Audit and Risk Committee

Tuesday 16 July 2019

3.30pm

Waimakariri District Council Chambers
215 High Street
Rangiora

Members:

Councillor Neville Atkinson (Chairperson)
Councillor Kirstyn Barnett
Councillor Al Blackie
Deputy Mayor Kevin Felstead
Councillor Paul Williams
Mayor David Ayers (ex officio)
The Chairman and Members

AUDIT AND RISK COMMITTEE

A Meeting of the AUDIT AND RISK COMMITTEE will be held in the WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA on TUESDAY 16 JULY 2019 at 3.30pm

Adrienne Smith
GOVERNANCE COORDINATOR

Recommendations in reports are not to be construed as Council policy until adopted by the Council

BUSINESS

1 APOLOGIES

2 CONFLICTS OF INTEREST

Conflicts of interest (if any) to be reported for minuting.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 21 May 2019

RECOMMENDATION

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 21 May 2019, as a true and accurate record.

4 MATTERS ARISING

5 PRESENTATION/DEPUTATION

5.1 Kaiapoi Promotions Association
6 REPORTS

6.1 Enterprise North Canterbury Approved Statement of Intent beginning 1
July 2019, Approved Enterprise North Canterbury Business Plan and the
Approved Promotion of Waimakariri District Business Plan for 2019/20 –
Simon Markham (Manager Strategy and Engagement)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No 190531077619.
(b) Receives the Approved Statement of Intent beginning 1 July 2019
and the Approved Enterprise North Canterbury’s Business Plan.
(c) Approves the Promotion of Waimakariri District Business Plan for
2019/20.
(d) Recommends to Council that it receives, for information, the
Approved Statement of Intent beginning 1 July 2019, Approved
Enterprise North Canterbury’s Business Plan and Promotion of
(e) Notes that we shall be working with ENC to update the Visitor
Strategy.
(f) Acknowledges the work carried out by Enterprise North Canterbury
and thanks the Trustees and staff for their efforts.
(g) Circulates the report to the Community Boards for information.

6.2 Audit New Zealand Interim Audit Report for the year ended 30 June 2019
– Jeff Millward (Manager Finance and Business Support)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 190708095891
(b) Receives Audit New Zealand’s Interim Management Report for the
year ending 30 June 2019.
(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 Management have been responded to or agreed to the
recommendations.
(d) Notes there will be a further report to the Audit & Risk Committee on
the progress of the recommendations.

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 190704094430.
(b) Reviews the progress against the 2018/19 Health and Safety Workplan (Annual Plan).
(c) Notes the additional Health and Safety activities that have been achieved during this period.
(d) Reviews and Acknowledges the Health and Safety Workplan (Annual Plan) for 2019/20

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>
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<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>
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</thead>
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<tr>
<td>10.1</td>
<td>Minutes of the public excluded portion of a meeting of the Audit and Risk Committee of 21 May 2019</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>Insurance Renewal Update for 2019/20</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:

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<th>Ref NZS 9202:2003 Appendix A</th>
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<tr>
<td>10.1 and 10.2</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>
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**CLOSED MEETING**

*See In Committee Agenda (blue papers)*

**OPEN MEETING**
WAIMAKARIRI DISTRICT COUNCIL

MINUTES FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY 21 MAY 2019 COMMENCING AT 4.15PM.

PRESENT

Councillor N Atkinson (Chairperson), Mayor D Ayers, Deputy Mayor K Felstead, Councillors K Barnett, A Blackie and P Williams.

IN ATTENDANCE

Councillors W Doody, D Gordon and S Stewart
J Millward (Manager Finance and Business Support), J Palmer (Chief Executive), C Brown (Manager Community and Recreation), G Cleary (Manager Utilities and Roading), D Young (Senior Engineering Advisor), C Browne (Health, Safety and Quality Manager), G Meadows (Policy Manager), H Street (Corporate Planner), P Christensen (Finance Manager)

The Chairperson welcomed the Mayor, Councillors and representatives of the Management team from Selwyn District Council who were present to observe proceedings of the meeting. The meeting was opened and adjourned at 4.15pm and reconvened at 4.30pm. This allowed for the conclusion of informal discussions between the visiting Councillors and management and Waimakariri District Councillors and management.

1 APOLOGIES

Moved Councillor Williams seconded Councillor Barnett

THAT an apology for absence be received and sustained from Councillor Blackie.

CARRIED

2 CONFLICTS OF INTEREST

There were no conflicts of interest recorded.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 26 March 2019

Moved Councillor Felstead seconded Councillor Williams

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 26 March 2019, as a true and accurate record.

CARRIED

4 MATTERS ARISING

No matters arising.
5 PRESENTATION/DEPUTATION

There were no presentations.

6 REPORTS

6.1 Audit New Zealand Management Audit Plan for the Annual Report for year ended 30 June 2019 – Jeff Millward (Manager Finance and Business Support)

Dereck Ollsson, who replaces John Mackey as the Waimakariri District Council Audit Director, and Chris Genet, Audit Manager, from Audit New Zealand presented the Audit Plan for the Annual Report for the financial year ended 30 June 2019. D Olsen highlighted some of the key focus areas, being the revaluation of the property, plant and equipment on a cyclical programme – this year the Council is required to value its road, land and buildings and parks and reserves. The Audit will determine if there is a fair valuation undertaken. The audit has also identified the transfer of the ownership of the Regeneration land, which is a key issue that will be looked at. This land was purchased and transferred to the Council for a cost of $1 from the Crown. This land needs to be carried at a fair value within the Council’s accounting records. A valuation is required to be performed of the land. Another area identified is the work relating to service performance information, and focus on rates and to ensure that the legislative requirements are being met. There are audit procedures that need to be performed to ensure that there is no fraudulent activities. There is a focus this year in the OAG office around bribery and corruption and there will be some work done relating to this. There is also the Officer of the Auditor General has a theme around procurement. There is a lot of work being done around procurement and the OAG may request the Auditors look at some matters in this organisation. It has been identified that some of the audit procedures can be undertaken before year end, which will reduce the congestion post year end and alleviate the pressure at the audit. The audit will be finalised and ready by the 1 October 2019.

Following a question from Councillor Barnett, J Millward confirmed that the audit will be adopted by Council either on the 1st or 8th of October. J Millward noted that matters are progressing well and the red zone property valuations are already undertaken. It is not expected there will be anything untoward to delay the audit and adoption of the Annual Report.

Deputy Mayor Felstead questioned who and how the focus areas are decided on. D Ollsson responded that from discussions with management they look at matters which would be of interest to the public. The OAG set their themes and consult with Parliament and they then identify certain themes. Once these are identified, these themes filter down in the work programmes of the Auditors.

J Millward commented that the Procurement and Contract Management Policy was adopted in November which was done in conjunction with Selwyn District Council and Canterbury Finance Managers and Shared services.

Moved Councillor Barnett seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No. 190322039574

(b) Receives Audit New Zealand’s Audit Plan for the Council’s Annual Report for the year ended 30 June 2019;
6.2 Local Government Act 2002 Section 17A Cost Effectiveness of Service Delivery – Graphic Design, Valuation Services, Alcohol Licensing and Food Registration – Veronica Spittal (Senior Policy Analyst)

In the absence of Veronica Spittal, G Meadows (Policy Manager) and M Harris (Customer Services Manager) presented this report.

M Harris advised that the Council is in second three-year term of the Valuation services contract which goes until 2021. This function is not something that could be brought in house and delivery by an external contractor is the only option for the Council to meet the requirements of the Act. A more thorough review will be undertaken in 2021, prior to the expiry of the contract, to see what is available in the market.

