEES & CHARGES	2,229	24,000	21,771	0	0	0
RECOVERIES	35,868	36,000	132	33,075	33,750	675
COMMISSIONS	1,109,112	1,269,100	159,988	0	0	0
NZTA SUBSIDY	58,421	46,875	(11,546)	0	0	0
PETROL TAX	23,966	25,703	1,737	0	0	0
GRANTS & SUBSIDIES	111,204	106,499	(4,705)	0	0	0
RENTALS	0	0	0	0	0	0
ASSET VESTING	0	0	0	0	0	0
CONTRIBUTIONS	549,633	237,900	(311,733)	0	0	0
FORESTRY HARVEST	49	0	(49)	49	0	(49)
PROFIT ON ASSETS	0	0	0	0	0	0
SHARE REVALUATION	0	0	0	0	0	0
REVAL GAINS	0	0	0	0	0	0
BAD DEBT'S RECOVERED	121,977	48,625	(73,352)	2,763	1,500	(1,263)
MISC INCOME	1,783,559	1,602,266	(181,294)	0	0	0
INTERNAL RECOVERIES	13,350,177	12,655,007	(695,170)	170,491	151,613	(18,878)
<b>Total Income</b>						
<b>Expenditure</b>	0	0	0	0	0	0
AUDIT	2,890,533	2,590,454	(300,079)	0	0	0
PERSONNEL	2,985,912	2,850,354	(135,558)	0	0	0
OPERATING	542,900	567,840	24,940	0	0	0
CONTRACT	3,287	5,040	1,753	0	0	0
RENTAL EXPENSE	915,231	1,056,250	141,019	0	0	0
ROAD EXPENSE	1,784,481	1,553,516	(230,966)	0	0	0
SUPPORT	2,619,210	2,661,587	42,377	0	0	0
DEPRECIATION	297,740	393,140	95,399	0	0	0
INTEREST EXPENSE	1,663	0	(1,663)	1,663	0	(1,663)
REVALUATION	0	0	0	0	0	0
LOSS ON SALE	0	31,500	31,500	0	30,000	30,000
DEBT	238,475	297,222	58,747	0	0	0
GRANT	0	0	0	0	0	0
OTHER CONTRIBUTION	12,279,432	12,006,902	(272,530)	1,663	30,000	28,337
<b>Total Expenses</b>						
<b>TOTAL Surplus / (Deficit)</b>	1,070,746	648,105	(422,641)	168,828	121,613	(47,215)

	SUMMARY		
	Actual	Budget	Variance
<b>Income</b>	170,491	151,613	(18,878)
GENERAL	668,994	659,268	(9,726)
GOVERNANCE	2,700,557	2,802,261	101,704
ROADS & FOOTPATHS	1,424,478	1,387,652	(36,826)
WATER SUPPLY	1,519,982	1,401,155	(118,827)
SEWERAGE	226,867	176,624	(50,243)
STORMWATER	653,629	652,460	(1,169)
WASTE MANAGEMENT	378,496	359,023	(19,474)
COMMUNITY SUPPORT - COMMUNITY DEVELOPMENT	868,553	824,657	(43,896)
COMMUNITY SUPPORT - PARKS AND RESERVES	1,583,075	1,525,918	(57,157)
COMMUNITY SUPPORT - COMMUNITY AMENITIES	1,371,496	1,160,861	(210,635)
RESOURCE MANAGEMENT AND PLANNING	1,783,559	1,553,516	(230,044)
OVERHEAD	13,350,177	12,655,007	(695,170)
<b>Total Income</b>			
<b>Expense</b>	1,663	30,000	28,337
GENERAL	664,304	670,223	5,919
GOVERNANCE	2,421,467	2,637,693	216,226
ROADS & FOOTPATHS	1,468,957	1,383,001	(85,955)
WATER SUPPLY	1,332,194	1,265,485	(66,709)
SEWERAGE	131,275	171,201	39,927
STORMWATER	556,654	601,295	44,642
WASTE MANAGEMENT	422,231	439,551	17,319
COMMUNITY SUPPORT - COMMUNITY DEVELOPMENT	694,934	731,633	36,699
COMMUNITY SUPPORT - PARKS AND RESERVES	1,637,581	1,545,960	(91,620)
COMMUNITY SUPPORT - COMMUNITY AMENITIES	1,166,997	1,048,531	(118,466)
RESOURCE MANAGEMENT AND PLANNING	(2,383)	(69,188)	(66,804)
OVERHEAD	10,495,872	10,453,386	(42,486)
<b>Total Expenses</b>			
<b>Less:</b>	1,783,559	1,553,516	(230,044)
OVERHEAD	1,070,746	648,105	(422,641)
<b>TOTAL Surplus / (Deficit)</b>			

