Audit and Risk Committee

Agenda

Tuesday 18 July 2017

4.00pm

Waimakariri District Council Chambers
215 High Street
Rangiora

Members:

Deputy Mayor Kevin Felstead (Chairperson)
Councillor Neville Atkinson
Councillor Al Blackie
Councillor Sandra Stewart
Councillor Paul Williams
Mayor David Ayers (ex officio)
The Chairman and Members
AUDIT AND RISK COMMITTEE

AGENDA FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE TO BE HELD
IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET,
RANGIORA ON TUESDAY 18 JULY 2017 AT 4PM.

Adrienne Smith
Committee Advisor

RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS
COUNCIL POLICY UNTIL ADOPTED BY THE COUNCIL

BUSINESS

1 APOLOGIES

2 CONFLICTS OF INTEREST

3 CONFIRMATION OF MINUTES

3.1 Minutes of the Audit and Risk Committee held on Tuesday 16 May 2017

RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 16 May 2017, as a true and accurate record.

4 PRESENTATION / DEPUTATION

5 ADJOURNED BUSINESS

6 REPORTS

6.1 2016/17 Health and Safety Review (Annual Report) and submission of 2017/18 Annual Plan – Liz Ashton (Manager Organisational Development and HR), and Charlotte Brown (Health and Safety Advisor)

RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 170705069380

(b) Notes the Health and Safety outcomes for 2016/17 against the Health and Safety Workplan

(c) Notes the key Health and Safety lagging and leading indicators for 2016/17

(d) Notes the proposed set of Health and Safety objectives and Workplan for 2017/18
(e) **Notes** the proposed objectives to be included in the 2017/18 Health and Safety Workplan have been reviewed and accepted by Health and Safety Committee and Management Team.

6.2 **Long Term Plan 2018-2028 Project Update - Maria Edgar (Senior Policy Analyst)**

**RECOMMENDATION**

**THAT** the Audit and Risk Committee:

(a) **Receives** report no. LTC-03-13/ TRIM No. 170704068754 Long Term Plan 2018-2028 Project Update

(b) **Notes** that the Long Term Plan 2018-2028 is on track for this stage of the project.

6.3 **Audit New Zealand’s Interim audit report for the year ending 30 June 2017 – Jeff Millward (Manager Finance and Business Support)**

**RECOMMENDATION**

**THAT** the Audit and Risk Committee:

(a) **Receives** report No. 170705069442

(b) **Receives** Audit New Zealand’s Interim Management Report for the year ending 30 June 2017

(c) **Notes** there are no significant matters arising from the interim audit, however there are a number of recommendations made by Audit New Zealand within the report where improvements could be made and the Management have agreed within their response to undertake

(d) **Notes** there will be a further report to the Audit & Risk Committee on the progress of the recommendations.

6.4 **Enterprise North Canterbury 2017/18 Statement of Intent and Business Plan and District Promotions Plan – Simon Markham (Manager Strategy and Engagement)**

**RECOMMENDATION**

**THAT** the Audit and Risk Committee:

(a) **Receives** Report No. 170712072157

AND recommends that the Council:

(b) **Adopts** Enterprise North Canterbury’s (ENC) proposed Statement of Intent (SOI) for the 2017/18 year

(c) **Receives** Enterprise North Canterbury’s 2017/18 Business Plan

(d) **Adopts** Enterprise North Canterbury’s proposed District Promotions Business Plan for 2017/18.
7 PORTFOLIO UPDATES

7.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

7.2 Communications - Councillor Neville Atkinson

8 QUESTIONS

9 URGENT GENERAL BUSINESS

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

RECOMMENDATION

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Minutes of the public excluded portion of the Audit and Risk meeting of 16 May 2017</td>
<td>Confirmation of minutes</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.2</td>
<td>Report of Sarah Nichols (Governance Manager)</td>
<td>Potential Sale of Civic Assurance House</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.3</td>
<td>Report of Sarah Nichols (Governance Manager)</td>
<td>Insurance Renewal Update for 2017/18</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1-10.3</td>
<td>Protection of privacy of natural persons To carry out commercial activities without prejudice</td>
<td>A2(a) A2(b)(ii)</td>
</tr>
</tbody>
</table>
CLOSED MEETING
See In Committee Agenda (blue papers)

OPEN MEETING

11 NEXT MEETING
The next meeting of the Audit and Risk Committee is scheduled for 4pm, Tuesday 19 September 2017 in the Council Chambers, 215 High Street, Rangiora.

Briefing (Public Excluded)
1. Revenue and Financing Policy Review - Jeff Millward (Manager Finance and Business Support)
   This will look at the current Policy and aspects of the policy leading into the LTP.
WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA, ON TUESDAY 16 MAY 2017 AT 4:00PM

PRESENT

Deputy Mayor K Felstead (Chairperson), Mayor D Ayers, Councillors N Atkinson, S Stewart and P Williams

IN ATTENDANCE

Councillors D Gordon, W Doody (until 5.55pm)
Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Engagement and Strategy), N Harrison Ms C Brown (Health and Safety Coordinator) Mr P Christensen (Finance Manager), Ms R McClung (Senior Policy Advisor), Ms V Spittal (Senior Policy Analyst), Ms M Harris (Customer Services Manager) and Mrs A Smith (Committee Advisor).

1 APOLOGIES

An apology was received and sustained from Councillor A Blackie.

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 21 March 2017

Moved Councillor Atkinson seconded Councillor Williams

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 21 March 2017, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.

Item 7.4 (Health and Safety Update May 2017) was taken at this time, followed by the presentation from Alex Robertson relating to the report. Note that the minutes have been recorded in accordance with the order of the agenda as circulated.
5 PRESENTATION/DEPUTATION

5.1 Alex Robertson – Gallus Consulting

Alex Robertson provided a demonstration on how to use the Take Five mobility form for staff out in the field on i-Pads. This is currently being piloted by the Water Unit. It is a pre-start hazard process, guiding staff through the hazards and will be rolled out to the organisation once the initial pilot is complete. There is a reporting system in place, with email notification going to the Health and Safety Coordinator and the Manager of the staff member. This is a means to provide a record that staff members have assessed the work space they are in, capturing the history with a time stamp on it. It is also a tool to ensure the health and wellbeing of staff, especially those working alone in the field. The incident form, and the hazard reporting form are also being piloted.

6 ADJOURNED BUSINESS

Items 6.1 and 6.2 were left to lie on the table at the Audit and Risk Committee meeting of 21 March, as Heather Warwick, Chief Executive, Enterprise North Canterbury, was unable to attend the meeting.

6.1 Enterprise North Canterbury – Statement of Intent for 2017-18 – Simon Markham (Manager Strategy and Engagement)

Mr Simon Markham introduced the three inter-relating reports before the committee Mr Markham explained that at a subsequent Audit and Risk committee meeting, a report will be presented with a draft of the Business Plan for District Promotions for the upcoming 2017/18 year. This is the framework that the committee will receive the six monthly and annual reports on district promotions activities and results. Present were Mrs Heather Warwick (Enterprise North Canterbury (ENC) Chief Executive), Mr Nick Harris (Chairman, ENC Trust) and Mr Ron Van Till (ENC Trustee).

Mrs Warwick spoke on the Statement of Intent, noting that there are two objectives, both around the $600,000 for each objective. The first objective is Exceptional Business, which is where ENC provide business support services to both Waimakariri and Hurunui District Councils. The Councils grant of $200,000 is leveraged by nearly $400,000 this year, to triple the investment of the Council throughout the district. The second strategic objective is to promote the Waimakariri district, through business promotion, marketing and coordination, events promotion and running the Kaiapoi i-SITE visitor information centre. ENC receive $373,000 this coming year, which will be leveraged by nearly $200,000 this year through private operators through activities that ENC do in the district promotion contract.

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) Receives report No. 170308022219.
(b) Receives the Draft Statement of Intent for Enterprise North Canterbury for the year ending 30 June 2018;
(c) Notes that under the Local Government Act 2002, the Audit and Risk Committee may request ENC to make changes to the Statement of
Intent. ENC would consider these changes requested and re-present the Statement of Intent prior to the 30 June;

(d) **Notes** ENC have extended an invitation to Council and Board members on Tuesday 28 March, at 2pm to look view their offices and gain a greater understanding of ENC operations and the services offered.

CARRIED

Mayor Ayers noted that over the years the operation of ENC has refined and it is clear that ENC are appreciated in the wider business sector and making a real contribution to economic development in both Waimakariri and Hurunui. The work through Visit Waimakariri is an important part of promoting the district and it is what the ratepayers expect of the Council.

Councillor Stewart referred to a report from Ecan, as part of the economic assessment of the current state of Waimakariri. This is one of a series of reports put out by Enterprise North Canterbury in 2016. This report is written by Simon Harrison from Land Water People, involved with the Water Zone Committee. The task for the report was to quantify the amount of tourism dollars relating to water activities in the Waimakariri. His task was to try to quantify the amount of tourism dollar spent in Waimakariri on water is deficient. This report makes some references to data found on the ENC website, and is critical of this and suggests that this is not able to be quantified.

Councillor Stewart said the production of robust data that can be used to base water based tourism spend or associated industry though this was part of the ENC brief. In response, Mr Markham noted disappointment that the author of this report didn’t come and speak to either ENC or Council staff. The surveys of expenditure are conducted by the Ministry of Business Innovation and Employment, ENC is not in the position to collect this data on its own account, as is any other tourism organisation would be. Secondly, the author of this report appears to be adopting a narrow definition of tourism and Mr Markham said the visitor industry in Waimakariri is predominantly out of the Christchurch market. Therefore the use of figures relating to accommodation providers does not include these visitors and the expenditure that this district leverages from its water based sources. Mr Markham suggests that the information in this report is deficient and there needs to be a response to Water Zone Committee. Councillor Stewart also suggests that the Council’s Policy department should address the contents of this part of the Ecan report.

Councillor Gordon noted that he had been a member of the Council when Enterprise North Canterbury were first charged with the role of promotion of the district. He still is a strong supporter of the work that Enterprise North Canterbury undertake and wished to acknowledge the work of the Board of Enterprise North Canterbury. Also thanked Heather Warwick and the team who do an excellent job carrying out the day to day work that they do. Councillor Gordon wished to record his acknowledgement of the work that ENC do and his support of them.

Mayor Ayers noted the report and questioned the relevance of a report designed for water use to be the sole basis for saying that ENC is not doing a good job of data collection. Mayor Ayers noted there have been many recent events held in various locations in the district that have drawn visitors from outside the district, that haven’t had any relation to water. Visitors to this district is all about day visitors due to the close proximity to Christchurch, and this relates to the number of visitor accommodation beds available.
Councillor Williams noted that he can see the good work that ENC in the district, but cannot see over $600,000 worth, noting that he has asked that question previously.

Councillor Atkinson, in his right of reply, believes that there is very good value for money being gained for the work of ENC. There is a debt of gratitude owed to ENC for the work that was undertaken post-earthquake to keep many local business doors open and operating. The goals of the Statement of Intent are correct and Councillor Atkinson suggests that ENC should not have to report every year to the Council, this should become part of the ten year plan process.


Mr Millward presented the report, noting that ENC are in a sound financial position. Mrs Warwick added that ENC are tracking ahead of all KPIs. Following the impact of the November 2016 earthquake in Hurunui, ENC stepped up into response and from the 15 January a role for a fulltime staff member to undertake this position has been fully funded by Ministry of Business Innovation and Employment. This position may be funded until Christmas this year, depending on when the State Highway re-opens.

Moved Mayor Ayers seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report No170308022106.
(b) Receives the six monthly report for the period ended 31 December 2016;
(c) Notes that good progress is being made towards achieving the Objectives and targets set in the Statement of Intent.

CARRIED

Mayor Ayers noted the unusual circumstances for ENC following yet another earthquake impacting on the businesses operating in Hurunui district. Although this time it was not in our own district, Mayor Ayers wished to acknowledge and thank ENC for the work they have undertaken in Hurunui.

7 REPORTS

7.1 Enterprise North Canterbury Promotions Business Plan Activity Report for the six months ended December 2016 – Simon Markham (Manager Strategy and Engagement)

Mr Markham presented the report by way of introduction, noting the seemless transition with the new event funding panel. The new members of the event funding panel are local experienced people and can provide assurance to the Council that they will undertake this process with integrity around how this money is allocated. The increase in the number of events in the district seeking funding was noted.

Mrs Warwick added that these three panel members are all volunteers, who meet twice a year. Previously the Town Promotions Chairs had sat on this panel, and it was a unanimously agreed that ENC chose independent panel members.
Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) Receives Report No. 170508045506

(b) Notes the six months ended December 2016 district promotions activity report provided as per standing agreement with Enterprise North Canterbury

(c) Notes reported results are generally in line with expectations and no variances are of concern

CARRIED

Councillor Atkinson said it is nice to see most of these figures moving up and that it would be nice to see all of the figures moving up. It was noted by both Councillor Atkinson and Mayor Ayers that the closure of State Highway One has impacted on the movement of traffic through this district and has an impact on businesses located along the Highway.

7.2 Customer Satisfaction Survey 2016 Reports – Customer Service; Democratic Process, Communication and Overall Satisfaction – Rachel McClung (Senior Policy Analyst)

Ms McClung presented her report with the results of the 2016 Customer Satisfaction Survey relating to Customer Service, Democratic Process, Communications and Overall Satisfaction aspects of the survey.

Deputy Mayor Felstead asked if there could be a split available in the levels of service provided at the service centre in Oxford. A small decrease in courteousness of staff across the district was noted from 91% in 2013 to 8% in 2016.

Councillor Gordon asked if it is planned to act on any of the comments picked up in the survey. Mr Markham said there will be some consideration given to the trends coming out of the survey, and the council will be looking at ways that it can improve the delivery of service.

Moved Deputy Mayor Felstead seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report 170503043785

(b) Notes that a comprehensive report on all aspect of the Customer Satisfaction Survey 2016 will be presented to the Council meeting on June 6.

(c) Refers this report to the Community Boards for their information

CARRIED
7.3 Local Government Act 2002 Section 17A Reviews – Veronica Spittal (Senior Policy Analyst)

Ms Spittal, and Messes N Harrison and M Johnston were present for the consideration of this report. Ms Spittal noted that of the areas noted in this review process, it is recommended that no further S17A Service Review is required for up to six years for District Plan administration, animal control, parking services and other regulatory services.

Mr Millward noted that Waimakariri District Council is seen as leading the way with this S17A Service Review process and some Councils have adopted the process that is undertaken by this Council.

Ms Spittal said the review process is a chance for departments to look at the way that service is provided, and also that there may be proposed changes in the coming years which can then be further reviewed in a shorter time frame to consider any possible changes.

Mr Harrison spoke on the District Plan Administration review, noting that there is a staff of nine in the department and currently some pressure on workloads, with still a position vacant. This means a continuation of some work being undertaken by contract staff.

Moved Mayor Ayers seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee

(a) Receives Report (TRIM No: 170201008936).
(b) Notes Environmental Health Services have moved to a mixed internal/externally provided delivery model.
(c) Approves the attached S17A Service Reviews for parking services, alcohol licensing, animal control, food registration, other regulatory services and District Plan administration.
(d) Confirms no further S17A Service Review is required for up to six years for District Plan administration, animal control, parking services and other regulatory services.
(e) Agrees that a further review of alcohol licensing and food registration services be carried out in 2019.

CARRIED

7.4 Health and Safety Update May 2017 – Liz Ashton (Manager Organisational Development and Human Resources)

Mrs C Brown spoke to this report, in conjunction with the presentation by Alex Robertson. An overview was provided on the technology being trialled for mobility for Take 5 and Hazard and Incident forms. This will be trialled for the next two months by the Water Unit staff. Mrs Brown introduced Alex Robertson from Gallus Consulting who demonstrated the Health and Safety mobility forms. (Refer to Agenda Item 5 Presentation/Deputation)

Deputy Mayor Felstead asked if it was intended to have this technology available to all staff working out in the field. In reply, Mr Palmer said it is intended that it would be used by appropriate departments as a hazard
identification process. Use of it would be determined by consultation with the relevant teams.

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) **Receives** report No. 170503043786

(b) **Notes** that the organisational commitment to explore technological advancements in mobility are showing benefits in health and safety.

(c) **Notes** that the mobility trial for Take 5 and Hazard and Incident forms will continue to be in place at the Water Unit for the next 2 months when a decision regarding roll out across the organisation will be made.