The review of Environmental Services (alcohol licencing and food registration) is being put out to 2020 and Councillor Atkinson asked why this can’t be done now when it has already been put off once before. J Palmer responded, noting that there is also a vacancy for an ESU Manager which the Council is currently recruiting for. N Harrison (Manager Regulation), is standing in for this role at the moment as well. For Food Safety Inspectors, there is an ongoing conversation on what is the appropriate balance of in-house staff and using outsource contractors. It was noted that other Council’s do outsource some of this function. The Council wants to maintain some elements of this area internally, for the convenience of customer enquiries and for guidance and direction to the resources in health and food safety. There will be a continued contract element. J Palmer advised that it is not intended to do a service review in advance of a new Manager being appointed and would want the Manager to be part of any review, and having this scheduled for 2020 would allow this. It was confirmed that this review has already been delayed previously and now it is being delayed a further 18 months.

Moved Councillor Felstead seconded Councillor Barnett

THAT the Audit and Risk Committee

(a) Receives report No. 190416056702.
(b) Approves the attached S17A Review for Valuation Services.
(c) Agrees that the reviews of Graphic Design, Alcohol Licensing and Food Registration be deferred until October 2020.

CARRIED

Councillor Atkinson is disturbed that this review of the Environment Services Unit is being delayed again, and does not want to see the unit put under any more pressure. This review could take place without a Manager being in place and Councillor Atkinson is disappointed that the review is being put out this far and would like to see a review done as quickly as possible.
6.3 Outcomes of the WDC Health and Safety Risk Register Review

September 2018 – Liz Ashton (Manager Organisation Development and HR)

C Browne (Health, Safety and Quality Manager), presented this report on behalf of L Ashton. This presents the outcomes of the April 2019 WDC Health and Safety Risk Register review. There has been a full review of the Council’s risk ratings and for that reason there has been a reduction in high risks and also because there has been a series of control measures implemented over the past six months. There has been four new risks added around water safety of the public; Water Safety in stormwater and stock races; corporate accommodation project and fatigue in the workplace (impairment). Three highest risks identified in this review are contractor health and safety management, driver safety and traffic management. There is an action plan associated with each of these high risk elements.

Regarding the identification of risks that the Council has no control of, Councillor Felstead asked is this a risk in itself. Mr Palmer noted that there are risks in many assets that the Council owns including roads and drains. In exercising responsible governance, the Council should identify the risk and the Act requires the Council to think about any practical, feasible or affordable mitigation measures that can be put in place. In some cases there aren’t and there can be serious consequences because of this.

Councillor Williams questioned the situation of a contractor working on a Council site, then sub-contracting out some of the work, with the risk of the subcontractor not meeting the Council’s health and safety requirements. C Browne said the Council endeavours to maintain control of contracts and asks that contractors provide the names of subcontractors and their levels of competence. J Palmer noted that there has been an issue recently when a sub-contractor was working on a Council site, without the knowledge of the Council. All parties involved when working on Council sites have a health and safety responsibility (i.e. sub-contractors, contractors and the Council as principal).

Mayor Ayers noted that some of the risks are not health and safety but about vehicles or property. C Browne noted there has been some discussion about whether some of these risks could get transferred to departmental risk registers.

Moved Councillor Williams seconded Councillor Barnett

THAT the Audit and Risk Committee

(a) Receives report No 190506064281,

(b) Reviews the outcomes of the WDC Health and Safety Risk Register Review April 2019, and

(c) Receives Risk Register Action Plan outcomes from April 2019 and notes the next steps for implementation.

CARRIED
6.4 **Non-Financial Performance Measures 3rd Quarter Results as at 31 March 2019 – Helene Street (Corporate Planner)**

H Street presented this report and provided two updates that had been advised since he report was submitted. Section 3.4 District Development, the number of Land Use Consents audited, this had been achieved in December, but had been incorrectly recorded as not met. Secondly, Community Protection, it was advised that there are still some inspections of licenced premises being undertaken each week, but the numbers of these are not known.

Councillor Barnett asked about the recurrence of water related matters that are not meeting the targets. Drain maintenance level of service is to respond within five working days, K Simpson confirmed that this is an appropriate measure and that the Council can achieve it. Currently there are two issues that staff are working through. There are instances where the Council is responding within the five working days but the current system is not reflecting this. Secondly, it is Important to have all the systems and processes in place to meet the target. A new system now provides an update every 15 minutes and this is seeing a change in ownership with staff and making sure these service requests are keeping front of mind. There is also now both rural and urban land drainage staff resource, which will provide better responses.

Some wastewater schemes do provide issues and there are a number of things which make it challenging. K Simpson noted that regional councils are under more pressure to make sure that wastewater consent compliance is actually being enforced and council staff have noticed a stricter line from the Regional Council in this respect. Staff are working with the regional council and looking at upgrading the systems to address the issues. G Cleary added that there has been quite a drive in the whole Utilities and Roading department on customer service request response rates and this has seen an increase in responses from 73% to 83% in the last 12 months. There has been more staff resources directed at these service request responses. There has been some improvements in systems, and there is still scope to be working on.

Councillor Stewart spoke on the stormwater service requests following the February 2018 storm, asks if all these have been dealt with now. K Simpson confirmed all requests had been dealt with, though noted that there is still isolated groups that the Council is working with at Waikuku Beach and The Pines Beach. It was agreed that there will be an overall update provided to the next Utilities and Roading committee meeting.

Councillor Barnett asked about the community protection that has showing as not being undertaken and was there any legislative requirements that the Council was not meeting at this time. J Palmer agreed to source information on this and circulate this to all members.

Moved Councillor Barnett seconded Councillor Atkinson

**THAT the Audit and Risk Committee**

(a) **Receives** the report *Non-Financial Performance Measure 2nd Quarter Results as at 31 March 2019*, TRIM No. 190506064258.

**CARRIED**

Councillor Barnett comment on the improving trend noted in the report. Water issues in the district will always be challenging, both stormwater and wastewater. The Council has faced some fairly significant storm and flooding
events in the past few years and appreciates the allocation of more resources in this area and the comprehensive information provided in the report.

6.5 Financial Report for the period ended 31 March 2019 - Paul Christensen (Finance Manager)

P Christensen presented this report and the financial result to the end of March 2019. The key results are the surplus was $11.8 million against a budget of $11.3 million. External debt remain at $145 million which hasn’t changed since August 2018 and the capital spend was $45 million, which is 51% of the budget. One key point to note is the operating cost is slightly over budget by 1% ($700,000). Two items highlighted are both non-cash items, the council was $800,000 over budget in depreciation, the largest area of this was roading and also had $800,000 of disposals which come from renewals work. J Millward provided an explanation on the roading depreciation.

Councillor Barnett asked why there has been an increase in interest on debt increased? P Christensen said interest doesn’t change much as interest rates are fixed rates with hedging and the loan interest budget may not have been calculated appropriately.

Moved Councillor Felstead seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No. 190502062626.

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

(c) Notes that the Council has maintained its AA credit rating, with an outlook of negative from Standard & Poors.

CARRIED

6.6 Capital Projects Quarterly Report – Year to Date ended 31 March 2019 – Don Young (Senior Engineering Advisor), Chris Brown (Manager Community and Recreation), Gerard Cleary (Manager Utilities and Roading), Paul Christensen (Finance Manager)

G Cleary, D Young, C Brown and P Christensen presented this report. D Young provided an explanation on the difference in the reporting of this information noting that most of the information relates to capital expenditure in Utilities and Roading department. There has been significant effort put into reporting against individual projects This report is a work in progress, this allows managers to manage their projects on a daily basis, and secondly this provides good high level management information on a higher level to department managers, thirdly this presents information to the Council on what is happening behind the scenes.