16 May 2017

Audit and Risk Committee

## **Policy Review Update**

### **1. PURPOSE**

The purpose of this paper is to update the Committee on internal policies relating to the internal control environment.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

### **3. POLICIES**

At the previous Audit and Risk Committee it was noted that the Policy and Strategy Committee was monitoring a review of the Council's policies, in particular those related to regulatory, library, governance, and other externally-focused policies. In light of the comments by Audit in their draft management report, the same should be done for internal control policies and reported to the Audit and Risk Committee

The following policies and procedures are in place and have been reviewed recently:

- delegations
- risk management
- code of conduct
- political neutrality
- gift register
- Driver Check

Other policies are in place, changes are being considered but need to be formally promulgated to staff:

- motor vehicle usage
- staff purchasing

- private use of Council plant and equipment
- sale of surplus assets
- sensitive expenditure
- credit card usage
- internet and email usage
- expense reimbursement
- protected disclosures
- complaints process
- leave
- fraud, dishonesty, and corruption control
- CCTV
- conflicts of interest.

Some of these are being reviewed with the package of human resources policies.

Some gaps or more fulsome policies that could be considered are:

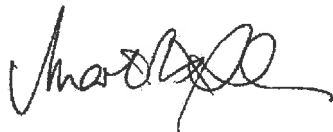
- legislative compliance
- procurement
- contract management
- information management
- official information
- register of interests for management.

We will report to the next Audit and Risk Committee with a full list of policies and a programme of work for the next 12 months.

#### 4. **RECOMMENDATIONS**

That the Audit and Risk Committee:

1. **Receives** the report.



Marty Sebire  
**Corporate Services Manager**

16 May 2017

## **ASSET MANAGEMENT PLANNING – ASSESSMENT AND UPDATE**

### **1. PURPOSE OF REPORT**

To inform the Audit and Risk Committee on the assessment and timetable of the next review of Council's Asset Management Plans (AMPs).

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be significant under Council's Significance and Engagement policy

### **3. SUMMARY**

AMPs are an important input to Council's long term planning and budgeting processes. Carterton District Council (CDC) has AMPs for each of its four core network infrastructures. There are currently no AMPs for either solid waste or community facilities.

CDC's AMPs were last reviewed in 2014/15, ahead of the 2015-25 Long Term Plan. An independent assessment was carried out by AECOM, in July 2016, to determine gaps in the AMPs as the first step towards scoping a work plan and timetable for upgrading the AMPs to an appropriate standard. The latter work has since started in preparation for Council's draft 2018-28 Long Term Plan work stream, due to commence mid this year.

### **4. BACKGROUND**

AMPs are an important input to Council's long term planning and budgeting processes. They are instrumental in developing Council's mandatory 30-year Infrastructure Strategy. Starting with the agreed levels of service (LoS) for each activity, they identify the associated asset operating, renewal and development costs required to help deliver those LoS. Understanding asset age, condition and performance is fundamental to forecasting lifecycle asset management costs, overlaid by risk management, demand implications and management, and AMP improvement planning.

CDC's AMPs were last reviewed in 2014/15 ahead of the 2015-25 Long Term Plan. The current review process focusses on updating and extending those plans in alignment with Council's draft 2018-28 Long Term Plan work programme. Council's strategic positioning as part of that process will provide high level context for AMP preparation.