(d) **Notes** that a mobile Airfield Incident reporting form is now in use at Rangiora Airfield.

(e) **Acknowledges** the work which is currently been completed by the Health & Safety Advisor and Gallus Consulting to create and implement the forms.

CARRIED

Councillor Atkinson uses a similar system with his own business and speaks very highly of the system, noting that it is a valuable tool in regards for staff members health and safety. It was also noted that it is a saving on paperwork.

7.5 **Proposed Amendment to Target of Key Performance Indicator for District Development in Long Term Plan – Cameron Wood (Senior Policy Planner, Development Planning Unit)**

Mr Wood presented this report, which was taken as read.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) **Receives** Report No. 170317026214.

(b) **Approves** the amended target for the Key Performance Indicator in the Long Term Plan relating to density of residential development to better align with the density required by the Regional Policy Statement, as set out in paragraph 3.2 to this report.

(c) **Notes** that the amended target will take effect from 1 July 2017.

CARRIED
7.6 Non-Financial Performance Measures 3rd Quarter as at 31 March 2017 – Maria Edgar (Corporate Planner)

Mr Geoff Meadows presented this report on behalf of Ms Edgar.

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit and Risk Committee

(a) Receives report no. EXC-08-03/ 170504044271 Non-Financial Performance Measures 3rd Quarter as at 31 March 2017.

(b) Notes 63% of performance measures for the 3rd Quarter were achieved, 34% have been almost met or it is too early to predict year-end results at this stage of the financial year.

CARRIED

7.7 Capital Projects Report for the period ended 31 March 2017 – Paul Christensen (Finance Manager)

Mr Christensen presented this report advising the progress of the capital programme for the period ended 31 March 2017. The largest area of under budget spending is the earthquake recovery, which is due to delays in the Red Zone Recovery Plan being adopted. It is expected this will progress now.

Question was raised on the items on North Rangiora Enverton Drive Ballarat Road Stormwater upgrade which is noted as being Late. The information on this matter was sourced following the meeting and subsequently circulated to members, as follows: This job has been partially completed. The developer who developed 2 Ballarat Rd built the stormwater management area (infiltration trench) sized for his development north of River Road. The infiltration trench will need to be expanded for development of 4 Ballarat Rd. The remaining budget for this, $50k, needs to be carried forward to a future year.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report № 170501041899;

(b) Circulates report to the Boards

(c) Notes the progress of the capital projects with 85% of the 258 projects on time or completed.

CARRIED
7.8 **Financial Report for the year ended 31 March 2017 – Paul Christensen (Finance Manager)**

Mr Christensen presented this report, noting that the Council is still well within the Local Government loans levels.

Mr Millward said the Council has now got $10m worth of borrowing, with a very good rate for long term for eight years. The current credit rating that the Council has, provides a benefit in this area.

Mayor Ayers asked if there was any issues on the Government paying out for any of the earthquake recovery work. Mr Christensen noted that there is a fairly rigorous process required by government but to date, Council has been able to meet these requirements of this process.

Moved Mayor Ayers seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** report no. 170501042039

(b) **Notes** that progress is tracking favourably in comparison to budget.

**CARRIED**

7.9 **Update of Register of Key Risks – May 2017 – Jeff Millward (Manager Finance and Business Support)**

Mr Millward presented this report, providing an updated Register of Key Risks for consideration by the committee.

There has been an increase in the level of high risks and there is now five in this category.

The increase in political instability in the Asian region was discussed, and questions raised was what would the impact on the Waimakariri region be if the risk crystallised? Mr Palmer said should an event occur, the Council would then have to consider what does that mean to us, though noting that sometimes there is nothing that can be done. There may be economic impacts and also the immigration policy is a topical subject at the moment with central government.

Moved Mayor Ayers seconded Councillor Williams

**THAT** the Audit and Risk Committee

(a) **Receives** report No170505044490.

(b) **Receives** the Register of Key Risks;

(c) **Notes** there have been no significant changes in risk ratings;

(d) **Notes** there are five risks that remain rated as high risk after, even after applying actions to mitigate the effects and place in controls that relate primarily to the risk of natural disasters and growth.

**CARRIED**
8 PORTFOLIO UPDATES

8.1 **Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead**

The Control group for the LTP is still meeting regularly and Deputy Mayor Felstead is impressed with the progress that staff are making. The Council is still waiting for the report to come from the Excellence Programme.

8.2 **Communications – Councillor Neville Atkinson**

Councillor Atkinson had nothing new to report.

9 QUESTIONS

There were no questions.

10 URGENT GENERAL BUSINESS

There was no urgent general business.

11 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

.Section 48, Local Government Official Information and Meetings Act 1987

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request for Remission of Rates Penalties on behalf of Charlie Hwang</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>11.2</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request authority to Write Off a Bad Debt</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:
<table>
<thead>
<tr>
<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
</tr>
</thead>
</table>
| 11.1 and 11.2 | Protection of privacy of natural persons  
To carry out commercial activities without prejudice | A2(a)  
A2(b)ii |

CARRIED

CLOSED MEETING

Resolution to resume in Open Meeting

Moved Councillor Atkinson seconded Deputy Mayor Felstead.

THAT the open meeting resumes and the business discussed with the public excluded remains public excluded for Item 11.1 and the recommendation for Item 11.2 be made public.

CARRIED

OPEN MEETING

11.2 Request authority to Write Off a Bad Debt – Maree Harris (Customer Services Manager)

Moved Mayor Ayers seconded Deputy Mayor Felstead

THAT the Audit and Risk Committee

(a) Receives report No. 170309023352.
(b) Approves for invoice 675970 for $7,806.22 be written off by the Audit and Risk Committee as a bad debt.

CARRIED

There being no further business the meeting closed at 5.55pm.

CONFIRMED

________________________
Chairperson

________________________
Date
WAIMAKARIRI DISTRICT COUNCIL

REPORT

FILE NO and TRIM NO: EXC-34-17 / 170705069380

REPORT TO: Audit and Risk Committee

DATE OF MEETING: 18 July 2017

FROM: Liz Ashton, Manager – Organisational Development and HR, and Charlotte Browne, Health and Safety Advisor

SUBJECT: 2016/17 Health and Safety Review (Annual Report) and submission of 2017/18 Annual Plan

SIGNED BY:

Department Manager

Chief Executive

1. SUMMARY

1.1. The purpose of this report is to present a review of Health and Safety outcomes for 2016/17, in particular against the Health and Safety Workplan (annual plan).

1.2. In addition, this report presents the key lag and lead indicators for 2016/17, and a proposed set of objectives and Workplan for 2017/18.

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 170705069380

(b) Notes the Health and Safety outcomes for 2016/17 against the Health and Safety Workplan.

(c) Notes the key Health and Safety lagging and leading indicators for 2016/17

(d) Notes the proposed set of Health and Safety objectives and Workplan for 2017/18.

(e) Notes the proposed objectives to be included in the 2017/18 Health and Safety Workplan have been reviewed and accepted by Health and Safety Committee and Management Team.

3. ISSUES AND OPTIONS

3.1. Achievements against the 2016/17 Health and Safety Workplan are as per below table:
<table>
<thead>
<tr>
<th>Major New Projects for 2016/17</th>
<th>Progress</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Behavioural Safety</strong></td>
<td>ON HOLD</td>
<td>Differ project - high concentration of training and other programmes for the remainder of 2016/17 would reduce effectiveness of a launch of stand-alone behavioural safety and culture programme. Culture change has been addressed during the year as part of over-all work plan.</td>
</tr>
<tr>
<td>Volunteers, Elected Representatives, Advisory/Community Boards</td>
<td>COMPLETE</td>
<td>Training materials for Elected Members developed and delivered to all Community Board and Councillors (safety manual and presentation).</td>
</tr>
<tr>
<td><strong>Site Security Reviews</strong></td>
<td>IN PROGRESS CARRY OVER</td>
<td>Site security reviews have been completed during December by OpSec for Rangiora Service Centre, Rangiora Library and Kaiapoi Library/Service Centre. Report received, action plan developed and actions assigned to relevant managers. Site security reviews have been completed during February for Water Unit office and depot, Dog Pound and Dudley Aquatic Facility. Report received, action plan is yet to be developed and actions assigned to relevant managers. Site security reviews have been completed for Ashley Building, Farmers Building and Kaiapoi Aquatic Facility for April 2017. Report submitted during May 2017. Final site security reviews due June 2017 for Southbrook Transfer Station and a desktop review of Oxford Service Centre plans.</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>CARRY OVER</td>
<td>All reporting improvements are defined by the implementation of the Tech 1 project (below). Improved reporting will come directly from Tech 1 and be incorporated into monthly due diligence updates. All lead indicators included in 2016/17 Annual Report to Health and Safety Committee and Management Team.</td>
</tr>
<tr>
<td><strong>Field Work</strong></td>
<td>ON HOLD</td>
<td>Revised date for commencement due to implementation new field work tools (mobility). Proposed start date Q3 2017.</td>
</tr>
<tr>
<td><strong>Major Carryover Projects from 2015/16</strong></td>
<td>COMPLETE BUSINESS AS USUAL</td>
<td>All feedback from teams incorporated into Risk Register, and Senior Management review complete. Report to Management Team has been submitted with findings from the Risk Register review, and action plan going forward for any high-risk activities and/or any activities which have potential catastrophic (fatal) consequences. Further changes which came out of that review will be finalised by end November 2016 once approved by Management Team.</td>
</tr>
<tr>
<td>Risk register development/review process</td>
<td>COMPLETE BUSINESS AS USUAL</td>
<td>General Awareness training for team leaders booked for April 2017. Once the training is complete, then the project is complete/closed.</td>
</tr>
<tr>
<td><strong>Drug and Alcohol Policy Development and Implementation</strong></td>
<td>COMPLETE BUSINESS AS USUAL</td>
<td>All WDC contractors (that are included in database) have been informed of new pre-qualification requirements of &gt;50% on SiteWise (or similar externally-verified pre-qualification system). Report submitted to Management Team to propose broader project to address Contractor Management Process Improvement, and all further actions will be transferred to this project.</td>
</tr>
<tr>
<td><strong>Implementation of Contractor H&amp;S Management Systems</strong></td>
<td>COMPLETE BUSINESS AS USUAL</td>
<td>Emergency Management Plan finalised and included in Health and Safety System. Notification sent to All Staff. Designated First Aiders have been chosen and communicated to All Staff. Emergency contacts forms complete and on display in each workgroup area.</td>
</tr>
<tr>
<td><strong>Emergency Management Review</strong></td>
<td>COMPLETE BUSINESS AS USUAL</td>
<td>Mapping exercise to ensure current Safety Management System compliance with ACC WSMP was completed in July, reviewed by Health and Safety Committee by end August for report to Health and Safety Committee in early September. Management report has been submitted for 25 October meeting. ACC WSMP audit was completed 5 December 2016. Result of audit was Tertiary status.</td>
</tr>
<tr>
<td><strong>Safety Management Systems</strong></td>
<td>COMPLETE</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Status</td>
<td>Details</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Internal Auditing Programme (continued)</td>
<td>COMPLETE</td>
<td>All internal Systems Audits complete for 2016/17, and results of 2 years of audits have been included in the 2016/17 Annual Review presented to Health and Safety Committee and Management Team.</td>
</tr>
<tr>
<td>Review Health and Safety Committee structure and processes</td>
<td>COMPLETE</td>
<td>Compliant with regulatory requirements. There are 20 Health and Safety representatives confirmed for WDC. Only one position remains un-filled. Meeting was held with all representatives in early September to introduce them to position description and role. Health and Safety Representative training was completed in November (only 3 of the 20 representatives remain untrained), and first Health and Safety Committee meeting with new representatives was held in early December.</td>
</tr>
<tr>
<td>Implementation of Tech1 Incident/Hazard reporting system</td>
<td>CARRY OVER</td>
<td>H&amp;S has been chosen as a ‘pilot’ for mobility solutions (use of tablets in the field). This has required development of electronic incident/hazard reporting systems, and will now also include an electronic ‘Take-5 form’ (see project below). Project plan has determined that the systems will be trialed in the Water Unit during May, with a view to then implementing the system across the organisation in June (pending success of pilot).</td>
</tr>
<tr>
<td>Other Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop ‘stepback/take-5’ forms for field staff &amp; workplace walk-around checklist for all sites</td>
<td>COMPLETE</td>
<td>Take 5/Stepback paper form was developed and submitted to Water Unit for testing and consultation during July/August, and is now in use in that department. Review of use in other field work will occur during 2017 to coincide with mobility programme (electronic H&amp;S forms). Workplace walk-around checklist has been finalised and is in use by all Health and Safety Reps across the organisation. Walk-around inspections were completed in October, January and April and the results sent to managers of departments for them to address any safety issues in their areas.</td>
</tr>
<tr>
<td>Health and Safety Noticeboards</td>
<td>COMPLETE</td>
<td>Health and Safety noticeboards have been installed Rangiora Service Centre, Rangiora Library, Kaiapoi Library/Service Centre, Kaiapoi Aquatic Facility, Dudley Aquatic Facility, and Water Unit. Health and Safety representatives will be tasked with updating information on each of the boards as and when required.</td>
</tr>
<tr>
<td>Virtual Team (now Canterbury Health and Safety Advisory Group)</td>
<td>ONGOING</td>
<td>Virtual Team has now become the Canterbury Health and Safety Advisory Group, with representatives from all Canterbury Local and Regional Authorities attending a quarterly forum meeting. The goal of the group is to share resources and information, provide advice and information to each other, and potentially benefit from economies of scale in some health and safety activities such as training or use of consultants.</td>
</tr>
</tbody>
</table>
3.2. Health and safety indicators are divided into two types: leading and lagging. Lagging indicators are typically "output" oriented, easy to measure but hard to improve or influence while leading indicators are typically input oriented, hard to measure and easy to influence.

3.3. Lagging indicators are the traditional safety metrics used to indicate progress toward compliance with safety rules.

Waimakariri District Council Health and Safety lagging indicators for 2016/17 are as follows:

3.3.1. Total worker and volunteer incidents in 2016/17: 61 (includes accidents, incidents, medical incidents, near misses, property damage).
3.3.2. Lost time injuries are defined as causing a worker to not return for their next scheduled shift. Waimakariri District Council Lost Time Injuries (LTI) in 2016/17: 3 accidents, with a total of 110 hours of lost time. Causes of the LTIs are:

- Being hit by objects (6hrs)
- Slips trips and falls (24hrs)
- Body stressing (manual handling) (80hrs)

3.4. A health and safety leading indicator is a measure preceding or indicating a future event used to drive and measure activities carried out to prevent and control injury.