D Young noted that when going through this process, it has become clear that there needs to be a standardisation in the reporting regime. There are many projects that do not fit within the normal delivery framework and so these may not show up as being the true performance as what is reflected in the report (possible due to timing). This may take a year or two for the true performance to be reflected in the reporting. Staff are endeavouring to give as truer picture as they can with this new reporting methodology.

Staff would appreciate any feedback from Councillors on the information that has been presented and any way this could be presented better. Following
discussion, Councillor Atkinson confirmed that any feedback could come directly to D Young.

Councillor Stewart questioned if the completion time for projects was being pitched too ambitiously and could these not be “pulled back”. This is a concern she has raised previously. The new system being delivered to the Council was commended at delivering far more accurate information. G Cleary added that the U&R staff submission to the Annual Plan, to approve some projects that staff will be asking the Council to move to outer years, particularly in the drainage areas. In some cases because it is apparent that they would not be met in the timeframe originally, or that there is hold ups from developers.

D Young advised a new spreadsheet that is being developed will show Project Managers have a pre-planning stage, to show what resources will be required, any land purchases required etc. The aim of this is to be in a good position by 1 July and know where there are any problems. Council needs to be cleverer about allocating the budgets over multiple years and for people to be more realistic about what will be spent each year, rather than spreading it randomly.

Councillor Gordon asked when will the Council get the opportunity to have a discussion about Standard and Poor’s rating. J Millward said at the moment Standard and Poors are working on the rating factors which will make it more difficult to get a double AA rating. Their proposal involves changing eight factors that they use for assessment, down to six. J Millward noted that Development Contributions is not taken into account by Standard and Poors and also spoke on the factor that is a challenge for this Council, which is the debt percentage to operating revenue. There was also comment made on other credit rating agencies that the Council could use.

To provide some information, Mr Palmer said an introductory presentation will be made to the Annual Plan Deliberations meeting next week (May 28).

Councillor Barnett questioned the delays which show up in community and recreation items. C Brown noted the difficulty with reserves to be vested to Council in residential subdivision developments and development contributions. Mr Palmer said it is a foible of the LG Act and setting development contributions, but often doesn’t relate to the reality of the situation.

Moved Councillor Atkinson seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No.190510066661
(b) Notes the progress of the capital projects as detailed below and in the attached spreadsheets
(c) Notes the improvement plan actions proposed as per Section 6 below.

CARRIED

Councillor Atkinson thanked staff for the report and the level of information provided. Over the coming years the reporting will provide a more clearer picture of projects and what can truly be accomplished in a year.

Councillor Stewart also thanked staff for this report and also looks forward to discussion regarding the Standard and Poor’s rating.
Councillor Barnett thanked staff for the level of reporting that is now being provided, noting that this has improved significantly over the recent years.

Councillor Atkinson noted that this reporting will improve each time and looks forward to the future of it.

7 PORTFOLIO UPDATES

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

Councillor Felstead had nothing to report

7.2 Communications – Councillor Neville Atkinson

Councillor Atkinson had nothing to report.

8 QUESTIONS

There were no questions.

9 URGENT GENERAL BUSINESS

There was no urgent general business.

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Councillor Atkinson seconded Councillor Barnett

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:

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<td>Report of Maree Harris</td>
<td>Request to Remit Statute Barred Rates</td>
<td>Good reason to withhold exists under Section 7</td>
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| 10.1    | Protection of privacy of natural persons  
To carry out commercial activities without prejudice | A2(a)  
A2(b)ii |

**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Councillor Atkinson seconded Councillor Barnett

**THAT**  
open meeting resumes and the business discussed with the public excluded remains public excluded.

**CARRIED**

**OPEN MEETING**

There being no further business, the meeting closed at 6.10pm.

**CONFIRMED**

_____________________________  
Chairperson

_____________________________  
Date
1. SUMMARY

1.1. The Audit and Risk Committee received, for comment, the draft Enterprise North Canterbury Statement of Intent at its 26 March 2019 meeting.

1.2. At its Board meeting on 29 May 2019, and with no comments being presented against the Draft Statement of Intent, the Enterprise North Canterbury Board approved its Statement of Intent beginning 1 July 2019 for the 2019/20 year.

1.3. At the same Board meeting they also approved the Enterprise North Canterbury Business Plan 2019/20 and the Promotion of Waimakariri District Business Plan for 2019/20. These reports are attached for your information.

1.4. The purpose of this report is for the Audit and Risk Committee to recommend to Council that they receive the approved Statement of Intent from Enterprise North Canterbury for 2019/20 and the approved Enterprise North Canterbury’s Business Plan.

1.5. The Audit and Risk Committee are asked to approve the Promotion of Waimakariri District Business Plan for 2019/20.

Attachments:

i. Enterprise North Canterbury’s Approved Statement of Intent 2019/20 (190531077496)
ii. Enterprise North Canterbury’s Approved Business Plan 2019/20 (190531077492)
iii. Promotion of Waimakariri District Business Plan 2019/20 (190531077495)

2. RECOMMENDATION

THAT the Audit and Risk committee:

(a) Receives report No 190531077619.
(b) Receives the Approved Statement of Intent beginning 1 July 2019 and the Approved Enterprise North Canterbury’s Business Plan.
(c) Approves the Promotion of Waimakariri District Business Plan for 2019/20.
(d) Recommends to Council that it receives, for information, the Approved Statement of Intent beginning 1 July 2019, Approved Enterprise North Canterbury’s Business Plan and Promotion of Waimakariri District Business Plan for 2019/20.
(e) Notes that we shall be working with ENC to update the Visitor Strategy.
Acknowledges the work carried out by Enterprise North Canterbury and thanks the Trustees and staff for their efforts.

Circulates the report to the Community Boards for information.

3. BACKGROUND

3.1. Enterprise North Canterbury is a Council Controlled Organisation (CCO), where the Trustees are appointed by the Waimakariri and Hurunui District Councils.

3.2. The Trust was registered in August 2002 to provide promotional and economic development services on behalf of the Waimakariri and Hurunui District Councils and promote the region as a visitor destination.

3.3. The Trust is a not-for-profit organisation. A significant amount of funding comes from grants and sponsorship to fund the activities undertaken.

3.4. As an economic development agency, ENC seeks to improve the region’s investment and business-enabling environment so enhancing the region’s competitiveness, retaining and increasing jobs, improving incomes, enhancing economic well-being thus improving the quality of life of residents.

4. ISSUES AND OPTIONS

Promotion of Waimakariri District Business Plan 2019/20

4.1. To achieve the Promotion Objectives, the 2019/20 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.

*BUSINESS PROMOTION*
- Market the district so that more businesses want to set up here

*ENHANCE THE VISITOR EXPERIENCE*
- Collectively market the district to visitors
- Provide quality information services

*CONNECT WITH RESIDENTS*
- Increase local pride, awareness of events and endorse their own district to friends and family

*DESTINATION DEVELOPMENT*
- Grow the districts offering by assisting and promoting new and existing visitor attractions

Business Plan 2019/20

4.2. The ENC Strategic Plan vision is:

*To inspire, attract and retain individuals, businesses and social enterprises to invest in our region*’

4.3. This Annual Business Plan generally 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 2019/20.

4.4. The Management team have reviewed these reports and supports the recommendations.
Visitor Strategy
4.5. We shall be working with ENC in the coming year to update the Visitor Strategy.

5. COMMUNITY VIEWS

5.1. Groups and Organisations
Ongoing dialogue that ENC has with the local business sector and visitor industry assisted with the preparation of the Statement of Intent and the District Promotions Business Plan that has been reported on.

5.2. Wider Community
Each year ENC’s Annual Report is audited by Audit New Zealand.

As part of the District Development 2016 Survey, satisfaction with encouraging business activity has increased to 66% and this is the highest recorded satisfaction level since 2004. This indicates that ‘encouraging business activity’ has become a greater issue for more respondents as more households have an opinion on the matter.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
Under section 65 of the Local Government Act, the Council must regularly undertake performance monitoring of council organisations to evaluate their contributions to the:

- council’s objectives for the organisation;
- desired results set out in the organisation’s statement of intent; and
- overall aims and outcomes of the local authority.

Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to “Monitor performance of the Council-Controlled organisations on a six monthly basis”.

6.2. Community Implications
Among other advantages, supporting and enabling the growth in the local economy; visitor industry partnering and promotions; and, attracting new business to the district through ENC programmes have benefits in increased local business sector strength, more local jobs, retained retail expenditure and increased town centre vitality.

6.3. Risk Management
The ENC Board meets regularly to oversee implementation of agreed plans and programmes in accordance with the accountability requirements of ENC being a CCO. ENC formally reports to the Council at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

6.4. Health and Safety
ENC operates at arm’s length from the WDC and manages its own health and safety programme.

7. CONTEXT

7.1. Policy
This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.
7.2.  **Legislation**

Local Government Act S.10 Purpose of Local Government and Part 5 Council-controlled organisations and council organisations

7.3.  **Community Outcomes**

*Businesses in the District are diverse, adaptable and growing*
- There are growing numbers of businesses and employment opportunities in our District.
- There are sufficient and appropriate places where businesses are able to set up in our District.

*The distinctive character of our takiwā - towns, villages and rural areas is maintained*
- The centres of our towns are safe, convenient and attractive places to visit and do business.
- Our rural areas retain their amenity and character.

7.4.  **Delegations**

Delegation S-DM 1022 provides for delegated authority to the Audit and Risk Committee to monitor the performance of Council Controlled organisations and to review and provide comments on draft Statements of Intent.
STATEMENT OF INTENT
For the Financial Year Beginning 1 July 2019

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 2019 to 30 June 2022.

NATURE AND SCOPE OF ACTIVITIES

ENC is an Economic Development Agency with a vision:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

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
• Be innovative, proactive and professional
• Work collaboratively in all activities it facilitates
• 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 three strategic objectives against which its performance will be monitored.
ENC Strategic Objectives  
Performance Measures 2019/20  

**Vision:** ‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

### Strategic Objective 1: Supporting existing businesses to grow and prosper

<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>Provide training of local business owners and managers</td>
<td>Undertake 48 Capability Assessments and issue a minimum of $80,000 NZTE Vouchers.</td>
</tr>
<tr>
<td></td>
<td>Provide networking opportunities to market, share knowledge, exchange information three times a year</td>
<td>A minimum of 24 businesses referred to Business Mentors NZ.</td>
</tr>
<tr>
<td></td>
<td>Support local businesses by referring them to the appropriate support agency</td>
<td>Refer at least 2 businesses undertaking research and development work to Callaghan Innovation.</td>
</tr>
<tr>
<td></td>
<td>Retain ENC’s Business Partner Programme to provide increased services to local businesses</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></td>
<td>A minimum of 60 businesses referred to external agencies (excluding BMNZ).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retain a minimum financial commitment of $10k from business partners.</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><strong>Objective</strong></td>
<td>Launch the 2020 Business Awards</td>
<td></td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td>Full sponsorship of seven categories is achieved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Successful launch event held</td>
<td></td>
</tr>
<tr>
<td></td>
<td>An increase of 10% business entries</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.3</th>
<th>Undertake analysis of regional employment opportunities and trends</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury</td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td>Complete 2 business confidence surveys with a minimum of 50 businesses participating with results picked up by newspapers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.4</th>
<th>Assist Hurunui Town Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>ENC and the Council’s fully understand the needs of small businesses in rural townships</td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td>Survey completed and discussed with participants and Council</td>
</tr>
<tr>
<td></td>
<td>Business initiatives are created following engagement</td>
</tr>
<tr>
<td></td>
<td>ENC to assist in implementing two activities as a result of their engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 1.5</th>
<th>Manage the ENC Business Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>Maintain engagement with Corporate Sponsor MainPower, two Silver sponsors and eight bronze sponsors</td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td>Achieve sponsorship to the value of $64,000</td>
</tr>
<tr>
<td></td>
<td>Achieve at least $17,200 room hire and $7,600 for catering for the Business Centre</td>
</tr>
<tr>
<td></td>
<td>Quarterly “Talk with the Experts” are held and well supported</td>
</tr>
</tbody>
</table>
### Strategic Objective 2: Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1 Develop a North Canterbury Cycle Trail</strong></td>
<td>Steering Group to lead initiative&lt;br&gt;Commence feasibility study and market development strategy</td>
</tr>
<tr>
<td>Involve strategic partners who will provide leadership and advocacy&lt;br&gt;Prepare a feasibility study for the development of a North Canterbury Cycle Trail from Christchurch to Waipara</td>
<td></td>
</tr>
<tr>
<td><strong>2.2 Develop a strategic partner group to influence and attract a significant business to the region</strong></td>
<td>Group set up and objectives agreed&lt;br&gt;Several significant business opportunities identified&lt;br&gt;Council actively involved and working in partnership with the group</td>
</tr>
<tr>
<td>Set up a Food Sector focus group with an appropriately skilled team who will strategically develop relationships with key innovative investors and organisations who would move to the region</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Objective 3: Promote the Waimakariri District

<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>Favourable response from annual report to WDC and renewal of service delivery contract</td>
</tr>
<tr>
<td>Overall satisfaction by WDC</td>
<td></td>
</tr>
<tr>
<td><strong>3.1 Business Promotion</strong>&lt;br&gt;Promote the Waimakariri District to attract new businesses and support expanding businesses:</td>
<td>At least 40 new and expanding businesses are supported with investigating setting up a business in the district</td>
</tr>
<tr>
<td>Act as the first point of contact for all new business enquiries</td>
<td></td>
</tr>
</tbody>
</table>
| Work with existing developers and Council to enable them to achieve tenants for their developments | Number of connections to developers tracked  
At least 5 new businesses set up in the District as a direct result of ENC’s intervention  
ENC will be an active member with Council in the Mixed Use Business regeneration land discussions and plan development |  
Promote the district as a diverse and dynamic business community | Track and grow online visitations to the Invest Section of ENC website  
15 case studies have been written and promoted widely  
At least 20 new businesses to the District are profiled on ENC’s Facebook  
District promotional video is produced |
### 3.2 Enhance the Visitor Experience

<table>
<thead>
<tr>
<th>Action</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop the Waimakariri Story</td>
<td>Waimakariri Story created in alignment with The Canterbury and NZ Story</td>
</tr>
<tr>
<td>Lead the development of a Waimakariri District Visitor Strategy</td>
<td>A new visitor strategy developed and signed off by key stakeholders</td>
</tr>
<tr>
<td>Leverage the Waimakariri District profile to visitors</td>
<td>New image and video library produced</td>
</tr>
<tr>
<td>Distribute marketing publications both hard copy and online</td>
<td>Official Visitor/Walking and Cycling Guide and Street Maps</td>
</tr>
<tr>
<td>Manage web and online channels</td>
<td>Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake</td>
</tr>
<tr>
<td>Coordinate joint advertising opportunities with operators</td>
<td>Coordinate the Waimakariri District’s inclusion in the 2020 Walking Festival and representation at TRENZ</td>
</tr>
<tr>
<td>Operate the Kaiapoi i-SITE</td>
<td>Meet i-SITE NZ membership accreditation</td>
</tr>
</tbody>
</table>
### 3.3 Connect with Residents
- Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community
- Administer the contestible event funding

Number of events currently promoted increased by 5%
Waimakariri Events Calendar distribution and the database continues to increase

The contestable event fund is fully subscribed
Event Organisers receive templates, advice and networking opportunities
ENC will monitor for Council:
- the proportion of innovation ie new events vs existing
- the reject rate (is the fund big enough?)