An independent review of the latest version (2015) of CDC's AMPs plans was completed by AECOM in July 2016, with the view to scoping the work required to bring the plans to at least a core level. A draft work programme has been developed and prioritised to achieve that. This was reported to Council's Infrastructure and Services Committee meeting of 17 August 2016.

## 5. DISCUSSION

CDC currently has separate AMPs for each of the following network activities:

- Rooding
- Wastewater
- Water supply
- Stormwater

There are no AMPs for the solid waste and community facilities activities.

The solid waste activity comprises a relatively minor number of assets, while community facilities are collectively significant, and include the Events Centre, swimming pool, sportsgrounds, motor camp, parks and reserves, cemetery, forestry, public toilets, library, halls and Council’s administration building.

The AECOM review identified the following gaps between the current AMPs and future target levels. The latter varies corresponding to the scale of assets involved and risks attaching to that. While core AMPs are the industry recognised minimum for all asset groups, the small number and value of solid waste assets justifies a “minimal” target AMP. Intermediate AMPs is an appropriate standard for the four networks, with a fully compliant “core” AMP a reasonable starting point for community facilities, given that there is currently no AMP for this group. The marginal benefits of “advanced” AMPs over intermediate are often not justified by the additional cost of the systems required to achieve and maintain that standard. The following table summarises the current and target AMP standards for each of CDC’s asset groups:

Activity	Minimal	Core	Intermediate	Advanced
Wastewater	Current			
	Target			
Stormwater	Current			
	Target			
Water Supply	Current			
	Target			
Rooding	Current			
	Target			
Solid Waste <sup>4</sup>				
	Target			
Community Facilities				
	Target			

The comparison identifies that the Rooding AMP is the most developed of the current AMPs, already sitting at an intermediate level. It also has the single highest value of the four networks,

at an optimised depreciated replacement (ODRC) cost of approximately \$118M (June 2014).  
The ODRC of each of the networks in descending order is:

Network	Optimised Replacement Cost (\$)¹	ODRC (\$)	Annual Depreciation (\$)
Roading	154,663,000	118,105,000	1,316,000
Water supply	19,037,393	8,049,615	74,278
Wastewater	12,302,047	5,526,088	226,855
Stormwater	6,254,280	3,955,094	62,737
<b>TOTAL VALUE</b>	<b>192,256,720</b>	<b>135,635,797</b>	<b>1,679,870</b>

Given the individual and aggregated values of the above networks, plus the aggregated value of CDC's community facilities and solid wastes, the attendant funding implications of annual depreciation costs alone provide a strong case for greater attention to CDC's asset management planning processes. In the case of the Roothing AMP, the identified improvements will ensure CDC's continued eligibility for NZTA subsidy funding – a significant contributor to CDC's operating revenue.

The key areas of focus for developing the AMPs varies, from a clean-sheet for the solid waste and community facilities AMPs, to a more targeted focus for each of the networks. It includes:

- attention to organisational AMP policy and process wrap-around
- identification of levels of service and performance monitoring
- work programming corresponding to agreed levels of service, asset performance assessment and demand needs/growth planning
- asset condition assessments and improved renewal forecasting
- reformatting of financial summaries to cover 30-year forecasting and distinguish between capex for LoS versus growth
- document assumptions, confidence levels and impacts/mitigation of associated uncertainty
- establish an organisational risk management approach and identify critical assets
- establish decision making and business case frameworks.

## 6. TIMETABLE

By starting the AMP process early, the updated AMPs will be well aligned with the draft 2018-28 LTP work plan, due to commence mid-2017. The timetable below has been drawn up with this objective in mind.