Waimakariri District Council Health and Safety lead indicators for 2016/17 are as follows:

3.4.1. Total training delivered

<table>
<thead>
<tr>
<th>Course</th>
<th>People Trained (number)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety Induction</td>
<td>28</td>
<td>N/A (internally delivered)</td>
</tr>
<tr>
<td>Personal Safety and Conflict De-escalation (OpSec)</td>
<td>41</td>
<td>$10,000</td>
</tr>
<tr>
<td>Advanced Drug and Alcohol Awareness (Managers)</td>
<td>34</td>
<td>$6,630</td>
</tr>
<tr>
<td>Drug and Alcohol Awareness (Team Leaders/Supervisors)</td>
<td>34</td>
<td>$1,350</td>
</tr>
<tr>
<td>Occupational Overuse Syndrome Management</td>
<td>9</td>
<td>$720</td>
</tr>
<tr>
<td>Anti-Skid Driver Training</td>
<td>40</td>
<td>$11,000</td>
</tr>
<tr>
<td>Off-Road Driver Training</td>
<td>4</td>
<td>$450</td>
</tr>
<tr>
<td>Hazard ID/Risk Assessment and Incident Investigation Training</td>
<td>34</td>
<td>N/A (internally delivered)</td>
</tr>
<tr>
<td>Emergency Care (1/2 day)</td>
<td>30</td>
<td>$1,500</td>
</tr>
<tr>
<td>Training Program</td>
<td>Participants</td>
<td>Cost</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>First Aid Certificate</td>
<td>42</td>
<td>$6,720</td>
</tr>
<tr>
<td>Emergency Warden (including Fire Extinguisher)</td>
<td>38</td>
<td>$4,620</td>
</tr>
<tr>
<td>Manual Handling</td>
<td>40</td>
<td>$1,200</td>
</tr>
<tr>
<td>Confined Spaces Awareness</td>
<td>21</td>
<td>$1,650</td>
</tr>
<tr>
<td>Health and Safety Representatives</td>
<td>17</td>
<td>$8,980</td>
</tr>
<tr>
<td></td>
<td><strong>412</strong></td>
<td><strong>$54,820</strong></td>
</tr>
</tbody>
</table>

*Note: some Health and Safety training which is specific to certain departments will have been allocated to departmental budgets.*


3.4.2. Health and Safety Systems internal audits completed (audit of compliance with health and safety policy/procedure) in 2016/17
3.4.3. Policies / Procedures developed in 2016/17

<table>
<thead>
<tr>
<th>Ref</th>
<th>Document Name</th>
<th>TRIM</th>
<th>Review</th>
<th>By whom</th>
<th>Consultation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Health and Safety Workplan</td>
<td>161017106575</td>
<td>30/06/2017</td>
<td>H&amp;S Committee</td>
<td>All Staff</td>
</tr>
<tr>
<td>2.2</td>
<td>Health and Safety Reporting</td>
<td>Various</td>
<td>Monthly</td>
<td>Senior Management/Council</td>
<td>N/A</td>
</tr>
<tr>
<td>3.3</td>
<td>Site Hazard Registers</td>
<td>Various</td>
<td>31/10/2017</td>
<td>All Staff</td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Take 5 Assessment (Hazard ID)</td>
<td>160831088684</td>
<td>As required</td>
<td>H&amp;S Committee</td>
<td>All Staff</td>
</tr>
<tr>
<td>3.5</td>
<td>Permit to Work System - Procedure (QP-C630 Issue 1)</td>
<td>160714068269</td>
<td>As required</td>
<td>PTW Workgroup</td>
<td>All Staff</td>
</tr>
<tr>
<td>3.7</td>
<td>Hot Work Permit (QP-C630-AA)</td>
<td>160715068657</td>
<td>As required</td>
<td>PTW Workgroup</td>
<td>All Staff</td>
</tr>
<tr>
<td>3.8</td>
<td>Working at Heights Permit (QP-C630-AA)</td>
<td>160715068657</td>
<td>As required</td>
<td>PTW Workgroup</td>
<td>All Staff</td>
</tr>
<tr>
<td>4.3</td>
<td>Safe Working in the Field Manual</td>
<td>150709108063</td>
<td>30/11/2018</td>
<td>SWIFM Workgroup</td>
<td>All Staff</td>
</tr>
<tr>
<td>7.2</td>
<td>Emergency Management Plan</td>
<td>170208011706</td>
<td>As required</td>
<td>Emergency Workgroup</td>
<td>All Staff</td>
</tr>
<tr>
<td>8.4</td>
<td>Site Specific Safety Plan Evaluation QP-C496-AK</td>
<td>160702062910</td>
<td>As required</td>
<td>Health and Safety Advisor</td>
<td>All Staff</td>
</tr>
<tr>
<td>8.6</td>
<td>Site Audit and Record Form QS-T011-AB</td>
<td>160714068083</td>
<td>As required</td>
<td>Health and Safety Advisor</td>
<td>All Staff</td>
</tr>
</tbody>
</table>

3.4.4. Workstation ergonomic assessments completed in 2016/17

<table>
<thead>
<tr>
<th>Month</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2016</td>
<td>3</td>
</tr>
<tr>
<td>August 2016</td>
<td>3</td>
</tr>
<tr>
<td>September 2016</td>
<td>39</td>
</tr>
<tr>
<td>October 2016</td>
<td>5</td>
</tr>
<tr>
<td>November 2016</td>
<td>3</td>
</tr>
<tr>
<td>December 2016</td>
<td>10</td>
</tr>
</tbody>
</table>
3.4.5. Inspections completed in 2016/17

<table>
<thead>
<tr>
<th>Month</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2017</td>
<td>12</td>
</tr>
<tr>
<td>February 2017</td>
<td>13</td>
</tr>
<tr>
<td>March 2017</td>
<td>6</td>
</tr>
<tr>
<td>April 2017</td>
<td>1</td>
</tr>
<tr>
<td>May 2017</td>
<td>3</td>
</tr>
<tr>
<td>June 2017</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>98</td>
</tr>
</tbody>
</table>

3.5. We are encouraged by the increase in leading versus lagging indicators evidenced in this report. We feel that this has largely been due to the delivery of several new initiatives and the increased commitment to a culture focused on health and safety.

3.6. Proposed Annual Plan (and associated Workplan actions) for 2017/18:

<table>
<thead>
<tr>
<th>2017/18 Objective, and alignment with Corporate H&amp;S Objectives</th>
<th>2017/18 Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1</strong>: Improve Health and Safety data management, and encourage all staff to report incidents and hazards.  <em>Aligns with:</em>  ‘establishing measurable objectives and targets to ensure continued improvement to eliminate work-related injury and illness’, ‘accurate reporting, investigation and recording of all accidents, incidents and near misses’, ‘providing effective training to establish safe procedures’ ‘the safe and early return to work of injured/lill workers’</td>
<td><strong>Action 1</strong>: Safety Management System investigation and procurement project (includes carry-over of ‘Reporting Improvement’ project from 2016/17). <strong>Action 2</strong>: Implementation of Tech1/Mobile Hazard, Incident and Take-5 systems (carry-over project). <strong>Action 4</strong>: Improvement of Due Diligence Health and Safety reporting.</td>
</tr>
<tr>
<td><strong>Objective 2</strong>: Maintain a fit-for-purpose internal health and safety auditing system to ensure that WDC is compliant with health and safety policies, procedures and legal requirements.  <em>Aligns with:</em>  ‘establishing, evaluating, improving and insisting on a safe workplace, methods, equipment and practices at all times’ ‘complying with all relevant legislation, regulations, approved codes of practice, standards and safe working procedures’</td>
<td><strong>Action 5</strong>: Review and re-develop internal health and safety auditing system, aligned with best practice.</td>
</tr>
<tr>
<td><strong>Objective 3</strong>: Ensure that all contractors are managed according to health and safety procedural requirements, and improve staff knowledge of those requirements.</td>
<td><strong>Action 6</strong>: Contractor management process improvement project.</td>
</tr>
</tbody>
</table>
**Objective 4**: Improve the Health and Wellbeing of staff, and create measures to ensure success.

*Aligns with:*
- ‘establishing measurable objectives and targets to ensure continued improvement to eliminate work-related injury and illness’.
- ‘preventing injury by fostering a culture of personal responsibility for safety, team work and safe behaviour’.

**Action 7**: Wellbeing strategy development and implementation project.

**Objective 5**: Improve traceability and of staff working alone outside of hours, and appropriate response in the event of an incident.

*Aligns with:*
- ‘establishing, evaluating, improving and insisting on a safe workplace, methods, equipment and practices at all times’.
- ‘identifying and managing all risks’.

**Action 8**: Lone working equipment procurement project.

3.6.1. In addition to the above projects, the following health and safety activities are being managed by other departments:

- Health and Safety information within performance reviews and position descriptions (Human Resources).

3.6.2. Business as Usual Activities:

- Risk Register Review
- Due Diligence Reporting
- Training schedule
- Policy reviews
- Health and Safety Committee
- Health and Safety Representative capability development

3.7. The Management Team and Health and Safety Committee have reviewed this report and support the recommendations.

4. **COMMUNITY VIEWS**

4.1. The community has not been consulted with regards to this matter, as it is an internal compliance issue, related to Health and Safety at Work. The impact to the community is not tangible, however it must be noted that members of the community may well have the
expectation that Waimakariri District Council would lead by example with regards to health and safety compliance.

5. **FINANCIAL IMPLICATIONS AND RISKS**

5.1. Not applicable.

6. **CONTEXT**

6.1. **Policy**

   This matter is not a matter of significance in terms of the Council’s Significance Policy.

6.2. **Legislation**

   6.2.1. The key legislation is the Health and Safety at Work Act 2015.

   6.2.2. The Council has a number of Human Resources policies, including those related to Health and Safety in Employment.

   6.2.3. The Council has an obligation under the Local Government Act to be a good employer.

6.3. **Community Outcomes**

   6.3.1. Not applicable.

Charlotte Browne

Health and Safety Advisor
WAIMAKARIRI DISTRICT COUNCIL

REPORT

FILE NO and TRIM NO: LTC-03-13 / TRIM No. 170704068754

REPORT TO: Audit & Risk Committee

DATE OF MEETING: 18 July 2017

FROM: Maria Edgar
Corporate Planner

SUBJECT: Long Term Plan 2018-2028 Project Update

1. SUMMARY

1.1. The purpose of this report is to provide the Audit & Risk Committee with an update on progress of the Long Term Plan 2018-2028 project.

1.2 SOLGM has published a Long Term Plan Health Check 2018, which has been used as a guide to gauge progress and a supplement to the project plan, key milestones and Long Term Plan Project Control Group (LTP PCG) meetings and actions.

1.3 Currently the LTP project is on track to meeting legislative timeframes and key milestones. A summary of the project’s progress is outlined in this report.

1.4 Attachment:
   i) SOLGM LTP Health Check May 2017 (TRIM No. 170502042669)

2. RECOMMENDATION

THAT the Audit & Risk Committee:

(a) Receives report no. LTC-03-13/ TRIM No. 170704068754 Long Term Plan 2018-2028 Project Update.

(b) Notes that the Long Term Plan 2018-2028 is on track for this stage of the project.

3. ISSUES AND OPTIONS

3.1 Background

All councils are required to prepare and adopt a Long Term Plan (LTP) every three years, which must cover a period of at least 10 years. The LTP is Council’s primary strategic document that sets out the Council’s priorities for the mid to long term, and is the main opportunity for the public to participate in local decision-making.

Councils are also required to develop and adopt an Infrastructure Strategy (IS) that spans 30 years. This council takes a whole of life approach (100 years) when providing for infrastructure in the IS.
Planning and preparation for the LTP 2018-2028 is well underway, with a number of related projects either required by legislation or identified as best practice when reviewing and developing the next ten year plan. The LTP 2018-2028 must be adopted before 30 June 2018.

3.2 SOLGM Long Term Plan Health Check

The SOLGM Long Term Plan Health Check 2018 is designed to help with planning and preparation for the 2018-2028 LTP by providing an assessment of the Council’s readiness, and identifying where there are concerns and what should be done about them.

The Readiness checklist was completed in May 2017 and covers the following:

∑ Project Initiation
This phase of the project is well underway and the PCG gave an overall score of 27 out of 35. Two items that require further consideration, development and monitoring, include:

B. Identified likely risks and weakness and thought about how these could be managed?
C. Developed a checklist of material you will need to cover within your LTP (including legal compliance aspects).

∑ Project Scope
This section requires further work with a score from the PCG of 31 out of 65. In this section, there are pieces of work that will not be completed until the later part of 2017. It is important to note that items E. (rationale for service delivery) and F. (group activities) have been confirmed with Management Team.

∑ Community Engagement
After the Draft Annual Plan 2017/18 Deliberations, we will have better idea of how to engage our communities on the ‘Big Issues”. However, this section received the lowest score with 14 out of 40.

∑ Timeline
Some LTP sub-projects have confirmed timelines and key milestones like the Infrastructure Strategy PCG. However, others like document production require further development. This means the overall project timeline is quite fluid. The PCG scored this section 18 out of 35.

3.3 LTP Preparation

Project planning is well underway including some re-engagement initiatives and key milestones completed, these include:

∑ Endorsement of the Project Plan by Management Team and Management Team Strategy (December 2016).

∑ Long Term Plan Project Control Group Monthly Meetings
These are held on the first Thursday of the month, the inaugural meeting was held in March 2017. Representation crosses the organisation and Council.
## LTP PCG Organisation and Members

<table>
<thead>
<tr>
<th>Project Governance</th>
<th>Management Team:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides a decision-making framework for the development of the LTP 2018-2028 project.</td>
<td>Jim Palmer, Jeff Millward, Simon Markham, Gerard Cleary, Craig Sargison, Nick Harrison, Liz Ashton and Mayor David Ayers (ex-officio)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisational Development Action Plan Priority Project Champion</th>
<th>Gerard Cleary – Manager Utilities &amp; Roading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective: We demonstrate value to today’s customers and tomorrow’s communities</td>
<td>Priority: Developing and Promoting our Long Term Plan (2018-2028).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Sponsors</th>
<th>Jeff Millward – Manager Finance &amp; Business Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assume overall accountability for, and advocate on behalf of, the project. They ensure that the project delivers the agreed outcomes.</td>
<td>Geoff Meadows – Policy Manager &amp; Representative for 30 Year Infrastructure Strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Control Group</th>
<th>Paul Christensen – Finance Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fosters co-operation and ongoing communication with staff, councillors and the Project Manager about the day to day operations of the project.</td>
<td>Matt McIlraith – Communications &amp; Engagement Manager</td>
</tr>
<tr>
<td></td>
<td>Sarah Nichols – Governance Manager</td>
</tr>
<tr>
<td></td>
<td>Kevin Felstead – LTP/AP Portfolio</td>
</tr>
<tr>
<td></td>
<td>Neville Atkinson – Communications Portfolio</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Manager</th>
<th>Maria Edgar – Corporate Planner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for leading the project from inception to execution.</td>
<td></td>
</tr>
</tbody>
</table>

### Community Outcomes Refresh

A Council appointed working party, formed in April 2017, undertook a desktop review of the Community Outcomes 2015-2025. Several working party meetings took place during April and May to review the outcomes and a Council workshop held in May 2017 discussed the proposed changes with Councillors. Feedback from the Council’s Management Team and Te Ngāi Tūāhuriri Rūnanga Executive, and further feedback from Councillors after the May workshop has been incorporated into the Community Outcomes 2018-2028, which the Council adopted in June this year.

### Non-Financial Performance Measure Refresh

This was completed by staff during June 2017 with one-on-one sessions held with Third and Second Tier Managers to determine if the current measures in the LTP 2015-2025 were satisfactory or needed to be reviewed. The proposed revised measures have been tabled with the LTP PCG at their meeting on Thursday 6 July and reviewed by Management Team Strategy at their meeting on Thursday 13 July.

### Pre-engagement Initiatives

The Council’s draft 2017 Waste Management & Minimisation Plan is currently out for public consultation and encompasses a review of kerbside collection services. Feedback from the consultation process will be taken into consideration in finalising the Waste Management and Minimisation Plan, which will then inform proposals going forward into the LTP 2018-2028 Consultation Document.
3.3 High Level Project Timetable

The following timetable identifies key project milestones:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTP Budgets Reviewed by Council</td>
<td>February 2018</td>
</tr>
<tr>
<td>Draft LTP and Consultation Document adopted for public consultation</td>
<td>February/March 2018</td>
</tr>
<tr>
<td>Consultation Opens</td>
<td>March 2018</td>
</tr>
<tr>
<td>Consultation Closes</td>
<td>April 2018</td>
</tr>
<tr>
<td>LTP adopted</td>
<td>June 2018</td>
</tr>
</tbody>
</table>

3.4 The Management Team/CEO has reviewed this report and supports the recommendations.

4. COMMUNITY VIEWS

4.1 The views of the community on Council’s proposals contained in the LTP 2018-2028 Consultation Document, will be sought through the Special Consultative Procedure (SCP) scheduled for March 2018.

5. FINANCIAL IMPLICATIONS AND RISKS

5.1 Financial Implications

There are no additional financial implications for costs associated with developing and adopting the Long Term Plan 2018-2028, as there are approved budget allocations.

6. CONTEXT

6.1 Policy

The Council’s Significance and Engagement Policy will be reviewed as part of the LTP 2018-2028 project scope.

6.2 Legislation


6.3 Community Outcomes

Community Outcomes reflect our community’s needs and aspirations.

Maria Edgar
CORPORATE PLANNER
Health Check 2018:
Checklists for Long-Term Plan Quality Assurance

Introduction
The purpose of this health check is to aid your preparation for the 2018–28 LTP by providing an honest assessment of your readiness, identifying where there are concerns and what should be done.

This document is supplementary to your own long-term plan preparation. We suggest going through Health Check 2018 early in your long-term plan process so you have an idea of what you types of information you will be required to produce. Use Health Check 2018 alongside our other long-term plan guidance. Where possible we have included references to our other material.

Try to undertake this health check early in the 2017 calendar year, and again in July or August 2017 as a check on progress. To the right we have included an example of a timeline of some of the pieces of the long-term plan. Use this to help inform your own project management.