### 3.4 Develop new Products
- Develop cycle trails and connections in the Waimakariri
- Identify and support new rural tourism experiences
- Celebrate culture and diversity in the district

District wide walking/cycling map developed and printed and online
Facilitate the agreement of parties and development of an eastern loop cycle trail
Assist new rural tourism product to commence
Progress opportunities to promote culture of local iwi
Assist TKTT in promoting their places and stories
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 2018 the Trust’s Equity comprised 61% 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>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waimakariri</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
<tr>
<td>District Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waimakariri</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>District Promotion</td>
</tr>
<tr>
<td>District Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hurunui</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
<tr>
<td>District Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To be advised as Councils determine funding 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 $488,467 at 30 June 2018 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 2021. 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.

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Enterprise North Canterbury

2019/20 Business Plan

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’
1.0 INTRODUCTION

The ENC Strategic Plan vision is:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

This Annual Business Plan generally 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 2019/20.

2.0 FINANCIAL RESOURCES

Annually the Waimakariri (WDC) and Hurunui District Councils (HDC) provide seed funding for ENC. This year we will receive $208k 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 2019/20 contracted funding is $56k ($60k last year) from NZTE for the Regional Partner Programme. We have also included capacity funding from the Provincial Growth Fund (up to $100k).

Our corporate sponsor MainPower continues to provide $30k as capacity funding (same as last year). Other private sector funding for specific projects is budgeted at $196k ($297k last year, this is down because no business awards income) plus VIC sales of $140k ($111k last year).

ENC has a service contract with WDC through to June 2021 for the delivery of promotion activities specific to that District, with confirmed funding of $438k ($429k last year) which includes Event Funding in the amount of $48k. 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 $130k ($127k last year) have therefore been carried forward into 2019/20.

The financial position for ENC remains healthy. An operating surplus of $28k 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 2019/20 budget is attached as an Appendix. It sets out the funding to be attached to each of the programmes.
3.0 STRATEGIC OBJECTIVES

It is the District’s capacity that drives economies – the twenty-first century infrastructure; the business culture; the regional leadership; the connected, active networks of innovation and the spirit of collaboration. Waimakariri and Hurunui District Council’s investment through ENC enables and facilitates:

- Acceleration of high growth companies through the Business Accelerator Programme
- Entrepreneurship events through their networking functions and business breakfasts
- Joining the dots between sources of capital and the creation of new businesses
- Start-up advice, resources and training
- Research and development funding;
- Celebration of businesses through the North Canterbury Business Awards

The draft Statement of Intent that was submitted to Councils in February 2019. No changes were made. As a result, the 2019/20 Statement of Intent sets out THREE 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.

OBJECTIVE ONE: Supporting existing businesses to grow and prosper

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:
- Work one on one with businesses to deliver the Regional Business Partner (RBP) Programme for NZTE and issue vouchers where appropriate
- Provide training of local business owners and managers
- Provide networking opportunities
- Support local businesses by referring them to the appropriate support agency this includes providing research and development support and funding to innovate
- Retain ENC’s Business Service Partner Programme
- Communicate with businesses and maintain and grow ENC’s website and social media
Targets:
- Undertake at least 52 Capability Assessments for NZTE 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
- Refer a minimum of 60 businesses to external agencies for funding and support (excluding BMNZ)
- Refer at least 2 businesses to Callaghan Innovation
- Run at least 20 half day workshop/seminars with 80 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
- A minimum of 60 businesses ‘outside of the RBP’ met with and referred to appropriate agency (excluding BMNZ)
- Retain financial commitments from business service partners with a minimum of 10 partners at any given time and income generation of $10,000
- Produce at least 10 electronic newsletters and increase website visitors and Facebook connections increase by 10% (currently 1,555 Facebook followers)

Funded by:
NZTE $56,283; Businesses & NZTE vouchers $94k; Sponsors $7,500; Council Capacity Grants $58k

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.

Performance Measure – ENC will:
- Secure at least seven category sponsors and MainPower as major sponsor
- Launch the 2020 North Canterbury Business Awards
- Secure enough entries to run the awards

Targets:
- Full sponsorship of seven categories achieved
- Successful launch event held
- At least 60 businesses apply to enter

Funded by Council Capacity Grants $9k
Objective 1.3  Undertake analyses of regional business opportunities and trends

ENC and Council seek to have a high level of understanding of local business conditions and economic confidence in North Canterbury.

Performance Measure – ENC will:
- Complete 2 business confidence surveys

Targets:
- Achieve a minimum of 50 participating businesses in the survey and ensure that the results are reported to board and newspapers
- Infometric reports are included in board reports and widely distributed.

Funded by Council Capacity Grants

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.

Performance Measures – ENC will:
- Complete a town survey if requested to determine the opportunities for development by consulting with businesses and Council
- Assist potential investments that may be suitable for the Hurunui Region

Targets:
- Survey completed and shared with businesses and Councils
- Business initiatives are created following engagement
- ENC assists in implementing activities as a result of engagement

Funded by Hurunui Council Capacity Grant of $8k

Objective 1.5  Manage the 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 also allows businesses to access the many 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 ‘Talk with the Experts’ sessions.

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, two Silver sponsors and eight bronze sponsors
- Generate bookings and catering for room hire
- Secure repeat business for room hire and new business as a result of marketing the Business Centre through various channels
Run free events to encourage businesses to engage with the Centre for example “Talk with the Experts” and topical sessions by specialist consultants

Targets:
- Achieve sponsorship to the value of $67,500
- Achieve at least $25k for Business Centre hire and catering
- Bookings increase through greater awareness of centre
- Quarterly free “Talk with the Experts” sessions held with good uptake

Funded by Sponsors $67,500 and $25k from meeting room bookings and catering and photocopying/equipment hire

OBJECTIVE TWO: Attract and Inspire Businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

ENC has and can continue to play a role in attracting businesses and government investment in new product development and be part of an influencer group tasked with identifying potential significant organisations to set up in North Canterbury.

Objective 2.1 Develop a North Canterbury Cycle Trail

Some sectors of the regional economy will benefit from a collaborative approach to achieve better results than is possible by each business acting independently.

Performance Measures – ENC will:
- Involve strategic partners who will provide leadership and advocacy
- Produce a feasibility study for the development of a North Canterbury Cycle Trail from Christchurch to Waipara

Targets:
- Steering Group to lead initiative
- Feasibility study completed

Funded by Capability Funding from Council Grants and MBIE

Objective 2.2 Develop a strategic partner group to influence and attract a significant business to the region

It is the District’s capacity that drives economies – the twenty-first century infrastructure; the business culture; the regional leadership; the connected, active networks of innovation and the spirit of collaboration. ENC will:

Performance Measures – ENC will:
- Food Sector focus group set up to strategically develop relationships with key innovative investors and organisations who would move to the region

Targets:
- Group set up and objectives agreed
- Several significant business opportunities identified
- Council actively involved and working in partnership with the group

Funded by Councils Capacity Grant

Approved ENC Business Plan 2019/20
OBJECTIVE THREE: 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. The specifics are set out in the 2019/20 Promotion Business Plan approved annually by WDC/ENC.