Improvement Project	2016		2017				2018			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Strengthen organisational commitment										
2 Strengthen LOG										
3 Develop clear work programmes										
4 Prepare financial forecasts										
5 Improve asset knowledge										
6 Uncertainty analysis										
7 Strengthen risk management										
8 Strengthen growth forecasts										
9 Review decision making										
10 Re-develop AMPs										
Consent and compliance monitoring										

¹ Next asset valuation dates will be as at 30 June 2016 for the 3-waters and 30 June 2017 for roading assets



Other processes that might impact on, or benefit from, the AMP update process include the Local Government Commission's current reorganisation proposal for Wairarapa and the need for joined-up planning across the three Wairarapa Councils as a possible consequence of that. Also of relevance are CDC's review of its delivery of services, due by 8 August 2017 in accordance with section 17A of the Local government Act 2002, and NZTA's requirements for roading AMPs to incorporate transitional LoS provisions for the new one network roading classification (ONRC) system and demonstrate a business case approach for funding eligibility from the 2018-21 NLTP.

## **7. UPDATE**

An AMP structure and project plan has been developed and agreed to guide implementation of the above broad timetable. The associated tasks have been assigned to CDC's internal AMP project team.

An initial, high level, risk management assessment was completed across all activities in late March 2017, facilitated by Waugh Infrastructure Management Ltd, with the findings of that to be documented and inserted into each AMP.

An initial draft AMP for each of the 3-waters has been completed with the exception of the financial sections. Integral to that will be the modelling of renewal forecasts, and the financial considerations in respect of that.

Review of the roading AMP is being led by Masterton District Council on behalf of CDC. As mentioned above, the NZTA requirement for a business case to be included in the AMP, comprising a strategic context, assessment and programme business case, will provide the necessary justification for NZTA subsidy contribution to CDC's roading programme. NZTA deadlines for completion of the business case closely match the CDC project timetable.

## **8. RECOMMENDATIONS**

That the Committee:

1. Receives the 16 May 2017 update report on CDC's asset management planning.
2. Notes the current status of CDC's AMPs and the scope of work and timetable to bring all AMPs to an appropriate standard ahead of, and as a key input to, Council's draft 2018-28 Long Term Plan.



GREG. BOYLE

**PROJECT MANAGER**



16 May 2017

Audit and Risk Committee

## **Progress on validating Rates Database**

### **1. PURPOSE**

The purpose of this paper is to update the Committee on the work to validate the Rates Database.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

### **3. RATE SETTING PROCESSES**

One of the items raised by Audit New Zealand in their management report for the year ended 30 June 2017 was the rating system. They recommended that the Council “engage a third party to perform a review of the Council’s rating system. This review should be used to identify any changes and improvements that are required to the rates setting process.”

The principles to be applied when setting rates are set out in the Council’s Revenue and Financing Policy. Section 101 and 103 of the Local Government Act 2002 (“the Act”) require Councils to set out how operating expenditure and capital expenditure are to be funded, who pays for services it provides, and the policies for general rates including the valuation system and differentials, for targeted rates, and for fees and charges and other sources.

More detail of the rating system is set out in the Funding Impact Statement, required under clause 20 of schedule 10 of the Act for each annual plan. Among other things it covers the particulars of the valuation systems, the factors for general rates, differentials, targeted rates, and charges, and some other definitions.

When Council adopts the annual plan, it also resolves the rates to be paid for that year. Under the Local Government (Rating) Act 2002 (“the Rating Act”), there are a number of

specific requirements for those resolutions. There is an order in which they must be adopted. Certain elements must be included, such as the section of the Rating Act under which a rate is set, whether it is a fixed amount or based on a particular factor, the due dates, and the penalties and penalty dates to be applied.

#### **4. THIRD PARTY REVIEW**

We have undertaken to engage a consultant to review the rate-setting for 2017/18. The following documents have been sent to Simpson Grierson, a legal firm specialising in reviewing these documents for local authorities:

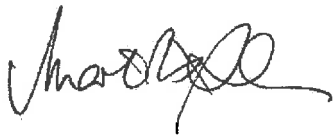
- the revenue and financing policy from the 2015–2025 Long Term Plan
- the draft funding impact statement for 2017/18 (revised to merge the rates of the two rural water races)
- draft resolutions to adopt the annual plan 2017/18 and set the rates for 2017/18.