This document has been divided into two sets of checklists. The first set deals with readiness and covers the following:
- Project initiation
- Project scope
- Community engagement
- Timeline

The first set of checklists use a ranking system to assess your long-term plan readiness. The following table can be used as a guideline in choosing your ranking:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Prognosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Haven’t thought about this yet.</td>
</tr>
<tr>
<td>2</td>
<td>Started thinking but too early to</td>
</tr>
<tr>
<td></td>
<td>say one way or the other.</td>
</tr>
<tr>
<td>3</td>
<td>Firming up thoughts / timetabling.</td>
</tr>
<tr>
<td>4</td>
<td>Decisions made / fully prepared and</td>
</tr>
<tr>
<td></td>
<td>timetabled / making progress.</td>
</tr>
<tr>
<td>5</td>
<td>Done.</td>
</tr>
</tbody>
</table>

For the first set of checklists you can enter text and choose a ranking. It will cover what you will need to do, who should do it and when. Whenever you see ‘click or tap here to enter text’ you will be able to enter information into fields for comments. For any rankings you will be able to use a drop down menu that will show you the numbers 1 to 5. To select a ranking click on ‘choose an item.’

The second set of checklists can be used to assess long-term plan compliance and usability. The following is covered in the second set:
- Process and information management
- Groups of activities
- Infrastructure strategy
- Capital expenditure for groups of activities
- Performance information

1 Please note this timeline appears in Jigsaw 2018. It is assumed the reader has considered the steps addressed in mid/late 2016.
The second set of checklists covers the mandatory aspects of your long-term plan. You will be able to tick off when you have completed mandatory aspects whenever you see a small box. You will be able to enter comments whenever you see ‘click here or tap to enter text.’ The checklists also cover other aspects you may want to consider and where to find further SOLGM guidance.

We welcome the use of this document throughout your council. However, it does only cover certain aspects of your long-term plan. Please use our suite of long-term plan guidance for detailed information on parts of your long-term plan. All our guides are available online. For any questions or feedback please email info@solgm.org.nz

Disclaimer: This document has been prepared by the New Zealand Society of Local Government Managers (SOLGM) for the purpose of providing information to the New Zealand local government sector. While every effort has been made to ensure the contents of the document are accurate, SOLGM takes no responsibility for any errors or omissions herein. In no way does this paper constitute SOLGM policy. The document is not a substitute for appropriate legal and policy advice. Neither SOLGM nor the individuals involved in the preparation of this document accepts any liability for loss or damage arising from the use of material contained herein. Reading or using the information beyond this point constitutes acceptance of the terms of this disclaimer.
## May 2017 - Part 1: Readiness

<table>
<thead>
<tr>
<th>Project initiation</th>
<th>Ranking (1-5)</th>
<th>What do you need to do?</th>
<th>Who?</th>
<th>When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Have you... considered the lessons learnt during the 2015–25 LTP process?</td>
<td>5</td>
<td>Using lessons learnt from 2015-2025 LTP to inform project planning for this LTP.</td>
<td>Project Manager (PM) and Long Term Plan Project Control Group (LTP PCG)</td>
<td>On-going</td>
</tr>
<tr>
<td>B. identified likely risks and weaknesses? And thought about how these could be managed?</td>
<td>3</td>
<td>High-level considerations included in the project plan. Further monitoring required.</td>
<td>LTP PCG &amp; Management Team (MT)</td>
<td>Ongoing</td>
</tr>
<tr>
<td>C. developed a checklist of material you will need to cover within your LTP (including legal compliance aspects)?</td>
<td>3</td>
<td>Requires further consideration and development.</td>
<td>LTP PCG</td>
<td>ASAP</td>
</tr>
<tr>
<td>D. reviewed monitoring information (from performance measures, etc)?</td>
<td>4</td>
<td>Discussion at Management Team Strategy (MTS) – still to be determined.</td>
<td>MT &amp; Geoff Meadows</td>
<td>Thursday 13 April 2017</td>
</tr>
<tr>
<td>E. appointed an LTP project sponsor, manager and team (including resources towards engagement and communications)?</td>
<td>4</td>
<td>Resources for engagement and communications still need to be confirmed.</td>
<td>LTP PCG &amp; Communications Manager - Matt McIlraith</td>
<td>November 2016</td>
</tr>
<tr>
<td>F. discussed the mayor’s priorities and expected involvement in the project <strong>(for territorial and unitary authorities only)</strong>?</td>
<td>4</td>
<td>Mayor ex-officio and part of the LTP PCG, priorities still firming up.</td>
<td>LTP PCG &amp; Mayor</td>
<td>On-going</td>
</tr>
<tr>
<td>G. discussed the role of the council as a whole plays in overall strategic direction setting and how the council intends to play that role?</td>
<td>4</td>
<td>Council workshops and briefings have been timetabled for 2017 with LTP topics to be confirmed closer to the time.</td>
<td>LTP PCG</td>
<td>On-going. The next briefing is being held on 9 May – Community Outcomes Review.</td>
</tr>
<tr>
<td><strong>Project scope</strong></td>
<td>Ranking (1-5)</td>
<td>What do you need to do?</td>
<td>Who?</td>
<td>When?</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------</td>
<td>-------------------------</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>A. What work will you need to do to... conduct an environmental scan?</td>
<td>1</td>
<td>MT to advise if this is required.</td>
<td>MT</td>
<td>ASAP</td>
</tr>
<tr>
<td>B. undertake a stocktake of strategic documents (including strategies, policies and plans) that underpin your long-term plan?</td>
<td>5</td>
<td>High level stocktake of existing plans and strategies completed.</td>
<td>Geoff Meadows</td>
<td>Tuesday 4 April 2017</td>
</tr>
<tr>
<td>C. review key forecasting assumptions (including growth models)?</td>
<td>3</td>
<td>Population projections completed by June 2017. Forecasting assumptions completed 30 September 2017.</td>
<td>Simon Markham &amp; Jeff Millward</td>
<td>June and September 2017</td>
</tr>
<tr>
<td>D. discuss any changes to objectives and priorities with relevant CCOs?</td>
<td>2</td>
<td>To be determined by MTS.</td>
<td>LTP PCG &amp; PM</td>
<td>Mid 2017</td>
</tr>
<tr>
<td>E. review activity choice and rationale for service delivery?</td>
<td>2</td>
<td>To be discussed with MTS – still to be determined.</td>
<td>MTS</td>
<td>Thursday 13 April 2017</td>
</tr>
<tr>
<td>F. group activities (including mandatory groups)?</td>
<td>2</td>
<td>To be discussed with MTS – still to be determined.</td>
<td>MTS</td>
<td>Thursday 13 April 2017</td>
</tr>
<tr>
<td>G. align activity/asset management plans with the long-term plan and ensure they are up-to-date (they should be reviewed regularly)?</td>
<td>4</td>
<td>On-going work with Asset Management Working Party.</td>
<td>VJ Spittal</td>
<td>On-going</td>
</tr>
<tr>
<td>H. review your performance management framework</td>
<td>2</td>
<td>To be discussed with MTS – still to be determined.</td>
<td>MTS</td>
<td>Thursday 13 April 2017</td>
</tr>
<tr>
<td>I. review and develop funding and financial policies (And where applicable your development and financial contributions policy)?</td>
<td>3</td>
<td>Risk and Financing Strategy to be completed.</td>
<td>Jeff Millward</td>
<td>June 2017</td>
</tr>
</tbody>
</table>
### Project scope

<table>
<thead>
<tr>
<th></th>
<th>Project scope</th>
<th>Ranking (1-5)</th>
<th>What do you need to do?</th>
<th>Who?</th>
<th>When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>review and develop your council’s local board policy (if relevant)?</td>
<td>Choose an item</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>K</td>
<td>review your fees and charges?</td>
<td>2</td>
<td>Establish project scope – to discuss with LTP PCG.</td>
<td>Maree Harris</td>
<td>November/December 2017</td>
</tr>
<tr>
<td>L</td>
<td>review your significance and engagement policy?</td>
<td>2</td>
<td>Part of the non-financial policy review.</td>
<td>Geoff Meadows</td>
<td>May 2017</td>
</tr>
<tr>
<td>M</td>
<td>change accounting policies?</td>
<td>2</td>
<td>Project scope to be confirmed.</td>
<td>Paul Christensen</td>
<td>July 2017</td>
</tr>
<tr>
<td>N</td>
<td>introduce new modelling or information systems?</td>
<td>1</td>
<td>Finance to advise LTP PGC.</td>
<td>Paul Christensen</td>
<td>TBC</td>
</tr>
</tbody>
</table>

### Community Engagement

<table>
<thead>
<tr>
<th></th>
<th>Community Engagement</th>
<th>Ranking (1-5)</th>
<th>What do you need to do?</th>
<th>Who?</th>
<th>When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Have you... discussed community engagement with your elected members?</td>
<td>1</td>
<td>Discuss with LTP PCG.</td>
<td>LTP PCG</td>
<td>TBC</td>
</tr>
<tr>
<td>B</td>
<td>identified key projects, options or issues you want to engage on (or that the community expect to be engaged on)?</td>
<td>3</td>
<td>Some individual pre-engagement initiatives underway or planned for. Need to confirm and integrate into project plan and determine if there are any others.</td>
<td>LTP PCG &amp; PM</td>
<td>TBC</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>Ranking (1-5)</td>
<td>What do you need to do?</td>
<td>Who?</td>
<td>When?</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------</td>
<td>-------------------------</td>
<td>------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>C. determined what your key messages to your community are?</td>
<td>1</td>
<td>Discuss with LTP PCG.</td>
<td>LTP PCG</td>
<td>TBC</td>
<td></td>
</tr>
<tr>
<td>D. reviewed the information you presently hold on community views and preferences on “the big issues”?</td>
<td>1</td>
<td>Feedback was sought on LTP proposals through consultation on the Draft Annual Plan 2017/18. These will be considered during Draft Annual Plan deliberations.</td>
<td>PM &amp; Councillors</td>
<td>May 2017</td>
<td></td>
</tr>
<tr>
<td>E. created a plan to engage with the community?</td>
<td>1</td>
<td>Discuss with LTP PCG.</td>
<td>LTP PCG</td>
<td>TBC</td>
<td></td>
</tr>
<tr>
<td>F. decided to seek early community feedback on anything?</td>
<td>3</td>
<td>Individual pre-engagement initiatives underway or planned for. Need to confirm and integrate into project plan.</td>
<td>LTP PCG &amp; PM</td>
<td>TBC</td>
<td></td>
</tr>
<tr>
<td>G. looked at how to manage community feedback (this may include a revision of your currently feedback system)?</td>
<td>2</td>
<td>Integrated with E-Plan, will need to confirm ‘go live’ date to manage on-line submissions and new database.</td>
<td>LTP PCG &amp; PM</td>
<td>TBC</td>
<td></td>
</tr>
<tr>
<td>H. looked at the current processes your council has for engaging Māori in decision-making?</td>
<td>2</td>
<td>Discuss with LTP PCG, this will require input from MTS.</td>
<td>LTP PCG</td>
<td>TBC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Timeline</td>
<td>Ranking (1-5)</td>
<td>What do you need to do?</td>
<td>Who?</td>
<td>When?</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>A.</td>
<td>Do you have timeline: for all of the LTP inputs? How these match up with other priorities within the council work programme?</td>
<td>3</td>
<td>Continue to integrate council work programme.</td>
<td>LTP PCG</td>
<td>On-going</td>
</tr>
<tr>
<td>B.</td>
<td>that aligns with council, committee, local and community board meeting schedules?</td>
<td>3</td>
<td>On-going monitoring.</td>
<td>LTP PCG &amp; PM</td>
<td>On-going</td>
</tr>
<tr>
<td>C.</td>
<td>for the audit process – including both the service provider’s work and review by the Auditor-General’s office? Do you have a process to ensure the Audit opinion is included in your LTP?</td>
<td>2</td>
<td>Confirm process.</td>
<td>Jeff Millward</td>
<td>TBC</td>
</tr>
<tr>
<td>D.</td>
<td>for document production?</td>
<td>3</td>
<td>High-level timeline but requires further development.</td>
<td>Beck &amp; Caul/Matt McIlraith/Elizabeth Hughes &amp; PM</td>
<td>TBC</td>
</tr>
<tr>
<td>E.</td>
<td>for communications (this could include social media and traditional media)?</td>
<td>2</td>
<td>Communications to advise.</td>
<td>Matt McIlraith</td>
<td>TBC</td>
</tr>
<tr>
<td>F.</td>
<td>for consultation and submission processing?</td>
<td>2</td>
<td>Special Consultative Procedure dates yet to be confirmed. Integrated project with E-Plan – confirm ‘go live’ for on-line submissions component.</td>
<td>LTP PCG &amp; PM</td>
<td>TBC</td>
</tr>
<tr>
<td>G.</td>
<td>for staff and council sign-offs?</td>
<td>3</td>
<td>On-going monitoring.</td>
<td>PM</td>
<td>On-going</td>
</tr>
<tr>
<td>Timeline</td>
<td>Ranking (1-5)</td>
<td>What do you need to do?</td>
<td>Who?</td>
<td>When?</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>H.</td>
<td>2</td>
<td>PM to complete health checks and feedback to MT and provide regular updates to Audit &amp; Risk Committee.</td>
<td>LTP PCG</td>
<td>On-going</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I.</td>
<td>3</td>
<td>LTP Council Briefings have been booked – topics will be confirmed as the project progresses. Meetings with MT and MTS scheduled when required.</td>
<td>LTP PCG</td>
<td>On-going</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J.</td>
<td>3</td>
<td>Subject experts to advise and confirm and incorporated into project timeline.</td>
<td>LTP PCG</td>
<td>On-going</td>
<td></td>
</tr>
</tbody>
</table>
WAIMAKARIRI DISTRICT COUNCIL

REPORT

FILE NO: FIN-12-02 / 170705069442
REPORT TO: Audit & Risk Committee
DATE OF MEETING: 18 July 2017
FROM: Jeff Millward, Manager Finance & Business Support
SUBJECT: Audit New Zealand’s Interim audit report for the year ending 30 June 2017

1. SUMMARY

1.1. The purpose of this report is to present Audit New Zealand’s interim audit management report to the Council for the year ending 30 June 2017.

1.2. The final audit will be carried out in conjunction with the audit of the Annual Report for the year ended 30 June 2017 and is planned for the week commencing the 28 August 2017. It’s planned to provide the Annual Report for adoption to the Council on the 3 October 2017. A final management report for the year ended 30 June 2017 will be provided by Audit New Zealand on 31 October and presented to the Audit & Risk Committee on the 21 November.

1.3. The interim audit undertaken by Audit New Zealand is to assess the council’s control environment and gain a better understanding of the issues facing council and how these are being addressed.

1.4. The Auditors during their audit have identified a number of areas for where improvement could be made and these are currently being addressed. Management have provided responses to each of the recommendations within the report made by Audit New Zealand.

1.5. John Mackey, Audit New Zealand Director will be in attendance at the meeting to present the Interim Auditors report.

Attachments:

i. Audit New Zealand Interim Management Report for the Year Ending 30 June 2017 (170628066412)

2. RECOMMENDATION

THAT the Audit & Risk Committee:

(a) Receives report No. 170705069442

(b) Receives Audit New Zealand’s Interim Management Report for the year ending 30 June 2017.

(c) Notes there are no significant matters arising from the interim audit, however there are a number of recommendations made by Audit New Zealand within the report
where improvements could be made and the Management have agreed within their response to undertake.

(d) **Notes** there will be a further report to the Audit & Risk Committee on the progress of the recommendations.

3. **ISSUES AND OPTIONS**

3.1. As part of the annual audit process, Audit New Zealand carries out an interim audits that review the control environment which looks at systems, delegations and internal controls. The interim audit also provides the Auditors an opportunity to update their understanding of the issues facing the Council and how these are being addressed. It also provides the auditors a degree of assurance of what controls are in place and how effective the operating environment and controls are within the Council.

3.2. Audit New Zealand made a number of recommendations in relation to Council’s systems and controls that could be improved and these have been responded to or have been agreed by Management to establish.

3.3. Although there are no significant matters arising from the interim audit provided there are a number of matters that have been identified that could provide or a better control environment. These improvements primarily relate to improvement to the timeliness of checks and controls being required and undertaken.