Objective 3.1 Business Promotion (Business Sector)

Promote the Waimakariri District to attract new businesses and support expanding businesses:

Performance Measures - ENC will
- Act as the first point of contact for all new business enquiries
- Work with existing developers and Council to enable them to achieve tenants for their developments
- Support major or targeted investment in the region
- Promote the district as a diverse and dynamic business community

Targets:
- At least 40 new and expanding businesses are supported with investigating setting up or expanding their business in the district
- Track and grow registrations to the online business startup course
- Number of connections to developers tracked
- At least 5 new businesses set up in the District as a direct result of ENC’s intervention
- At least 1 new major tourist investigated and supported by ENC
- ENC will be an active member with Council in the Mixed-Use Business regeneration land discussions and plan development
- Track and grow online visitations to the Invest Section of ENC website
- 15 case studies written and promoted widely
- At least 20 new businesses to the District will be profiled on ENC’s Facebook
- District promotional video is produced

Objective 3.2 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

Performance Measures – ENC will:
- Continue developing the Waimakariri Story
- Lead the development of a Waimakariri District Visitor Strategy
- Leverage the Waimakariri District profile to visitors
- Distribute marketing publications both hard copy and online
- Manage web and online channels
- Coordinate joint advertising opportunities with operators
- Operate the Kaiapoi i-SITE
Targets:
- Waimakariri Story created and promoted in alignment with the Canterbury and NZ Story
- A new visitor strategy is developed and signed off by key stakeholders
- New image and video library is continually updated
- Official Visitor/Walking and Cycling Guide and Street Maps distributed
- Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake
- Coordinate the Waimakariri District’s inclusion in the 2020 Walking Festival
- Deliver an effective and coordinated business partner programme
- Achieve more awareness of the district with other tourism agencies which results in more inbound bookings
- Achieve growth in guest nights and visitor arrivals to the district measured by Stats NZ (Commercial Accommodation Monitor)
- Achieve growth in visitor spend measured by MBIE (Regional Tourism Estimate Spend)
- Meet i-SITE NZ membership accreditation and achieve income from business partners and commissions

Objective 3.3  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.

Performance Measures – ENC will:
- Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community
- Administer the contestable event funding

Targets:
- Number of events currently promoted increases by 5%
- Waimakariri Events Calendar distribution and the database continues to increase
- The contestable event fund is fully subscribed
- Event Organisers receive templates, advice and networking opportunities
- ENC will monitor for Council:
  - the proportion of innovation ie new events vs existing
  - the reject rate (is the fund big enough)

Objective 3.4  Destination Development

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

Performance Measures – ENC will:
- Facilitating the connection of existing cycleways agencies to create a promotable product (working title, The Eastern Loop Track), alongside of raising the profile of individual tracks and their destinations
Clustering activities with relevant businesses to provide compelling experiences, quality tourism businesses and remarkable service to entice first time and repeat visitation.

- Researching the cultural, environmental and historical aspects of the district to create compelling and attractive stories of our places for promotion to local residents and visitors. Celebrate culture and diversity in the district.

Targets:

- Development of the Eastern Loop Cycle trail has been progressed due to ENC's facilitation and agreement of all parties.
- Cycle Trails, individual and looped (when ready), in the district well profiled and promoted to locals and visitors, particularly Christchurch residents.
- Strong relationships with Ngāi Tūāhuriri, ECan, TKOT and WDC for cycleways and stories going forward.
- Itineraries and suggestions for residents and visitors are developed and promoted showcasing our places.
- Stories; cultural, environment, historical of our places are developed, promoted and integrated into itineraries and on cycle/walk way promotion.

Funded by Waimakariri District Council $438k ($429k last year) plus $130k income in advance from WDC operators and sponsors $22k ($24k last year) plus VIC sales of $140k ($111k 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)
  - In 2018 (most recent publicly available data from MBIE) Waimakariri GDP grew by 3.1% and Hurunui grew by 2.0%. This is compared to a growth of 2.3% for Canterbury and 2.7% for New Zealand.
  - In 2018 the Waimakariri GDP was $1,856m and the Hurunui GDP was $687m.

- Changes in the number of businesses in the region by size category and the number of their employees (Source: Statistics NZ & NZ Business Frame)
  - In Hurunui (as of 2018) there are 2,532 businesses with 5,200 employees. This is a drop in business numbers of 2.5% and an increase in employees of 2.0%.
In Waimakariri (as of 2018) there are 6,429 businesses with 15,000 employees. This is a drop in business numbers of 0.9% and an increase in employees of 2.0%

- 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)
  - As above for Waimakariri and Hurunui.
  - For Canterbury a drop in business numbers of 0.4% an increase in employees of 3.0%
  - For New Zealand an increase in business numbers of 0.7% an increase in employees of 3.2%

- Changes in the number of full-time equivalent jobs in North Canterbury relative to the region's population growth rate (Source: Statistics NZ)
  - ENC were unable to find any up-to-date information showing how many people are FTE in individual TLAs. The most recent data I could find was from the last census in 2013.

  - Hurunui population increased an estimated 50 from 12,800 to 12,850 – an increase of 0.4%
  - Waimakariri population increased an estimated 1,400 from 59,300 to 60,700 – an increase of 2.4%

- Changes in residents’ income levels relative to that of Canterbury and New Zealand
  - Waimakariri mean household income level has INCREASED 6.4% to $104,200
  - Hurunui mean household income level has INCREASED 6.4% to $89,300
  - Canterbury mean household income level has INCREASED 6.4% to $100,900
  - New Zealand mean household income level has increased 7.4% to $104,400

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PROMOTION OF WAIMAKARIRI DISTRICT

2019/20 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 ENC has been working closely with local developers and Council to promote the Waimakariri District as a destination for business relocation, expansion and start-ups.

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.

WAIMAKARIRI DISTRICT PROMOTION OBJECTIVES

GOALS

To achieve the Promotion Objectives, the 2019/20 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.

- BUSINESS PROMOTION
  - Market the district so that more businesses want to set up here

- ENHANCE THE VISITOR EXPERIENCE
  - Collectively market the district to visitors
  - Provide quality information services

- CONNECT WITH RESIDENTS
  - Increase local pride, awareness of events and endorse their own district to friends and family

- DESTINATION DEVELOPMENT
  - Grow the districts offering by assisting and promoting new and existing visitor attractions

GOAL ONE: BUSINESS PROMOTION (Business sector)

The role of ENC is to market the desirable features of setting up in the Waimakariri District, encouraging more businesses to establish will create more jobs and greater benefits to the local economy. This role is not an isolated one, so to be effective ENC must, and does, work closely with multiple parties including private (local and prospective) business interests, developers, and WDC staff.

This role involves supporting potential investors and developers in identifying opportunities, assisting with assessing feasibility, and finding funding or investors to

Approved 2019/20 Business Plan
assist when needed. This means that a project may take years from the first contact until the project becomes public knowledge if it turns out to be viable.

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

- Give business planning and modelling support to new and expanding businesses
- Work alongside developers to promote their developments and making connections and making direct referrals to the appropriate opportunities
- Understand and promote the opportunities for businesses to set up in the district
- Provide resources to assist prospective businesses to plan successfully
- Provide data and data analysis to prospective investors
- Connect potential developers to funding or assistance when relevant
- Identify opportunities that will support and enhance existing businesses.