At the time of writing this paper, no response has been received but I expect a response before the Committee meeting.

#### **5. RECOMMENDATIONS**

That the Audit and Risk Committee:

1. **Receives** the report.



Marty Sebire  
**Corporate Services Manager**

16 May 2017

Audit and Risk Committee

## **Report on 2015/16 Audit NZ management report recommendations**

### **1. PURPOSE**

The purpose of this paper is to update the Committee on progress against recommendations made by Audit New Zealand.

### **2. SIGNIFICANCE**

The matters for decision in this report are not considered to be of significance under the Significance and Engagement Policy.

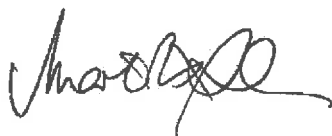
### **3. RECOMMENDATIONS OF AUDIT NZ**

In their management report for the 2015/16 audit, Audit New Zealand made a number of recommendations. These are listed in appendix A along with progress toward implementing commitments made by Council.

### **4. RECOMMENDATIONS**

That the Audit and Risk Committee:

1. **Receives the report.**



Marty Sebire  
**Corporate Services Manager**

**Appendix A—Audit NZ management report recommendations**

Appendix A— Audit NZ management report recommendations

Audit's recommendation	Management's response	Progress
<p><b>Performance reporting (urgent)</b></p> <ul style="list-style-type: none"> <li>● introduce systems and controls to ensure all complaints are entered into the complaints system and discontinue using manual systems including recording items in diaries</li> <li>● ensure sufficient and appropriate supporting documentation is held for all performance measures that will validate reported results</li> <li>● implement a quality assurance process that ensures results reported by the Council, and the reports from which they are drawn, are based on complete and accurate data.</li> </ul>	<p>We are reviewing our systems and controls for the Operations team to identify the recording of necessary information in the Service Request System as close as possible to source. There will continue to be manual recording of events by Operations staff when they are called out and on-site, including recording items in their diaries for later transposition to the Service Request System. This transposition is undertaken by a new administrator role in Operations.</p> <p>All service requests received on the main telephone line are now transferred to the Operations Administrator for recording and passing on to the relevant staff. This ensures consistent treatment.</p> <p>We are satisfied that the systems are appropriate for our Council, especially as it enables our staff to be very responsive to issues when they are raised by the public, and it would not be practical or cost-effective to directly enter this data through mobile systems.</p>	<p>Fully implemented. No further action required. Progress was reviewed by Audit during the 2017/18 interim audit. Informal feedback was positive, but we await the draft interim management report.</p>
<p><b>Forestry revaluations (urgent)</b></p> <p>Improvements to ensure that:</p> <ul style="list-style-type: none"> <li>● forestry harvest revenue and expenditure is recorded and reported in the correct financial</li> </ul>	<p>We commissioned our consultants, Forest Enterprises, to prepare valuations in line with accounting standards. There is mixed use by other</p>	<p>Forest Enterprises will be commissioned this month to undertake the annual valuation of our forestry assets. They will be instructed to use</p>