3.4. The following are key dates in relation to future audits:

<table>
<thead>
<tr>
<th>Date</th>
<th>Work to be carried out</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 May 2017</td>
<td>Commencement of the interim audit the year ending 30 June 2017.</td>
</tr>
<tr>
<td>28 August 2017</td>
<td>Commencement of the final audit, including audit of the Annual Report for the year ending 30 June 2017</td>
</tr>
<tr>
<td>3 October 2017</td>
<td>Adoption of the Annual Report and Audit Opinion issued</td>
</tr>
<tr>
<td>31 October 2017</td>
<td>Final report received by the Council, incorporating management comments, issued. Reported to 21 November Audit &amp; Risk Committee</td>
</tr>
</tbody>
</table>

3.5. The Council’s responses have been discussed with Audit New Zealand.

3.6. As an option, the Audit & Risk Committee could request alternative or further action be taken on one or a number of items provided within the Auditors report.

3.7. The Management Team & Chief Executive has reviewed this report and supports the recommendations.

4. **COMMUNITY VIEWS**

4.1. The audit process contributes to the community outcome that “Public organisations make information about their plans and activities readily available”.

5. **FINANCIAL IMPLICATIONS AND RISKS**

5.1. Most of the proposals do not have financial implications and mainly involve some staff time.

5.2. The annual audit carried out by Audit New Zealand provides added assurance in respect of the accuracy of the Council’s financial statements. Implementation of the recommended internal controls on a consistent basis could improve operational performance and/or reduce risk.

6. **CONTEXT**

6.1. Delegation S-DM provides that the Audit & Risk Committee has the jurisdiction to:

   ∑ Liaise with and manage the Council’s relationship and arrangements with the Council’s external auditors; and
   ∑ Review corporate risk assessment and internal risk management practices.

6.2. Audit New Zealand carry out the Auditor functions, required and in relation to section 99 of the Local Government Act 2002 and on behalf of the Controller and Auditor General.

---

Jeff Millward
Manager Finance & Business Support
Report to the Council on the interim audit of
Waimakariri District Council
for the year ending 30 June 2017
Key messages

Summary

We have completed our interim audit of Waimakariri District Council (the Council) for the year ended 30 June 2017.

The primary purpose of our audit was to update our understanding of the Council’s control environment and gain a better understanding of the issues facing the Council and how they are being addressed. We also reviewed the internal control systems and, where appropriate, tested those systems to confirm that the key controls identified, operated effectively throughout the period. We will use this information to plan our final audit.

Expenditure systems and controls

Our review of the expenditure systems and controls identified issues with the application of the delegations policy. Additionally, we identified automated controls, in the TechOne FMIS, which have not been activated. Implementation of these controls will strengthen the overall control over the expenditure system. We comment further in sections 1.1 and 2.1 below.

Service performance reporting

The Council will be reporting on the mandatory performance measures for the second time this year. We concluded that the Council has adequate systems and processes in place to report against the mandatory measures. Since the fourth quarter of the last financial year, management has implemented improved controls to raise awareness amongst staff of the importance on the accuracy of the input of service request data. We also note that infrastructure activity service requests are now reviewed regularly and errors are rectified promptly. We comment further in section 3 of this report.

Issues identified during the audit

The following table summarises our recommendations and their priorities:
### Recommendation

<table>
<thead>
<tr>
<th>Delegations policy</th>
<th>Urgent</th>
<th>Necessary</th>
<th>Beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update the delegations policy to provide clarification that delegations cannot be combined.</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

### Recording of vested assets

<table>
<thead>
<tr>
<th>Recording of vested assets</th>
<th>Urgent</th>
<th>Necessary</th>
<th>Beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td>The AIM Team sight the section 224 certificate (Resource Management Act certificate of completion) to ensure that the commissioning date, of vested assets, is captured correctly in TechOne.</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

### Use of automated controls

<table>
<thead>
<tr>
<th>Use of automated controls</th>
<th>Urgent</th>
<th>Necessary</th>
<th>Beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activate the available automated controls in TechOne for the accounts payable function.</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Urgent</td>
<td>Necessary</td>
<td>Beneficial</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>--------</td>
<td>-----------</td>
<td>------------</td>
</tr>
<tr>
<td>Timely review of bank reconciliations</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Bank reconciliations to be reviewed in a timely</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>manner.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There is an explanation of the priority rating system in Appendix 1.

Thank you

We would like to thank the Council and management for their assistance during the interim audit visit.

John Mackey
Director
9 June 2017
Contents

1  Assessment of your control environment ................................................. 5
2  Information technology general controls (ITGC)........................................ 7
3  Our areas of audit focus this year .......................................................... 8
4  Other matters and internal control findings.......................................... 11
5  Summary of recommendations............................................................... 14

Appendix 1: Explanation of priority rating system ........................................ 15
Appendix 2: Status of recommendations .................................................. 17
1 Assessment of your control environment

We have performed a high-level assessment of the control environment. This assessment was performed for the purpose of planning the most effective and efficient audit approach, to enable us to express an audit opinion on the Council’s financial statements and the non-financial information. We considered the overall attitude, awareness, and actions of the Council and management to establish and maintain effective management procedures and internal controls.

In performing this assessment, we consider both the “design effectiveness”1 and “operational effectiveness”2 of internal control. The explanation of these terms is outlined below. 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 of internal control.

In performing this assessment, we have identified areas where we believe the control environment can be improved. These matters are included later in this report.

Internal controls

We reviewed the internal controls in place for your key financial and non-financial information systems, as detailed below. Internal controls are the policies and processes that are designed to provide reasonable assurance as to reliability and accuracy of financial and non-financial reporting, as well as compliance with significant legislative requirements. These internal controls are designed, implemented and maintained by the Council and management. Both “design effective” and “operationally effective” internal control is important to minimise the risk of either fraud or misstatement.

---

1 Control is effective to either prevent or detect a material error in either the financial statements and/or non-financial information. The control is “fit for purpose”.
2 Control has operated effectively throughout the period tested.
occurring. The responsibility for the effective design, implementation and maintenance of internal control rests with the governing body.

In performing this assessment, we identified areas where we believe the control environment can be improved. These matters are addressed below.

1.1 **Review of delegations policy**

**Recommendation**

Update the delegations policy to provide clarification that delegations cannot be combined.

**Findings**

During our testing of the expenditure system, we noted two instances where the expenditure item approved, was above the delegation limit of the employee.

Additionally, we also noted that in one instance, the invoice approval was accepted on the basis that the delegation limits of the person who created the purchase order and the approver, had a combined delegation higher than the invoice amount.

Enforcement of delegations of authority is a key control to prevent inappropriate authorisation of expenditure. Good practice, requires that delegation limits, of the approver and the person creating the purchase order requisition, should not be combined to approve purchases above the employee’s delegated authority.

We have discussed the issues noted above, with management and were informed that they plan to address them as part of the automation of the accounts payable process.

We recommend that the issues, noted above, are addressed as part of this process.
Management comment

Agree

Some staff were interpreting the policy that delegation limits could be combined. The Policy will be amended as recommended. The line of business system controls will stop interpretations from occurring in the future, as approvals will automatically be forwarded to the correct person. There is additional staff training and awareness to be undertaken in conjunction with the changes.

2 Information technology general controls (ITGC)

We performed an ITGC review of relevant Council systems as part of the audit. This review consisted of two parts. The first part was an assessment of entity level controls. These controls are management’s control activities in the following areas: IT governance and strategic planning; IT processes, organisation, and relationships; the assessment and management of IT Risks; monitoring and evaluation of performance and the evaluation of internal controls.

The second part of our work was an assessment of the design and operational effectiveness of activity level controls. Overall, the Council’s activity level control processes continue to be designed effectively, except for some security matters. These have been presented in previous reports to the Council.

Our follow up on the Council’s progress with implementation, of matters raised previously, is presented in Appendix 2.

2.1 Use of automated controls

Recommendation

Implement the available automated controls in TechOne for the accounts payable function.
Findings

As part of our review of the IT general controls within the TechOne system, we noted that there are automated controls, over expenditure built into TechOne, which would be beneficial to activate. They include the following:

∑ prevention of the creation of duplicate vendor records; and
∑ application of invoice matching tolerances as a validation check rather than a warning as the system is presently configured;

Implementation of these controls will provide further assurance to management over the integrity of the vendor masterfile, and reduce the risk of invoice approvals above staff’s delegated authority levels.

Management comment

Agree

These recommendations have since been implemented. Process documentation has also been amended.

3 Our areas of audit focus this year

3.1 Service performance reporting

Findings

The 2017 financial year will be the second time that the Council is required to report on the mandatory performance measures, developed by the Department of Internal Affairs (DIA). We updated our assessment of the Council’s performance framework and underlying systems, to form a view of the appropriateness of the framework and the robustness of the underlying systems. We gained an understanding of the improvements made in response to the recommendations made in our interim report to the Council last year.
We selected the following activities as significant for review:

- roading;
- water supply;
- sewerage and the treatment and disposal of sewage;
- stormwater drainage;
- solid waste; and
- community protection – building services.

From our review of the systems and controls in place for three mandatory performance measures, which rely on the service request system data, we noted that improvements had been made on findings noted last year. The service requests are now regularly reviewed in particular, for the 3 waters area. Additionally, service requests are monitored by the Customer Services Manager to ensure Council staff respond to the requests promptly. We understand that management is considering the implementation of standardised reports across the Council activities to ensure greater consistency of information reported, and reduce the reliance on manual spreadsheets.

Overall, we concluded that the Council has appropriate systems in place for most performance measures.
Datacom Sphere

Council implemented the Datacom Sphere project in October 2016 which has led to improved internal reporting and monitoring of non-financial performance. The structure of the tool ensures that data entry and reporting is occurring on a timely basis. It requires a review of the information submitted on a one-up basis which provides further assurance to management over the accuracy of the reported results.

3.2 Accounting for impairment of infrastructure assets

Findings

The International Public Sector Accounting Standards Board (IPSASB) amended accounting standards PBE IPSAS 21 *Impairment of Non-Cash-Generating Assets* and PBE IPSAS 26 *Impairment of Cash-Generating Assets* so that assets, measured at revalued amounts under the revaluation model in PBE IPSAS 17 *Property, Plant*, will be within the scope of PBE IPSAS 21 and PBE IPSAS 26.

As a result of the amendments, an entity will be required to assess at each reporting date whether there is any indication that an asset, or group of assets, may be impaired. If any indication exists, the entity will then be required to assess the recoverable service amount (non-cash-generating asset) or recoverable amount (cash-generating asset) of that asset, or group of assets, and recognise an impairment loss if the recoverable service amount or recoverable amount is less than the carrying amount.

However, where an impairment loss will be recognised for an asset, or group of assets, that is revalued, an entity will not necessarily be required to revalue the entire class of assets to which that impaired asset, or group of assets, belongs.

Under the versions of these accounting standards, which currently apply, assets, which are recorded at their revalued amount, are not reviewed for impairment. Instead, if the fair value of the asset class is
materially different from its carrying value then all the assets in that class are revalued. We note that the Council has continued to annually review the impairment of those assets that are subject to the earthquake repairs.

Early adoption of these amended accounting standards would eliminate the uncorrected misstatement that the Council has had since the adoption of PBE IPSAS.

Management comment

The 3 Waters assets are to be revalued as at 30 June 2017 for the basis of preparing the Annual Report. This will provide the basis to incorporate all of the impaired assets on the same valuation rates and any impaired value. It is expected these remaining asset will be replaced in the 2017/18.

Although we are not expected any further impairment, should any further impairment be realised as at 30 June, the accounting standard would be applied.

4 Other matters and internal control findings

4.1 Incorrect consent number recorded against vested assets

Recommendation

The AIM Team sight the section 224 certificate (Resource Management Act certificate of completion) to ensure that the commissioning date, of vested assets, is captured correctly in TechOne.

Findings

When we initially tested our understanding of the vested assets system, the 224 certificate was unable to be located as the asset had
been recorded against an incorrect resource consent number. It was subsequently located a few days later.

If assets are recorded against the wrong consent number, this could mean it is difficult to find the relevant documents, and the date the asset vested may be incorrect that could affect its valuation, useful life and depreciation rate.

Management comment

Agree

The Consenting and new connection work flow and processes are being reviewed, which will include automated system alerts and notifications. As well as a number of other checks and processes, the 224c notification will be incorporated into the new work flow to ensure completeness.

4.2 Timeliness of bank reconciliation reviews

Recommendation

Review bank reconciliations in a timely manner.

Finding

We identified one instance where the independent review had not been performed in a timely manner. Good practice is for the reconciliation to be prepared and reviewed within five working days of month-end. In this instance we could not verify the timeliness of the review as the reviewer did not date their review.

Management comment

Agree

The reconciliation is to be completed within 5 working days of months’ end, in addition to daily bank reconciliation carried out within the system, to ensure all transactions are accounted for. The
independent check that is carried out is being signed off, however as recommended this check will also be dated.
Summary of recommendations

Summary of action taken against previous years’ recommendations:

<table>
<thead>
<tr>
<th>Number of recommendations from previous years’ audits</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five</td>
<td>Matters that have been resolved</td>
</tr>
<tr>
<td>Eight</td>
<td>Progress is being made, but not yet fully resolved</td>
</tr>
<tr>
<td>Six</td>
<td>No progress has been made</td>
</tr>
</tbody>
</table>

This summary needs to be read in conjunction with the status of recommendations raised in previous years’ reports to the Council as detailed at Appendix 2.
Appendix 1: Explanation of priority rating system

Our recommendations for improvement and their priority are based on our assessment of how far short the Council is from a standard that is appropriate for the size, nature, and complexity of its business. We have developed the following ratings for our recommendations:

<table>
<thead>
<tr>
<th><strong>Urgent</strong></th>
<th><strong>Needs to be addressed urgently</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Major improvements required</td>
<td>These recommendations relate to a serious deficiency that exposes the Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Necessary</strong></th>
<th><strong>Address at the earliest reasonable opportunity, generally within 6 months</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements are necessary</td>
<td>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.</td>
</tr>
</tbody>
</table>
Beneficial
Some improvement required

Address, *generally within 6 to 12 months*

These recommendations relate to deficiencies that result in the Council falling short of best practice. These include weakness that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.
Appendix 2: Status of recommendations

Outstanding matters – Financial
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management's proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>GST risks from TechOne implementation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
We encourage the Council to implement the recommendations of the tax compliance review.

<table>
<thead>
<tr>
<th>In progress</th>
<th>Necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>The IRD is still finalising the final refund figure. PwC have been liaising with the IRD to finalise this matter. However, management is currently awaiting a response from the IRD. We will follow up on this matter during our final audit visit.</td>
<td>The adjustments and resulting refund from IRD has been agreed with our agent, PWC and IRD. The adjustments made to the Councils IRD accounts were incorrectly made by IRD at their end and have since been corrected. PWC were as frustrated as the Council at the errors and time taken to correct these. On our behalf PWC had meetings at the appropriate level in IRD to rectify the errors. This matter is now resolved and should be removed.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Current status</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td><strong>Conflicts of Interest and Related Parties</strong></td>
<td></td>
</tr>
<tr>
<td>The Council implement an Interests Register to record all conflicts of interest.</td>
<td><strong>In progress</strong>&lt;br&gt;An interest register has been drafted and will be presented to the Council for review and approval at the next Council meeting.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Current status</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Contract Register</strong></td>
<td></td>
</tr>
</tbody>
</table>
| The Council investigate the implementation of the contract management module in its new FMIS once the implementation of the other modules is complete. | **No progress has been made**  
No progress has been made against this recommendation as the proposed upgrade will occur during the 2017/18 year. | **Beneficial**  
A contract management module will be implemented during 2017/18 and is identified within the Business Improvement Strategy. This is also being undertaken in conjunction with the Health & Safety aspects of contract management. | |
| **Signing of employment agreements** | | | |
| Sign all employment agreements, in line with the appropriate delegated authority, to ratify the contract. | **In progress**  
The Council’s HR department has conducted a review of its individual employment agreements (IEAs) and identified other instances where IEAs have not been signed or the IEA for the employee is missing. We were informed that corrective actions will be taken and all IEAs will be signed by both parties | **Necessary**  
The employment contract documentation that surrounds offer and acceptance has been reviewed and amended. Those outstanding that have not been returned | |
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management’s proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>by July 2017. This issue will be followed up at our final audit.</td>
<td></td>
<td>is being corrected.</td>
</tr>
</tbody>
</table>

**Expenditure and Payroll Masterfile change process**

The Council:

∑ restrict access, for reviewers of masterfile changes, to read only status, to enforce appropriate segregation of duties;

∑ revise the report reviewed for creditor masterfile changes, to include changes for existing creditors; and

∑ enforce independent one-up review of the creditor masterfile changes report.