The Waimakariri District Council will:

- Actively lead and implement Council’s ‘Business friendly’ resources and processes aimed at helping new and expanding businesses to successfully navigate all regulatory and legislative requirements
- Develop and implement key plans and strategies aimed at creating an appropriate environment and framework for businesses to operate within (being town centre plans, district development strategies and district plan)
- Case management and support through Council’s regulatory processes

1.1 Acting as the first point of contact for all new business enquiries
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 will:

- Provide start up support by providing valuable statistics, business planning, training and modelling assistance
- Make introductions and connections with local community, businesses and developers
- Assist in identifying appropriate locations suitable to the new business

1.2 Working with existing developers and Council to enable them to achieve tenants for their developments
The key values seen by business, developers, investors, banks and real estate agents is ENC’s ability to be independent, apolitical and to offer sound impartial advice. It is a partnership-focused relationship building on good collaboration with business owners and developers. ENC will:

- Work with local developers and building/land owners to assist them to catalyse their developments
- Provide information on general business performance and what business types are doing well in the Waimakariri
- Work with Council to assist with finding suitable developers and tenants for the Mixed Use Business Area in Kaiapoi
1.3 Supporting major or targeted investment in the region
ENC will actively seek and support:

- investment opportunities for Waimakariri that align with the objectives of the district plan
- the feasibility assessment of a major tourism attraction in Waimakariri
- new investors and developers of new tourism infrastructure (such as hotels)
- options to establish a tourism attraction in Oxford

1.4 Promoting the district as a diverse and dynamic business community
To raise the awareness of the District as a business destination by profiling the benefits and opportunities of the region, 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
- Provide case studies as part of the marketing profile
- Improve social media business promotion channels
- Work with the WDC Communications team and their online editors to link content on business promotion and Council support
- Produce a District promotional video

Targets:
- At least 40 new and expanding businesses are supported with investigating setting up or expanding their business in the district
- Track and grow registrations to the online business startup course
- Number of connections to developers tracked
- At least 5 new businesses set up in the District as a direct result of ENC’s intervention
- At least 1 new major tourist investigated and supported by ENC
- ENC will be an active member with Council in the Mixed-Use Business regeneration land discussions and plan development
- Track and grow online visitations to the Invest Section of ENC website
- 15 case studies written and promoted widely
- At least 20 new businesses to the District will be profiled on ENC’s Facebook
- District promotional video is produced

GOAL TWO: ENHANCE THE VISITOR EXPERIENCE (Visitor Industry)

Determining the promotional message and positioning for the Waimakariri as a visitor destination has been undertaken. This year will see the alignment of the destination branding ‘Waimakariri Story’ with Canterbury and NZ Story. It will incorporate the districts attractions, visitor activities, natural features, community cultures and aspirations with an aim to position the district in the minds of locals, domestic and international tourists as a desirable destination.

To achieve this Visit Waimakariri will deliver the following objectives:
2.1 MARKETING THE DISTRICT

Promote the district as a visitor destination to; Christchurch and Canterbury residents, North Islanders and selected International markets.

2.1.1 Marketing Promotion

a. Continue developing the Waimakariri Story by creating an online resource with licence-free content available to be downloaded for the purpose of promoting the Waimakariri District as a place to live, work and visit:

- Creating an online platform for hosting story content
- Sourcing and creating content; written and imagery

b. Visit Waimakariri will continue to leverage the Waimakariri District profile by:

- Attending relevant trade and consumer shows
- Providing relevant and updated district information, including events via Website and social media
- Developing an annual targeted promotion plan of the district events and ‘what there is to do’ to local, Christchurch and Canterbury residents
- Consulting with industry organisations
- Monitoring visitor numbers and spend

2.1.2 Marketing publications

Depending on supplies of the Official Visitor Guide (OVG) incorporating the Walking and Cycling Guide, Visit Waimakariri may need to re-design and print a new OVG. We will continue to distribute the current district marketing collateral including:

- The Official Visitor Guide and Walking & Cycling Guide
- Town Centre street maps

2.1.3 Web and online channels

Manage the following online marketing channels:

- www.visitwaimakariri.co.nz which includes business partners, i-SITE and town profiles. Grow the content of this site to include non-business partners at a lower listing level.
- Visit Waimakariri social media channels – Facebook and Instagram
- Introduce more blogs to increase social and website traffic as well as Google rankings
- Continual increase of the profile of the Waimakariri District on the Tourism New Zealand and ChristchurchNZ web portals

Targets:

- Waimakariri Story is promoted through all marketing channels
- New image and video resources continually created
- Official Visitor/Walking and Cycling Guide and Street Maps distributed
- Attend TRENZ in Christchurch in 2020
- Track success of promotion activities for the year specifically to Christchurch residents
- Achieve greater awareness and linkages of the district with other tourism agencies which results in increased visitations
- Achieve growth in guest nights and visitor arrivals 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 reach, Instagram and newsletter uptake

2.2 COORDINATION

Much of the tourism sector depends on effective relationships, partnerships and connections as it does on promotion. Visit Waimakariri has a small staff with a limited marketing budget. Therefore, we rely on our ability to entice tourism operators and sponsors to take part in everything we initiate. This includes district publications, website listings and events.

2.2.1 Visit Waimakariri Visitor Industry Partnership

Visit Waimakariri will retain and attract Business Partners 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
- Review and update business partner benefits
- Communicate with partners by a quarterly newsletter containing relevant industry information as well as on an as needed basis with time-specific information
- Coordinate two networking functions or topical workshops for business partners
- Commercial Accommodation Monitors and Visitor Spend is monitored and communicated to all relevant parties
- Support Waimakariri tourism operators in relevant industry initiatives
- Promote trade ready operators and work with those who wish to become trade ready for promotion to international markets.
- Support and host familiarisation visits by ChristchurchNZ and Tourism New Zealand

2.2.2 Town Centre Promotion and Support

ENC’s role is to ensure that individual town organisation promotion programmes are well coordinated and understood and complement one another to achieve a stronger district wide profile.

This will be achieved by:
- Supporting and cooperating with Council, Community Boards and the Town Centre Association’s.
- Supporting joint promotional opportunities

2.2.3 Other Stakeholders

When undertaking marketing projects, ENC will liaise with other stakeholders where appropriate:
- Local promotion associations
- Waimakariri District Council and Community Boards
• ECan
• Te Kohaka o Tuhaitara Trust (TKTT)
• Te Rūnanga o Ngāi Tahu
• Department of Conservation
• Canterbury Regional and District Tourism Organisations
• Tourism New Zealand
• New Zealand Motor Caravan Association
• NZTA

Targets:
• Deliver the Business Partner Programme
• Two business partner functions held
• Four newsletters sent to business partners
• Achieve growth in business partners to fund website
• Attend quarterly town promotions meetings in conjunction with WDC

2.3.1 OPERATING AND GROWING THE KAIAPOI i-SITE

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 Developing packages for residents and groups utilizing the i-SITE knowledge and the relationships cultivated within the tourism industry
  o Acting as a ticketing agent for Dash, i-Ticket and NC Music Society
• Distribute the District’s marketing material including the Official Waimakariri Visitor Guide/Walking and Cycle brochure, Rangiora and Kaiapoi street maps, Waimakariri Events Calendar and the new residents’ pamphlet.

Targets:
• Meet i-SITE NZ membership accreditation
• Achieve income from business partners and commissions

GOAL THREE: CONNECT WITH RESIDENTS (Visitor Industry, event specific)

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 annual events calendar
- Produce an email newsletter showcasing events, walks and business partner promotions – currently monthly.
- Manage event poster and electronic display throughout the District.
- Investigate advertising collective events around a common time including school holiday promotional programmes, seasonal and outdoor events.

3.2 Contestable Event Funding

Provide a 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.