<p>Year</p> <ul style="list-style-type: none"> <li>forestry revaluations are recorded at the correct value excluding the impacts of tax</li> <li>a formal contract is put in place with Forest Enterprises Ltd regarding the maintenance and harvesting of the Council's forests.</li> </ul>	<p>councils of pre- and post-tax methodologies. For future valuations, Forest Enterprises will be instructed to use pre-tax methodology for Carterton.</p> <p>A renewed contract is currently being put in place with Forest Enterprises.</p>	<p>pre-tax methodology.</p> <p>The contract is expected to be in place in May.</p>
<p><b>Rates (urgent)</b></p> <p>The Council engages a third party to perform a review of the Council's rating system. This review should be used to identify any changes and improvements that are required to the rates setting process.</p>	<p>We are considering engaging a consultant to review the rate-setting for 2017/18. In particular this will include the funding impact statement, revenue and finance policy, and the proposed rates resolutions. We do not intend to engage someone to review the data in the rating information database. We do not believe the cost of engaging an external reviewer is justified, for the benefits that would be gained. We will though continue to internally review data, and are currently reviewing the accuracy of data related to water rates compared to our updated GIS system.</p>	<p>See separate paper to Committee on rate-setting. Integrity reports will be defined in June and either MagIQ commissioned to create them, or developed internally after Performance application is implemented in June.</p> <p>Report being prepared for May meeting of Water Rates Committee on GIS validation. GIS is complete and now being compared with rates database. Rates factors for 2017/18 concurrently updated. By end of May, letters will be sent to all affected ratepayers seeking feedback.</p>
<p><b>Management of capital expenditure (urgent)</b></p> <p>Implement a formal process to monitor capital expenditure against budget throughout the year. Review the existing capital expenditure budget to determine whether the proposed expenditure is appropriate and reflective of the Council's achievable intentions.</p>	<p>We have started to improve our monthly reporting processes by managers. This will include capital expenditure against budget, and forecasting year-end results.</p>	<p>March reports discussed with managers end of April included capital expenditure against budget (for the nine months, 42% of annual budget has been spent) and forecast out-turn (70% of the budget). At the same time last year, only 33% had been spent and no forecasts were available.</p>

<p><b>Infrastructure revaluations (necessary)</b> Undertake an exercise to align the entire fixed asset register with the information in the general ledger and detailed information received by Opus for their valuation. This will ensure all assets are included within future valuations undertaken.</p>	<p>The FAR comprises two modules—that within MagiQ financials and that within the new asset management system, Assetic.</p> <p>The revaluation of the three waters infrastructure assets undertaken by Opus was based on the component data entered into Assetic. The revaluation results provided by Opus were posted in summary into the MagiQ financials. They reconciled at 30 June 2016.</p> <p>There is nothing further to reconcile.</p> <p>From this starting point, the asset management system operates as the fixed asset register for the three waters, and future revaluations by Opus will involve providing assurance over the data and valuation calculations within the asset management systems, rather than using separate disparate databases and spreadsheets.</p>	<p>Audit has acknowledged our response and will revisit the infrastructure revaluations in the 2016/17 final audit.</p> <p>The next revaluation of infrastructure is not planned until June 2019.</p>
<p><b>Depreciation rates (necessary)</b> Undertake an exercise to align the fixed asset register with the accounting policies and valuation reports to ensure all assets are being depreciated at the correct rate.</p>	<p>Agreed.</p>	<p>This is planned to be done in June.</p>

<p><b>Supporting documentation for contributions revenue (necessary)</b> All valuation reports for contributions revenue are kept as supporting documentation as they determine the amount of contribution revenue and whether contributions revenue is consistent with the District Plan.</p>	<p>Agreed.</p>	<p>This matter will be discussed at the next team meeting of the Planning and Regulatory Team including the importance of supporting documentation for control and audit purposes.</p>
<p><b>Premier Beehives NZ (necessary)</b> Implement an independent review process by the finance team over any billing request that requires judgement.</p>	<p>Agreed.</p>	<p>From this month, the general debtor invoices will be processed by the Corporate Services team.</p>
<p><b>Collectability of debtors (necessary)</b> Undertake a review of collectability of the current aged receivables and, going forward performs more frequent reviews of the debtors balance. These reviews should commence for any balances that are 30 days past due.</p>	<p>We have increased the resources in the Finance team to better manage debtor processing and debt management (in addition to rates). Training by MagiQ, our financial systems provider, has started for the new staff, and regular reporting will be designed.</p>	<p>Unfortunately further turnover of staff in Finance has delayed starting this work, and training by MagiQ on debtors will need to be repeated. Rates debtors have been reviewed and collection action taken with some success. Further work will happen after the fourth quarter due date has passed. Emphasis has been placed on improving water billing management, as the threshold has reduced and more households are invoiced. The new MagiQ Performance application to be implemented in June will provide reporting capability to analyse debtors and prepare regular reporting.</p>