**No progress has been made**

Reviewers continue to have access to making masterfile changes. We understand that changes made to the payroll masterfile, by the Finance Manager, are now reviewed on a one-up basis. However, we could not sight evidence of this review. The segregation of duties risk remains outstanding for creditor masterfile changes.

**Necessary**

This has been followed up to ensure appropriate segregation is in place. There are instances where leave provides a necessity to put in place cover. Where this occurs one up approval and review is provided.

Reports and review are in place to review and approve changes to the creditors Masterfile.
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management's proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update bank account details for creditors in TechOne</td>
<td><strong>In progress</strong></td>
<td>Necessary</td>
<td>As detailed above the issue has been corrected with review of any changes and maintenance carried out to master files. Any changes made are reviewed by the Assistant Account or Finance Manager who do not have change file access.</td>
</tr>
</tbody>
</table>

We emphasise the need for management to maintain appropriate internal control over the creditors’ masterfile. Based on our discussion with the finance team, more care is taken to check bank account details of creditors before proceeding with the payment. This issue remains open as there is still a segregation of duties risk associated with the maintenance and review of the creditor masterfile.
### Review of monthly debtors reconciliation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management's proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare and independently review reconciliations on a timely basis.</td>
<td>In progress</td>
<td>Necessary</td>
<td>The reconciliation requirement and independent review is to be carried out within 5 days of months end. These will be dated in the future, as well as being signed off as reviewed.</td>
</tr>
</tbody>
</table>

#### Identification of vested assets

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management's proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement a process whereby the AIM team can access information on completed subdivision projects to enable the team to capture and record vested assets in a timely manner.</td>
<td>No progress has been made</td>
<td>Necessary</td>
<td>The Council is investing in a contract management system/module that will capture the necessary information. In the meantime a full list of project under way is made available and the AIM team track this at year end. An</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Current status</td>
<td>Priority</td>
<td>Management's proposed action</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------</td>
<td>----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>individual project by project is signed off by the PM for each project as to the status and any vesting/as built to be received.</td>
</tr>
</tbody>
</table>

**Ageing of rates debtors**

Continue to engage with TechOne to provide an ageing report for rates debtors.

No progress has been made

We were advised that this recommendation is planned to be resolved in 2018/19 as part of Council’s Business Improvement plan. We will review ageing of rates debtors for the 2017/18 at year end during the final audit.

Necessary

As provided last year, staff are using a report from the system and reviewing each outstanding debtor.
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management's proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shared Services Business Process Review</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement the recommendations, made by Deloitte,</td>
<td><strong>In progress</strong></td>
<td></td>
<td>Beneficial</td>
</tr>
<tr>
<td>taking into account the cost of implementation of</td>
<td>Council has implemented some of</td>
<td></td>
<td>The Council has implemented</td>
</tr>
<tr>
<td>the recommendations and the benefits provided.</td>
<td>the recommendations particularly for sensitive expenditure and the use of corporate discounts available to staff. An employee benefits policy, and relevant guidance, was issued this year to prevent misuse of Council’s assets. We were also advised that a presentation will be made to staff to increase awareness of the fraud policy and the actions to take if fraud is suspected.</td>
<td></td>
<td>all of the relevant recommendati on from the Deloitte’s review. A presentation that will be carried out annually on the awareness and risks of fraud. All the relevant policies will be provided. The presentation is scheduled to be provided in September to ATM</td>
</tr>
</tbody>
</table>
### Outstanding matters – IT

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management’s proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing restores from backup</td>
<td>No progress has been made</td>
<td>Necessary</td>
<td>WDC is moving servers to IaaS and backups are now covered by Revera as “Backup as a Service”. We get daily email notifications on success and failure rates of the backup. We will liaise with Revera to setup a six-monthly test restore cycle.</td>
</tr>
</tbody>
</table>

#### Process for removing users from the network and systems when they leave council

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management’s proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>All additions, changes and terminations to the network and applications are logged in the ServiceDesk system, with the approval form linked to it. A formal process for assigning the correct access levels, within TechOne system, also be</td>
<td>In progress</td>
<td>Necessary</td>
<td>The process for removing users is not operating as intended due to HR/Payroll not sending IT notifications when staff leave. Council has set up an alert, in</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Current status</td>
<td>Priority</td>
<td>Management’s proposed action</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------</td>
<td>---------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Users with access to all roles has been greatly reduced (13 in current year) and the Technology One staff are clearly identifiable. As there is still ongoing module implementations, eight of the superusers, in Technology One, remain. There is a default TECHONE account and the remaining superusers are IT staff and the payroll supervisor. A regular review of users and their level of access is still not being performed.</td>
<td>Users with access to all roles has been greatly reduced (13 in current year) and the Technology One staff are clearly identifiable. As there is still ongoing module implementations, eight of the superusers, in Technology One, remain. There is a default TECHONE account and the remaining superusers are IT staff and the payroll supervisor. A regular review of users and their level of access is still not being performed.</td>
<td></td>
<td>TechOne, to display terminated users from the HR system. This is an interim step until a formal process has been established by HR/Payroll. Council has setup consultant/contractor (including TechOne) logins to expire after three months, at which time they are only re-enabled when requested by the manager responsible. Council will disable the generic TechOne support account and force TechOne</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Current status</td>
<td>Priority</td>
<td>Management’s proposed action</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------</td>
<td>----------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>consultants to have user specific admin accounts setup. This process has already been in place for the last year for new TechOne consultants.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Network administration passwords**

Council regularly review the use of administration passwords. Individual administrator passwords should be created and IT staff should have a day to day password as well as their own individual administrator passwords. Good practice is for administration passwords to be complex, changed regularly and kept secure.

**No progress has been made**

Any requests for elevated privileges are logged in Sysaid with evidence of manager approval.

Necessary

At the end of the move to IaaS project, Council will be working with Spark to identify any services relying on the generic admin account, these will be changed allowing IT to change the generic admin account.

**Business Continuity and IT Disaster Recovery**
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management’s proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Council develop business continuity plans which would then drive the development of an IT Disaster Recovery Plan (DRP). Plans should be tested to ensure they will work in a disaster</td>
<td>In progress</td>
<td>Necessar y</td>
<td>BCP being formally tested in October 2017. As part of IaaS project a formal IT DR plan will be developed.</td>
</tr>
</tbody>
</table>
Matters that have been resolved

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reconciliation of fixed asset register to the general ledger</strong></td>
<td>Council review the structure of property plant and equipment in the general ledger (GL) and reconcile the general ledger to the fixed asset register by class so that cost, accumulated depreciation and net book values (NBVs) are able to be reconciled to ensure they are properly accounted for in accordance with NZ GAAP.</td>
</tr>
<tr>
<td><strong>Updated versions of IT policies not published</strong></td>
<td>The latest, approved versions of the Computer Security policies be published on the intranet. Council staff be informed of the new policies and reminded of the importance of compliance with them.</td>
</tr>
<tr>
<td><strong>Password security</strong></td>
<td>Network password length be set to a minimum of eight characters, with password complexity enforced. Minimum password age should be set to one day. Council should take this opportunity to review and recommunicate its IS security policies to all staff, and educate staff and contractors in the risks associated with poor security behaviours.</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Outcome</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Generic Accounts</strong></td>
<td>Generic accounts have been reviewed and disabled on the network. This was confirmed last year and reconfirmed this year. The generic accounts in TechOne have been reduced down with their purpose noted in the user description.</td>
</tr>
<tr>
<td>A full review of all network accounts be done, and that generic accounts be removed, or if they are required by the business, that they be re-approved, documented, and the password changed.</td>
<td></td>
</tr>
<tr>
<td><strong>Credit note approval</strong></td>
<td>As part of our review of the debtors system, we sighted a sample of two credit notes and confirmed that they were approved within delegated authority.</td>
</tr>
<tr>
<td>All credit notes to be appropriately approved within approved delegation limits.</td>
<td></td>
</tr>
</tbody>
</table>
1. SUMMARY

The purpose of this report is to request the Committee to recommend to the Council it adopts Enterprise North Canterbury’s (ENC) proposed Statement of Intent (SOI) for the 2017/18 year, receives its related overall Business Plan and approves the proposed District Promotions Business Plan for 2017/17. A draft SOI has previously been provided to the Committee for comment. The Promotions Plan is subject to the separate promotions contract with the Council and like the SOI requires Council approval.

Attachments:

i. Attachment i Statement of Intent for the Year beginning 1 July 2016 (Trim No. 170712072159)
ii. Attachment ii Enterprise North Canterbury 2016/17 Business Plan (Trim No. 170712072170)
iii. Attachment iii Promotion of Waimakariri District 2016/17 Business Plan (Trim No. 170712072165)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives Report No. 170712072157 and recommends to the Council that it:
(b) Adopts Enterprise North Canterbury’s (ENC) proposed Statement of Intent (SOI) for the 2017/18 year
(c) Receives Enterprise North Canterbury’s 2017/18 Business Plan
(d) Adopts Enterprise North Canterbury’s proposed District Promotions Business Plan for 2017/18

3. ISSUES AND OPTIONS

3.1. Attachment i is the proposed ENC Statement of Intent adopted for submission by the ENC Board to the Council for its consideration through the Audit Committee. The Committee recently considered the draft Statement and sought no material changes to it. The SOI proposes focusing ENC’s activities on two core strategic objectives around, business and (for the Waimakariri District), district promotions.
3.2. Also attached (Attachments ii and iii) are ENC’s proposed overall 2017/18 Business Plan giving effect to the SOI; to be received by the Council; and, its proposed 2017/18 District Promotions Plan to be approved by the Council. For each of the objectives 1.1 to 1.6 in the SOI are identified the funding sources.

3.3. The Promotions Plan sets out proposed activities and targets for delivery against four key goals:

3.4. The Acting CEO has reviewed this report and supports the recommendations.

4. COMMUNITY VIEWS

4.1. Ongoing dialogue ENC has with the local business sector and visitor industry assisted with preparation of the statement of intent and resultant business plans/programmes.

5. FINANCIAL IMPLICATIONS AND RISKS

5.1. During the 2017/18 year ENC will receive from the WDC through the Economic Development (ED) grant $197,490 to enable the organisation to function and leverage other funding contributions.

5.2. Through the District Promotions Contract payments of $373,770 are made for services, plus $47,370 as an events grant fund for distribution by an independent Event Fund Advisory Group made up of external representatives. The anticipated allocation of these funds by major area of activity is as follows:

- Business Promotion - $104,000
- Visitor Promotions and Coordination - $125,000
- Events Grants and advice - $102,000
- Visitor information Centre operations - $90,000

5.3. ENC formally reports at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.
6. **CONTEXT**

6.1. Community Outcomes that are particularly relevant to this report are:

- **Businesses in the District are diverse, adaptable and growing**
- **The Community’s cultures, arts and heritage are conserved and celebrated**
- **People are friendly and caring, creating a strong sense of community in the District.**

6.2. Reporting relationships with ENC are established as result of it being a Council organisation. The District Promotion contract with ENC provides for the contractor to prepare, and for Council and the ENC Board to jointly approve the statement of intent, annual promotions business plan and for an Annual Report to the Council against Plan.

6.3. Relevant policies in the Council’s Role in Economic Development Policy (S-CP1405) are:

“**Promotion and Advocacy**

Resource Enterprise North Canterbury and relevant business associations and through its own endeavours, promote the District as a visitor destination and support business development and training opportunities across the District;

**Business Incentives and Seed Funding**

Provide through rigorous processes seed funding and other grants to organisations establishing and operating events that promote and draw visitors to the District.”

---

Simon Markham
Manager, Strategy & Engagement
STATEMENT OF INTENT
For the Financial Year Beginning 1 July 2017

INTRODUCTION
North Canterbury Economic Development Trust trading as Enterprise North Canterbury (ENC) is a Council Controlled Organisation (CCO) established by the Waimakariri District & Hurunui District Councils. This Statement of Intent sets out the overall intentions and objectives for the period of 1 July 2017 to 30 June 2020.

NATURE AND SCOPE OF ACTIVITIES
ENC is an Economic Development Agency with a vision:

“To foster an Exceptional North Canterbury by encouraging the development of exceptional infrastructure, businesses and experiences”

THE OBJECTIVES OF THE TRUST
The objects of the Trust as set out in clause 3.1 of the Deed of Trust are to:

a) “Cultivate economic initiatives and foster growth for the benefit of the North Canterbury Community
b) Promote the economic, environmental, cultural and social well being of the North Canterbury Community
c) Foster, develop and assist in the management of best practices and effective use of the resources of North Canterbury
d) Promote and nurture community-based, sustainable economic growth through projects to benefit the people of North Canterbury Community”

In pursuing these objects ENC will:

∑ Operate with the utmost integrity and highest of ethics
∑ Be innovative, proactive and professional in all aspects of its operations
∑ Work collaboratively in all activities it facilitates or undertakes
∑ Respect the democratic processes of the sponsoring Councils.

ENC’s modus operandi is to “stimulate/facilitate/liberate” new projects, as initiatives will only lead the regional economy to a higher level if a project is self-sustaining in the hands of the private sector. ENC does not see itself as “owning” projects in the long term. Accordingly when assessing new initiatives ENC will:

∑ Promote the sustainability of business
∑ Have an awareness of the needs of the community within which business operates
∑ Be a leader and facilitator but not an investor in development projects

THE PERFORMANCE MEASURES
In pursuit of its vision ENC has adopted strategic objectives against which its performance will be monitored.
## ENC Strategic Objectives

**Performance Measures 2017/18**

**Vision:** To foster an Exceptional North Canterbury by encouraging the development of exceptional infrastructure, businesses and experiences

### Strategic Objective 1: Exceptional Businesses (including Agriculture)

<table>
<thead>
<tr>
<th>Objective 1.1</th>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities</strong></td>
<td>Deliver the Regional Business Partner Programme for NZTE</td>
<td>A minimum of 60% net promoter score of services provided by ENC through NZTE’s annual customer survey</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undertake 62 Capability Assessments and issue a minimum of $80,000 NZTE Vouchers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A minimum of 24 businesses referred to Business Mentors NZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Run 20 half day business training workshops with 80 business people attending, with attendees expressing a minimum of 80% satisfaction rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Run 3 networking functions with a minimum of 60 attending and each event is fully sponsored</td>
</tr>
<tr>
<td></td>
<td>Provide training of local business owners and managers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide networking opportunities to market, share knowledge, exchange information three times a year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support local businesses by referring them to the appropriate support agency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expand ENC’s Business Partner Programme to provide increased services to local businesses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communicate with businesses so they are well informed about services and support available to</td>
<td></td>
</tr>
<tr>
<td>Objective 1.2</td>
<td>Celebrate and Recognise Business Leaders in the region</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Maintain and grow ENC’s website and social media</td>
<td>Enhance northcanterbury.co.nz website and Facebook and increase number of visitations Grow social media channels and website visitors by 10%</td>
<td></td>
</tr>
<tr>
<td>Objective 1.3</td>
<td>Undertake analysis of regional employment opportunities and trends</td>
<td></td>
</tr>
<tr>
<td>Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury</td>
<td>ENC complete 2 business confidence surveys with a minimum of 50 businesses participating and results are picked up by newspapers</td>
<td></td>
</tr>
<tr>
<td>Objective 1.4</td>
<td>Assist Hurunui Town Development</td>
<td></td>
</tr>
<tr>
<td>ENC and the Council’s fully understand the needs of small businesses in rural townships</td>
<td>Survey completed and distributed Business initiatives are created following engagement ENC to assist in implementing two activities as a result of their engagement</td>
<td></td>
</tr>
<tr>
<td>Objective 1.5</td>
<td>Manage the recovery of Hurunui businesses adversely affected by the earthquake</td>
<td></td>
</tr>
<tr>
<td>Support businesses still working through earthquake recovery processes</td>
<td>Provide individual assessments of those businesses still requiring support, make referrals and linkages to the appropriate organisation Provide advocacy for continued funding, if required, from MBIE to support the recovery of businesses and tourism in the Hurunui</td>
<td></td>
</tr>
<tr>
<td>Objective 1.6</td>
<td>Manage the ENC Business Centre for local businesses to use</td>
<td></td>
</tr>
<tr>
<td>Achieve revenue targets as included in the Business Case justifying the establishment of the Business Centre</td>
<td>Marketing plan is written and implemented External revenue of $77,531 is generated</td>
<td></td>
</tr>
<tr>
<td>Partner with private sector to fund the rental and running costs of business centre</td>
<td>Retain current sponsors</td>
<td></td>
</tr>
</tbody>
</table>
### Strategic Objective 2: Promote the Waimakariri District
Service delivery agreed annually between WDC and ENC

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote the Waimakariri District to businesses and visitors</strong></td>
<td>Overall satisfaction by WDC</td>
</tr>
</tbody>
</table>

#### 2.1 Business Promotion
*Build a long range approach to promote market awareness of the district*

- Implement the business promotion marketing plan
- Build online technical and statistical information relevant to new businesses
- Integrate online business information with visitor information
- Identify business sector gaps with potential for establishment within the Waimakariri
- Work alongside WDC on the regeneration areas (red zone) in Kaiapoi with regard to business use land

- Increase in the number of businesses attracted to the district, and to retain the number of high growth businesses resident in the District.
- Supply all statistical information on ENC and WDC websites
- Showcase business and visitor promotion across both ENC and Visit Waimakariri websites
- Research into business sector gaps completed
- Identification of business opportunities for the regeneration areas of Kaiapoi
| **2.2 Marketing and Coordination** | Promote the District so visitors are attracted to visit and spend in the District by the special experiences and attractions offered | The number of visitors attracted to the Districts accommodation, attraction and activities is increased as measured by growth in CAM guest nights; visitor spend measured by MBIE; online presence through website page visits and Facebook likes and newsletter uptake |
| **2.3 Events** | Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community | Number of events promoted increase by 10% Events Calendar distribution increases by 10% Event fund is fully distributed |
| **2.4 Kaiapoi i-SITE** | Provide i-SITE services so visitors and residents receive timely, quality information and promotion advice that encourage them to visit and meets their information needs | Meet i-SITE criteria standards for continued accreditation; Increase contacts and sales at the i-SITE by 10% |
THE BOARD’S APPROACH TO GOVERNANCE

The Board of Trustees is responsible for the overall corporate governance of ENC. The Trust Deed sets out the governance responsibilities of the Trustees. The Board guides and monitors management of the business and affairs of the Trust on behalf of the Councils to whom they are accountable. The Mayors of each of the Councils are Trustees, and the two CEO’s are Advisory Trustees. The Board meets two monthly.