<p><b>Policy review (beneficial)</b> Implement a formal review process over all of the Council's policies. Policies should be reviewed, refreshed and re communicated to staff regularly.</p>	<p>Agreed. A review of Council policies has been initiated, with regular reporting to the Policy and Strategy Committee. A programme of work will be discussed at the next Committee meeting.</p>	<ul style="list-style-type: none"> <li>• Financial and funding policies are in place and will be reviewed with the 2018–2028 Long Term Plan.</li> <li>• Policy and Strategy Committee is monitoring progress on reviewing regulatory policies and library policies.</li> <li>• Governance and administration, operations, community services, and recreation policies will follow, under the auspices of the Policy and Strategy Committee.</li> </ul> <p>See separate paper on policies relating to internal control environment.</p>
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**The minutes of the Audit and Risk Committee Meeting of the Carterton District Council  
held in the Hurunui o Rangi Meeting Room, Carterton Event Centre,  
50 Holloway Street, Carterton on Wednesday 22 March 2017.**

**Present:** Philip Jones (Chair)  
Mayor J Booth, Crs M Ashby, R Keys, T O'Callaghan (Committee Members)  
Crs B Deller, G Lang, J Greathead (Councillors)

**Attendance:** J Davis (Chief Executive),  
D Gittings (Planning and Regulatory Manager)  
Peter Rickman (Human Resource Manager)  
Marty Sebire (Corporate Services Manager)  
Brian McWilliams (Parks and Reserves Manager)  
C Mckenzie (Community Services Manager)  
H Burgess (Executive Assistant)

**Meeting Started: 10.00am**

**1. Apologies**

There were no apologies recorded.

**2. Declaration of Conflict of Interest**

There were no conflicts of interest declared.

**3. Public Forum**

No speakers for the public forum.

**4. Notification of General Business or Late Items.**

There were no general business or late items.

**5. 1<sup>st</sup> September 2016 – 31 March 2017 Health and Safety report.**

**Purpose**

To present to the Committee an approach for ongoing reporting of Health and Safety matters, and to update the Committee on recent health and safety activities.

**Moved**

**That** the Committee received the report.

**That** the Committee notes the health and safety activities described in this report.

**That** the Committee agrees that the reporting approach outlined in this report is acceptable for the on-going reporting of health and safety matters, including detailed information about the top 5-10 risks in health and safety.

Mayor Booth / Cr Ashby  
CARRIED

**6. Risk Management**

**Purpose**

To present the draft risk management framework to the Committee and to outline the development of a risk register.

**Moved**

That the Committee received the report.

That the Committee adopts the risk management framework as outlined in attachment 1, subject to amendments.

That the Committee notes the development of Council’s risk register.

Cr O’Callaghan / Mayor Booth  
CARRIED

**7. Draft Management Letter for 2015/16 Annual Report**

**Purpose**

To present the draft management letter form Audit New Zealand for the 2016/17 annual report and the draft response by management to their recommendations.

**Moved**

That the committee received the report.

Cr Keys / Mayor Booth  
CARRIED

**8. Management Letter for 2015-2025 Long Term Plan**

**Purpose**

To present the Committee with the management letter from Audit New Zealand for the 2015–2025 Long Term Plan and to update the Committee on the status of their recommendations.

**Moved**

That the committee received the report.

Crs Ashby / Jones  
CARRIED

**The Meeting concluded at 1.10pm**

**Minutes confirmed.....**

**Date.....**

## Exclusion of the Public

The following is the recommended resolution for exclusion of the public so that the appropriate resolution complies with legislative requirements.

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

- 16.1 Insurance changes for 2017/18
- 16.2 Chief Executive Performance

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	Ground(s) under section 48(1) for the passing of this resolution
Insurance changes for 2017/18	Good reason to withhold exists under Section 7.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. Section 48(1)(a)
Chief Executive Performance	Good reason to withhold exists under Section	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. Section 48(1)(a)

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

Item no.	Interest
1.	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied the information(section 7(2)(b)(ii))
2.	Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a))