THE ACCOUNTING POLICIES

The Trust is a not-for-profit organisation. The Trust has adopted accounting policies that are consistent with the Financial Reporting Act 1993 and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand. The Trust has elected to apply the PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than $2m.

THE RATIO OF CONSOLIDATED SHAREHOLDERS FUNDS TO TOTAL ASSETS

As at 30th June 2016 the Trust’s Equity comprised 63% of total assets and 100% of net assets. Equity is defined as the sum of the amount of retained earnings and accumulated losses. Total assets are defined as the sum of the net book values of current assets and non-current assets as disclosed in the Trust’s annual report.

DISTRIBUTIONS TO SHAREHOLDERS

The Trust’s Equity is not distributed, but is held in reserve to fund the Trust’s future economic development activities and Waimakariri District promotion activities as appropriate.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Annually the Trust reports to the Councils, with the following matters being covered:

- Trust Directory
- Review of the Year’s Activities
- Report against the Year’s Performance Measures
- Statement of Financial Position
- Statement of Cashflows
- Statement of Financial Performance
- Statement of Movements in Equity
- Notes to the Accounts
- Auditor’s Opinion

Half yearly reports are provided to Councils including a statement of income and expenditure for the period, and a report of achievements against the Trust’s objectives.

Quarterly reports are required by WDC.

The two Mayors and CEO attend Board meetings and receive bi-monthly management and financial reports. The Trust’s Strategic Plan and the Annual
Business Plan and Budget are made available to the two Councils following its approval by the ENC Board

**PROCEDURES FOR MEMBERS TO ACQUIRE SHARES**

There is no means for Trustees to acquire shares.

**COMPENSATION FROM LOCAL AUTHORITIES**

The Trust receives seed capital from the two District Councils to enable it to initiate its economic development activities. In addition ENC has a service contact with Waimakariri District for the provision of District Promotion services. The following table sets out the current level of funding and that projected for the next three years (excl. GST).

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2019/20</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>District Promotion</td>
</tr>
<tr>
<td>Hurunui District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
</tbody>
</table>

TBA = Councils to determine through their Annual Plan processes

If any other contracts are entered into between the Trust and any territorial or regional authority, payment of the contract price will be required from such contracting authority.

**COMMERCIAL VALUE OF THE SHAREHOLDERS’ INVESTMENT**

The commercial value of the shareholders’ investment is the Trust’s equity is $399,922 at 30 June 2016 as stated in the annual report.

The Trust Deed requires that “the capital and income of the Trust fund shall be applied only within New Zealand to meet the Objects of the Trust”. On winding up all surplus assets are to be applied by the Councils to similar purposes as the Objects of the Trust. No reassessment of the Trust’s commercial value is therefore proposed.

**OTHER MATTERS**

The Trust has a contract with Waimakariri District Council for the provision of promotion services until 30 June 2018. The contract has a right for the trust to call for renewal of the contract for a further three years. The contract has a minimum annual level of funding specified ($200,000) but provides for the Council to confirm a final level of funding each year as it approves the annual Promotion Business Plan, prior to the commencement of each year.

---- 0000----

Approved SOI 1.7.17
PROMOTION OF WAIMAKARIRI DISTRICT

2017/18 BUSINESS PLAN

Incorporating

Business Promotion
Visit Waimakariri and Events
Kaiapoi i-SITE
EXECUTIVE SUMMARY

Enterprise North Canterbury (ENC) has been contracted since 2005 by Waimakariri District Council to promote the Waimakariri District as an innovative and progressive place to stay and play and since 2012 to come and set up business in.

This is being achieved by developing a strong, positive profile promoting Waimakariri to local, national and international audiences. This aims to attract visitors and new business through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to.

Statistics released in 2014 by the Tourism Industry Association New Zealand (TIA) showed tourism supported a higher proportion of Waimakariri District residents’ jobs than anywhere else in New Zealand. According to TIA more than one in six (18.3%) residents’ jobs in Waimakariri are supported by tourism. Despite a limited accommodation base and no single major iconic attraction, tourism expenditure now totals over $150 Million - $20M international, $53M domestic (not including ChCh) and a further $77M per annum ChCh residents visiting and spending in our district. It’s the latter proportion which boosts total expenditure to rival that of Hurunui and Kaikoura shows the importance of the often-overlooked ChCh ‘friends and family’ market comprising well over half of all visitors.

Since 2012 ENC has been working closely with local developers and Council to promote the Waimakariri District as a destination for business relocation and start-ups.

WAIMAKARIRI DISTRICT PROMOTION OBJECTIVES

GOALS

To achieve the Promotion Objectives, the 2017/18 Promotion Plan has four key goals, one of which is focussed on the business sector, and three of which are specific to the visitor industry sector.

<table>
<thead>
<tr>
<th>BUSINESS PROMOTION</th>
<th>ENHANCE THE VISITOR EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>∑ Market the district so that more businesses want to set up here</td>
<td>∑ Collectively market the district to visitors</td>
</tr>
<tr>
<td></td>
<td>∑ Provide quality information services</td>
</tr>
</tbody>
</table>

CONNECT WITH RESIDENTS

<table>
<thead>
<tr>
<th>DEVELOP NEW PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>∑ Increase local pride, awareness of events and endorse their own district to friends and family</td>
</tr>
</tbody>
</table>
GOAL ONE: BUSINESS PROMOTION (Business sector)

ENC conducts marketing activities by promoting the Waimakariri District as a destination for business to setup, expand or relocate to; ENC will:

∑ Work with existing businesses to build capability
∑ Work alongside developers to promote their developments
∑ Understand and promote the opportunities for businesses to set up in the district
∑ Give advice to start-up businesses
∑ Opens doors (make connections) while promoting the benefits of doing business in the Waimakariri District.

The Waimakariri District Council will:

∑ Develop ‘business friendly’ resources and processes aimed at helping new and expanding businesses in the district
∑ Develop key plans and strategies aimed at creating an appropriate environment and framework for businesses to operate within – Town Centre Plans, District Development Strategies, District Plan
∑ Provide the services of their Business & Centres Manager to successfully navigate all the regulatory and legislative requirements

ENC’s role is one of developing close working relationships with business and developers which can involve having important and impartial conversations with businesses that Council cannot (due to its role as the regulatory authority). ENC is also able to secure private funding to leverage the Council’s investment in business promotion programmes.

1.1 Marketing the District to attract new businesses; ENC will:

∑ Work with local developers and building/land owners to assist them to catalyse their developments and invite them to be involved in joint marketing of the district when opportunities arise when doing media and web marketing
∑ Provide case studies as part of the marketing profile
∑ Improve social media business promotion channels
∑ Raise awareness of the District as a business destination via quarterly print media campaigns.
∑ Produce a District promotional video with support from WDC

1.2 Providing statistical information online; ENC will:

∑ Source and profile statistics on ENC’s investment section of the website that will provide essential and useful information required for setting up a new business in the District
∑ Use the website to advise of land available to build on, existing buildings for lease, connecting external interest with local providers

1.3 Creating a business profile that aligns with the visitor information profile for the District, ENC will:

∑ Host a significant section on ENC’s website on business investment in the Waimakariri District including lifestyle, job opportunities and education with a link to Visit Waimakariri’s website showcasing the “play” element.
∑ Ensure there is material on community assets, employment stats, spending, social and schools
∑ Work with the WDC Communications team and their online editors to link content on business promotion and Council support

1.4 Working with Council, businesses and developers identify the gaps for the District, ENC will:
∑ Facilitate regular collective Promotions Association Chairperson meetings to provide coordination and opportunities to communicate and work collaboratively for the District
∑ Upon completion of the District Development Strategy and in conjunction with Council, carry out quantitative research and analysis to identify business sector gaps in the District
∑ Work with Council to identify opportunities for the mixed-use business zone in the regeneration areas in Kaiapoi

1.5 Other support provided by ENC Business Support Manager, ENC will:
∑ Interview start-up businesses, those who are developing an idea and/or those newly started in business in the district
∑ Welcome new businesses to the District

Targets:
∑ Developers engage with ENC to raise the profile of their developments on ENC’s website
∑ Quarterly print media campaigns are produced and part funded by businesses
∑ Online statistical information about the district is researched and populated on the website and promoted
∑ A significant section of the website will profile the district and its opportunities
∑ District promotional video is produced - supported by WDC resources
∑ Track the number of businesses ENC has met with and supported investigating setting up a business in the district

GOAL TWO: ENHANCE THE VISITOR EXPERIENCE (Visitor Industry)

Visit Waimakariri aims to position the District in the minds of locals, domestic and international travellers as a desirable destination to visit. It will continue to deliver high quality core services e.g. research, website, information, trade relationships, social media, strategic relationships with ChristchurchNZ, other DTO’s and TNZ.

To achieve this Visit Waimakariri will deliver the following objectives:

2.1 MARKETING

2.1.1 Marketing Promotion

Visitation delivers a range of benefits that can be difficult to measure but are nevertheless important, including:
∑ Energy, excitement, confidence and pride
Opportunities to make deals, exchange knowledge and expand networks

The likelihood that some visitors will choose to permanently relocate their talents and capital to Waimakariri

Visit Waimakariri will continue to leverage the Waimakariri District profile widely by:

- Themed advertising campaigns in the print and online targeting the Canterbury market
- Showcasing the District at a dedicated stand at the Christchurch A&P show, the CCC Walking Festival and in conjunction with WDC, the Aged Concern Expo and any other large key events within the District.
- Increasing our international tourism investment by providing a toolkit for our operators specifically targeting China, access China specific online channels through ChristchurchNZ and continue to work closer with operators to tell the stories of the Waimakariri District on TNZ.
- Creating a Trade Manual and working with ChristchurchNZ to ensure it gets to key IBO’s.
- Creating a greater presence in other target market publications e.g. Motorhome and Caravan Association Members, people interested in walks, family friendly events and activities.
- Representing Waimakariri in the Official Visitor Guide and potential other domestic campaigns produced by ChristchurchNZ.

2.1.2 Marketing publications
Coordinate the design, sale (of content) and production of the following marketing collateral:

- Waimakariri Walking & Cycling Guide (in conjunction with Dept. of Conservation)
- Town Centre street maps – Rangiora, Kaiapoi and Pegasus/Woodend
- Trade Ready IBO Manual

2.1.3 Web and online channels
Manage the following online marketing channels:

- [www.visitwaimakariri.co.nz](http://www.visitwaimakariri.co.nz) which includes business partners, i-SITE and town profiles
- Visit Waimakariri social media channels – Facebook and Instagram
- Itineraries for families, camping, outdoors and events are profiled
- Continual increase of the profile of the Waimakariri District on the Tourism New Zealand and ChristchurchNZ web portals
- Translation of key itineraries available online for identified non-English speaking international visitors, especially in Chinese

Targets:

- Attend Christchurch A&P show and coordinate the CCC Walking Festival Waimakariri Walks and report benefits of doing so
- Achieve growth in international visitors to the district measured by Stats NZ (Commercial Accommodation Monitor)
- Achieve growth in visitor spend measured by MBIE (Regional Tourism Estimate Spend)
- Achieve growth in online presence through website page visits and Facebook likes and newsletter uptake
2.2 COORDINATION

2.2.1 Visit Waimakariri Visitor Industry Partnership
Visit Waimakariri maintains Business Partners with key participants in the visitor industry as a means of ensuring collective strength and consistent messaging in the sector and to ensure partners are well informed of industry developments.
Visit Waimakariri will:
∑ Continue to promote and sign up business partners annually
∑ Communicate with partners by a quarterly newsletter containing relevant industry information
∑ Coordinate a yearly networking function or topical workshop for Business Partners
∑ Commercial Accommodation Monitors and Visitor Spend is monitored and communicated to all relevant parties
∑ Continue to facilitate business partner communications and forums around the key events held in Christchurch and emerging and growing international markets of which the Waimakariri would appeal.
∑ Work alongside trade ready products to ensure they are represented at TRENZ and, where possible, to Inbound Tour Operators by ChristchurchNZ
∑ Host annual familiarisation visits by ChristchurchNZ, inviting TNZ, IBO’s and Air NZ to also attend.

2.2.2 Town Centre Promotion and Support
ENC’s role is to ensure that individual town organisation promotion programmes are well coordinated and complement one another to achieve a stronger district wide profile.
This will be achieved by:
∑ Coordinating and hosting regular meetings to maintain effective relationships with the Town Centre Promotion Association’s chairs and staff
∑ Support and cooperate with Council, Town Community Boards and the Town Centre Association’s.
∑ Identifying joint promotional opportunities

2.2.3 Other Stakeholders
When undertaking marketing projects, ENC will liaise with other stakeholders where appropriate:
∑ Town Centre Promotion Associations
∑ Waimakariri District Council
∑ Te Kohaka o Tuhaitara Trust
∑ Department of Conservation
∑ Canterbury Regional and District Tourism Organisations
∑ Tourism New Zealand

Targets:
∑ Achieve growth in business partners to fund website
∑ Achieve more awareness of the district with other tourism agencies which results in more inbound bookings
∑ Greater awareness of the Mt Thomas Conservation Park and Tuhaitara Coastal Park

2.3.1 OPERATING AND GROWING THE KAIAPOI i-SITE
Approved 2017/18 Business Plan
The Kaiapoi i-SITE is the official Visitor Centre for Waimakariri District and has national i-SITE accreditation. It provides coordinated, consistent and professional District-wide information to residents and visitors, as set out in i-SITE standards and requirements.

∑ The i-SITE focus will continue to be the high standard delivery of information services. There will be continued emphasis on staff training, attend i-SITE Conference for increased knowledge and product presentations

∑ Strengthen customer relationships by developing a programme of regular contact and familiarisation of the District tourism businesses

∑ External revenues will be maximised contained by:
  o Raising the awareness of local residents and operators of the services available through the Kaiapoi i-SITE to achieve increased sales, bookings and commissions.
  o Managing and promoting fishing rod hire at the i-SITE
  o Acting as a ticketing agent for Dash, i-Ticket and NC Music Society


Targets:
∑ Meet i-SITE NZ membership accreditation
∑ Achieve income from business partners and commissions
∑ Communications plan with business partners is developed and implemented
∑ Maintain business partners
∑ Distribute all District marketing collateral

GOAL THREE: CONNECT WITH RESIDENTS (Visitor Industry)

Visit Waimakariri will promote and support the district’s quality events, which reinforce the strengths and brand of the Waimakariri District to the local and domestic markets. Events raise the profile of the District.

3.1 Event Promotion
Visit Waimakariri will raise the awareness of what Waimakariri has to offer including the many attractions our residents support such as local markets and events. This includes leveraging their personal networks (social media and word-of-mouth).

Develop and manage an Events Marketing and Communications Plan for the promotion of events in the Waimakariri District to residents and visitors, including:
∑ Produce a monthly Waimakariri Event Guide showcasing key visitor events, including the distribution of the guide and growth of the listings and distribution channels
∑ Produce an email newsletter showcasing events, walks and business partner promotions – currently monthly.
∑ Coordinate collective marketing of visitor attraction events — to gain a much greater reach with joint funding
∑ Manage event poster display on promotional signboards at the WDC Rangiora Service Centre and the Mega Mitre 10 Sports Centre and look to expand these signboards into other district locations
∑ Investigate advertising collective events around a common time including school holiday promotional programmes, seasonal and outdoor events.

### 3.2 Contestable and Non-Contestable Event Funding

Provide a contestable and non-contestable events fund for the promotion of events and/or to fund event coordination.

Maintain and adhere to the funding conditions (e.g. allocations, criteria and application forms) of the event fund with the Events Funding Panel, and implement any enhancements to ensure criteria are relevant, realistic and achievable.

The Events Funding Panel\(^1\) will meet twice a year to review applications for visitor and community events applying to the Waimakariri Event Fund Contestable Fund and once a year when funding is available to review applications for established visitor events applying to the Waimakariri Event Fund Non-Contestable Fund.

#### 3.3 Assistance to Event organisers

Add value to the events sector by:

∑ Providing a support role for event development and planning with existing and new event organisers as required. This may include assisting organisers with event management and marketing plans, but does not extend to delivering or managing events.

∑ Updating the online Waimakariri Event Toolkit, and offer it as a digital resource.

∑ Continuing to work alongside event organisers to promote their events and identify any existing or new events that have the potential to grow and improve the districts attraction to visitors.

**Targets:**

∑ Number of events currently promoted (800) increases by 5%

∑ Waimakariri Events Calendar distribution and the database continues to increase

∑ The non-contestable and contestable event fund is fully subscribed

∑ Event Organisers receive templates, advice and are trained to provide professional events

### 3.4 District Event Signage

Work with Council, Community Boards and Promotions Associations to develop a District permanent signage strategy.

**GOAL FOUR: DEVELOP NEW PRODUCTS**

Developing the Waimakariri District as a tourism destination includes improving and supporting existing operators and working with private sector investors to plan and develop new visitor attractors that leverage the Waimakariri offering.

New areas of development include:

\(^1\) This Event Funding Panel comprises: Robin Brown, Nicola Cull and Claire Gifford
∑ Work with Council to develop the ‘Waimakariri Story’ including producing videos of the district showcasing its tourism attractions and activities
∑ Work with Council to develop and produce content for its new Waimakariri App
∑ Create new maps promoting the district’s walking and cycling trails
∑ Identify and support new rural experiences such as a dairy farm visitor attraction
∑ Celebrate culture of local iwi

Targets:
∑ New video produced showcasing the District’s attractions
∑ New Waimakariri App has successful uptake
∑ New district wide walking/cycling map developed and printed
∑ New rural tourism product commenced
∑ Progress opportunities to promote culture of local iwi (e.g. food forest, interpretive stories)
Enterprise North Canterbury

2017/18 Business Plan

“To foster an Exceptional North Canterbury by encouraging the development of exceptional businesses and experiences”

Approved at 31 May 2017 Board Meeting
Table of Contents

1.0 INTRODUCTION.................................................................................................3
2.0 FINANCIAL RESOURCES .................................................................................3
3.0 STRATEGIC OBJECTIVES...............................................................................4
   Developing Exceptional Businesses in North Canterbury ................................. 4
   Promoting the Waimakariri District .................................................................. 7
4.0 THE SUCCESS MEASURES .............................................................................9
1.0 INTRODUCTION

The ENC Strategic Plan vision is:

To foster an Exceptional North Canterbury by encouraging the development of exceptional businesses and experiences

This Annual Business Plan takes the Objectives from the Statement of Intent, then prescribes the initiatives ENC will take, and the means and resources required, to progress the Strategic Objectives in 2017/18.

2.0 FINANCIAL RESOURCES

Annually the Waimakariri (WDC) and Hurunui District Councils (HDC) provide seed funding for ENC. This year we will receive $201k from WDC and $51k from HDC as capacity funding for economic development activities.

This base level of funding is used to undertake specific projects, and is also used as a catalyst with Government departments and agencies, and the business sector, to leverage additional funds. The contracts ENC has with Government agencies are for the regional delivery of national economic development programmes. These Government contracts are negotiated for the delivery of specified services, with payments being made against agreed milestones. For 2017/18 contracted funding is $67k ($71k last year) from NZTE for the Regional Partner Programme and $22,500 from MBIE for the earthquake recovery role.

Our corporate sponsor MainPower has again pledged $30k as capacity funding (same as last year). Other private sector funding for specific projects is budgeted at $268k ($206k last year) plus VIC sales of $105k ($93k last year).

ENC has a service contract with WDC through to June 2018 for the delivery of promotion activities specific to that District, with confirmed funding of $421k ($407k last year) which includes Event Funding in the amount of $47,370. WDC and the ENC Board jointly approve the annual Promotion Business Plan setting out the services to be provided and appropriate performance measures.

ENC operates a project based accounting system. To the greatest extent possible, staff and related overhead costs are charged to individual projects so such costs are funded by the project sponsors, and the budget is prepared with this objective in mind. Where individual projects span more than one financial year any pre-payments received are recorded as “Income in Advance”– some $93k ($74k last year) have therefore been carried forward into 2017/18.

The financial position for ENC remains healthy. A small operating surplus of $6k is budgeted this year.

To the greatest extent possible we secure funding before incurring Project expenses (thus minimising financial risk), and anticipate earning $16k in interest as a result.
The 2017/18 budget is attached as an Appendix. It sets out the funding to be attached to each of the programmes.

3.0 STRATEGIC OBJECTIVES

The 2017/18 Statement of Intent sets out the Objectives for the year and relevant Performance Measures, but is necessarily high-level. To more fully describe the wide range of activities to be undertaken by ENC some additional detail on objectives and performance measures and targets are included ensuring the business environment supports successful and sustainable enterprises.

Developing Exceptional Businesses in North Canterbury

Objective 1.1 Support existing businesses by the provision of training coaching, mentoring services and networking opportunities.

There is considerable scope for the enhancement of business capability through training, coaching and mentoring of the SME sector. A particular focus is on the needs of individual businesses experiencing growth.

Performance Measures – ENC will:

- Deliver the Regional Business Partner Programme for NZTE
- Provide training of local business owners and managers
  - Extend the number of courses and seminars available via video conferencing in order to make it easier for remote business owners to attend
  - Establish pre-recorded interactive webinars to provide easier access to training for time poor or remote businesses
- Support local businesses by referring them to the appropriate support agency
- Provide networking opportunities
- Continue to engage ENC’s business service partners to provide increased services to local businesses
- Communicate with businesses so they are well informed:
  - Provide information on business support and services by way of relevant and up to date information on [www.northcanterbury.co.nz](http://www.northcanterbury.co.nz)
  - Provide businesses with information of interest, and share success stories through ENC’s monthly electronic publication newsletter
  - Ensure that the number of followers of ENC on social media channels continues to grow.
- Maintain and grow ENC’s website and social media

Targets:

- Undertake at least 62 Capability Assessments and issue $80,000 NZTE Vouchers while achieving a minimum of 60% net promoter score through NZTE annual customer survey
- Refer a minimum of 24 businesses to Business Mentors NZ
- Work with Callaghan Innovation to facilitate access to expert advice and technology and product development expertise, development of innovation skills and business collaborations and access to R&D Funding;
∑ Run at least 20 half day workshop/seminars with an average of 8 business people attending each session with a minimum of 80% of participants finding the overall standard to be very good or excellent

∑ Run 3 networking functions with a minimum of 60 people attending each networking event and have each event fully sponsored

∑ Refer a minimum of 60 businesses to external agencies for funding and support

∑ Continue to secure financial commitments from business service partners with a minimum of 10 partners at any given time and income generation of $10,000

∑ Maintain a strong communication programme with businesses and produce at least 10 electronic newsletters and increase website visitors and Facebook connections increase from 939 to 1,100

∑ Enhance the northcanterbury.co.nz website and increase visitor sessions increase from 44,094 to 50,000

Funded by:
NZTE $67,106; Businesses $70,400; Sponsors $7,500; Council Capacity Grants $46,666

Objective 1.2 Celebrate and recognise business leaders in the region

The recognition and celebration of business achievements within the region is an important stimulus for entrepreneurs and will be leveraged to increase the involvement and overall reputation of North Canterbury businesses. The biennial function is scheduled for September 2018, but will incur set up costs in the 2017/18 year,

Performance Measures – ENC will:
∑ Secure sponsor support for the 2018 North Canterbury Business Awards
∑ Launch the Business Awards
∑ Encourage businesses to enter and assist them with their entries
∑ Secure three independent judges

Targets:
∑ Seven categories sponsors and major sponsor secured
∑ Hold the launch of the Business Awards
∑ Achieve a minimum of 50 businesses successfully completing an entry to the business awards
∑ Judges secured

Funded by Council Capacity Grants of $8,667

Objective 1.3 Undertake analyses of regional employment opportunities and trends

ENC will facilitate the establishment of industry groupings where these are sought by the sector, and will undertake analyses of regional economic issues as the need becomes apparent.
Performance Measure – ENC will:
∑ Continue to have a high level of understanding of the local labour market conditions and economic confidence in North Canterbury

Targets:
∑ Complete two business confidence surveys with a minimum of 40 participating businesses and ensure that the results are picked up by the newspapers
∑ Infometric reports are included in board reports and widely distributed.

Objective 1.4 Assist Hurunui Town Development

ENC can provide support services to clusters of North Canterbury small businesses in rural townships, to further assist their development. Waimakariri District’s requirements are accommodated in the Promotion Contract. ENC will assist Hurunui town development as and when invited. This financial year will see Amberley business needs survey completed and new initiatives developed by the businesses and Council.

Performance Measures – ENC will:
∑ Complete Amberley town survey and consult with businesses and Council as to the results

Targets:
∑ Business initiatives are created following engagement
∑ ENC assists in implementing activities as a result of engagement

Funded by Hurunui Council Capacity Grant of $15,443

Objective 1.5 Recovery of Hurunui Businesses

Following the November 2016 earthquakes many Hurunui businesses were negatively impacted, particularly in Cheviot and along SH1. Businesses will require ongoing assistance until they are back to pre-earthquake trading and SH1 opens.

Performance Measures – ENC will:
∑ The Business Recovery Coordinator will meet with businesses still working through earthquake recovery processes to manage their full and timely recovery through provision of advice, coaching and access to grants
∑ Look for business and employment opportunities in Culverden and Cheviot in relation to the road and rail rebuild workforce

Targets:
∑ Provide at least 30 individual assessments to businesses requiring support
∑ Make referrals and linkages to the appropriate organisations and track
∑ Advocate for additional funding, if required, to support the recovery of businesses and tourism in the Hurunui

Funded by MBIE $22,500 and Council Capacity Grant $4,020
Objective 1.6  ENC Business Centre

The Business Centre is an excellent way of partnering with the private sector to offer meeting and training room facilities for use. It is also an excellent opportunity to tap into some of the many other services that ENC offers to North Canterbury based businesses including free business assessments, funding to assist with business training and coaching, an extensive calendar of business relevant events and free business ‘health checks’.

There are also drop-in workspaces where businesses can use the ultrafast Wi-Fi and work productively whilst on the move, and photocopying and printing facilities.

Performance Measures – ENC will:
∑ Maintain engagement with Corporate Sponsor MainPower, three Silver sponsors and eight bronze sponsors
∑ Generate bookings and catering for room hire
∑ Success in repeat business for room hire and new business as a result of marketing the business centre through various channels

Targets:
∑ Achieve sponsorship to the value of $69,000
∑ Achieve at least $15,700 room hire and $7,000 for catering for the Business Centre
∑ Bookings increase through greater awareness of centre

Funded by Sponsors $69,000 and $23,200 from meeting room bookings and catering and photocopying/equipment hire

Promote the Waimakariri District

ENC will promote Waimakariri District in accordance with the Promotion Business Plan. There are four key objectives in the plan: one is focussed on the business sector, and three are specific to the visitor industry sector as summarised below. The specifics are set out in the 2017/18 Promotion Business Plan approved annually by WDC/ENC.

Objective 2.1  Business Promotion (Business Sector)

Promote the Waimakariri District to attract new businesses; implementing the district marketing plan, building online technical and statistical information, aligning online business information with visitor information, and working with WDC on the regeneration areas in Kaiapoi with regard to business use land

Targets:
∑ Developers engage with ENC to raise the profile of their developments
∑ Quarterly print media campaigns are produced and part funded by businesses
∑ Online statistical information is researched and populated on ENC and WDC websites
∑ A significant section of ENC’s website will profile the district and its opportunities
A district promotional video is produced – supported with WDC resources

Work with Council to identify business opportunities for the mixed use regeneration areas of Kaiapoi

Number of businesses ENC has met with and supported in investigating setting up a business in the district is tracked

Objective 2.2 Enhance the Visitor Experience (Visitor Industry)

Promote the District so visitors are attracted to visit and spend time in the District by the special experiences and attractions offered and provided with quality information services

Targets:


Attend Christchurch A&P show and Aged Concern and report benefits of doing so

Achieve growth in international visitors to the district measured by Stats NZ (Commercial Accommodation Monitor)

Achieve growth in visitor spend measured by MBIE (Regional Tourism Spend)

Showcase the district with a responsive design website on a platform that allows for sustainable grow of pages, applications and referrals to business partners.

Achieve growth in online presence through website page visits and Facebook likes and newsletter uptake

Achieve growth in business partners to fund website

Achieve more awareness of the district with other tourism agencies which results in more inbound bookings

Produce a Walking and Cycling guide in conjunction with Dept. of Conservation

Greater awareness of the Mt Thomas Conservation Park and Tuhaitara Coastal Park

Meet i-SITE NZ membership accreditation

Achieve income from business partners and commissions

Communications plan with business partners is developed and implemented

Maintain business partners

Distribute all District marketing collateral

Objective 2.3 Connect with Residents (Visitor Industry)

Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community to the local and domestic markets. Events raise the profile of the District.

Targets:

Number of events currently promoted (800) increases by 10%

Waimakariri Events Calendar distribution (100 locations) increases by 10% and to the database (1,200) increases by 10%

The non contestable and contestable event fund is fully subscribed
Objective 2.4  Develop new Products

Developing the Waimakariri District as a tourism destination includes improving and supporting existing operators and working with private sector investors to plan and develop new visitor attractors that leverage the Waimakariri offering.

Targets:
- New video produced showcasing the District’s attractions
- New Waimakariri App has successful uptake
- New district wide walking/cycling map developed and printed
- New rural tourism product commenced
- Progress opportunities to promote culture of local iwi (eg food forest, interpretive stories)

Funded by Waimakariri District Council $421k ($414k last year) plus $102,192 income in advance from WDC and NCFWT ($51,837 last year); operators and sponsors $85,025 ($67,740 last year) plus VIC sales of $105k ($93,800 last year)

4.0 THE SUCCESS MEASURES

ENC will monitor trends in the region’s economic activity

Measuring economic activity within the region with any accuracy is limited by the quality of available data. Most economic data is collected at a national level then interpolated to the regions. There is only a limited linkage between ENC’s strategic objectives and the available data, and furthermore, ENC does not operate in isolation in the pursuit of economic development with North Canterbury.

The following statistics will be monitored to assess absolute and relative changes in economic activity in the region:

- Changes in the region’s real value-added (GDP) growth relative to that of Canterbury and New Zealand (Source: BERL or Infometrics)
- Changes in the number of businesses in the region by size category and the number of their employees (Source: Statistics NZ & NZ Business Frame)
- The percentage growth rate in the number of businesses and their employees in North Canterbury relative to that of Canterbury and New Zealand (Source: Statistics NZ & NZ Business Frame)
- Changes in the number of full-time equivalent jobs in North Canterbury relative to the region’s population growth rate (Source: Statistics NZ)
- Changes in residents’ income levels relative to that of Canterbury and New Zealand (Source: Statistics NZ)