3.3 Assistance to Event organisers

Add value to the events sector by:

- Promoting the online Waimakariri Event Toolkit
- Host two networking functions annually for event organisers to networking for future collaboration purposes

Targets:

- Number of events currently promoted increases by 5%
- Waimakariri Events Calendar distribution and the database continues to increase
- The contestable event fund is fully subscribed
- Event Organisers receive templates, advice and networking opportunities
- ENC will monitor for Council:
  - the proportion of innovation ie new events vs existing
  - the reject rate (is the fund big enough)

GOAL FOUR: DESTINATION DEVELOPMENT

Developing the Waimakariri District as a tourism destination includes improving and supporting existing operators and working with private sector investors to plan and

\(^1\) This Event Funding Panel comprises: Robin Brown, Christine Watton and Claire Gifford
develop new visitor attractors that leverage the Waimakariri offering. This will be achieved by:

4.1  **Facilitating the connection of existing cycleways and agencies to create a promotable product (working title, The Eastern Loop Track), alongside of raising the profile of individual tracks and their destinations:**

- Work with WDC, ECan, TKTT towards the creation of safe, easily accessible and well-marked on-road cycleways between the existing tracks in the eastern side of district
- Work with above agencies on development of cohesive signage for the Eastern Loop Track to make it easy for cyclists to find, follow and understand
- Work with agencies to develop a compelling story for cycling in Waimakariri District and promote to local and Christchurch residents
- Keep informed and engaged with the development of:
  - the new shared cycleway coming into the district from Northern Arterial Motorway
  - the new Silverstream loop track being created by ECan
  - the waterways cycle project led by a subcommittee of Waimakariri Zone Committee
- Continue to update, information pertaining to cycle trails on our website and online walking and cycling guide

4.2  **Clustering activities with relevant businesses to provide compelling experiences, quality tourism businesses and remarkable service to entice first time and repeat visitation:**

- Identify all tourism businesses, experiences/attractions by locality ‘place based’ to promote
- Create suggestions for visitors to participate in local activities in specific places to be available on website, social media, and printed at i-SITE as needed.

4.3  **Researching the cultural, environmental and historical aspects of the district to create compelling and attractive stories of our places for promotion to local residents and visitors:**

- Work with Ngāi Tūāhuriri to gather, share, collaborate on historical and present stories pertaining to Maori
- Work with TKTT and ECAN to gain a greater understanding of facts and projects pertaining to the environment
- Connect with locals in our places, the way it was, the way it is to give a ‘feel’ to the stories
- Visit district museums and curators to understand and convey historical stories that would be of interest to a visitor or spike their interest to learn more
- Connect with Art Galleries of the district to understand the influences and reasons for the art in our district.

**Targets:**

- Development of the Eastern Loop Cycle trail has been progressed due to ENC’s facilitation and agreement of all parties
- **Cycle Trails**, individual and looped (when ready), in the district well profiled and promoted to locals and visitors, particularly Christchurch residents
- **Strong relationships with Ngāi Tūāhuriri, ECan, TKOT and WDC for cycleways and stories going forward**
- **Itineraries and suggestions for residents and visitors are developed and promoted showcasing our places**
- **Stories; cultural, environment, historical of our places are developed, promoted and integrated into itineraries and on cycle/walk way promotion**
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 2019.

1.2. The reports sets out the findings from the interim audit (in March) and a pre-final audit (in June). The final audit will be carried out in conjunction with the audit of the Annual Report for the year ended 30 June 2019 and is planned to commence on 26 August 2019.

1.3. It’s planned to provide the Annual Report for adoption to the Council on 1 October 2019. The final Auditor’s management report for the year ended 30 June 2019 will be provided by Audit New Zealand at the end of October and presented to the newly elected Audit & Risk Committee.

1.4. 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. It also undertakes some preliminary audit work on the annual report.

1.5. The Auditors during their audit have identified a number of areas for where improvement could be made. Management have provided responses to each of the recommendations within the report made by Audit New Zealand.

1.6. Dereck Ollsson, Audit New Zealand Director will be in attendance to present the Auditors final management report.

Attachments:

i. Audit New Zealand Interim Management Report for the Year Ending 30 June 2019 (190710097045)

2. RECOMMENDATION

THAT the Audit & Risk Committee:

(a) Receives report No. 190708095891

(b) Receives Audit New Zealand’s Interim Management Report for the year ending 30 June 2019.
3. **BACKGROUND**

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.

4. **ISSUES AND OPTIONS**

4.1. Audit New Zealand have 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.

4.2. The following are key dates in relation to the audit of the Annual Report:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim audit begins</td>
<td>25 March 2019</td>
</tr>
<tr>
<td>Draft interim report to Council issued for management comment</td>
<td>5 April 2019</td>
</tr>
<tr>
<td>Final interim report to Council issued</td>
<td>19 April 2019</td>
</tr>
<tr>
<td>Pre-final audit begins</td>
<td>17 June 2019</td>
</tr>
<tr>
<td>Final audit begins</td>
<td>26 August 2019</td>
</tr>
<tr>
<td>Verbal audit clearance given</td>
<td>24 September 2019</td>
</tr>
<tr>
<td>Audit opinion issued</td>
<td>1 October 2019</td>
</tr>
<tr>
<td>Draft Management report to Council issued</td>
<td>15 October 2019</td>
</tr>
</tbody>
</table>

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

4.4. 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.

4.5. The Management Team has reviewed this report and supports the recommendations.

5. **COMMUNITY VIEWS**

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

6. **IMPLICATIONS AND RISKS**

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

6.2. Community Implications
n/a

6.3. Risk Management
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.

6.4. Health and Safety
There are no health and safety matters directly required to consider as part of this report.

7. CONTEXT

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

7.2. Legislation
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.

7.3. Community Outcomes
There are wide ranging opportunities for people to contribute to the decision making that effects our District

7.4. Delegations
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.

Jeff Millward
Manager Finance & Business Support
Report to the Council on the interim audit of
Waimakariri District Council
For the year ended 30 June 2019
Key messages

We have completed our interim audit of the Waimakariri District Council (the Council) for the year ended 30 June 2019. This report sets out our findings from the interim audit, and our pre-final audit visit.

Overall, we observed the control environment is robust, and controls were operating effectively. The strength of the control environment is reflected by the recommendations in section 2 of this report being of a beneficial, or good practice nature only. We also acknowledge the Council has made progress in implementing our previous recommendations. An update on their status is in 1.2 below.

We also undertook our pre-final audit visit in June. The aim of this visit was to change the timing of some of our substantive audit procedures, in order to ensure a smoother financial statement preparation, and audit process at year end.

The most significant piece of work we undertook at our pre-final visit was the review of the valuation of the Regeneration land that has been vested by the Crown to the Council.

The Council engaged QV to value the regeneration land. The property was valued at $16.044 million which consisted of $12.78 million of investment property, and $3.264 million of operational property, plant and equipment. A recommendation for Council is to formally consider the classification of the land as detailed in section 3.2 of this report.

Our review of the valuation focussed on the methodology, key assumptions, and source data collection processes. We concluded that assumptions applied were reasonable, and that valuations were prepared in accordance with the relevant accounting and valuation standards. We will confirm valuation movements are correctly recognised in the financial statements at our final audit visit.

Thank you

We would like to thank management and staff for the assistance and positive attitude received during the audit process to date.

Dereck Ollsson
Appointed Auditor
8 July 2019
1 Recommendations

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

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

1.1 New recommendations

The following table summarises our recommendations and their priority.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Reference</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting classification of regeneration land</td>
<td>3.2</td>
<td>Necessary</td>
</tr>
<tr>
<td>Formally document the Council’s position on the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>accounting for regeneration land, or seek formal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>accounting advice.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk management framework</td>
<td>2.3</td>
<td>Beneficial</td>
</tr>
<tr>
<td>Measure the effect of controls on reducing risks in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the risk framework, and report to the Council the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>residual risk that remains after controls.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensitive expenditure policy improvements</td>
<td>2.4</td>
<td>Beneficial</td>
</tr>
<tr>
<td>Review sensitive expenditure policies, and consider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the inclusion of the identified policy improvements.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous year’s recommendations in detail.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Urgent</th>
<th>Necessary</th>
<th>Beneficial</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Implemented or closed</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Matters that will be followed up during our final audit visit</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>11</td>
</tr>
</tbody>
</table>
2 Assessment of internal control

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

2.1 Control environment

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

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

We consider that a culture of honesty and ethical behaviour has been created. The elements of the control environment provide an appropriate foundation for other components of internal control. This is reflected by the findings, and recommendations in this section being of a beneficial nature only.

2.2 Internal controls

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

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

The controls in each system are capable collectively of preventing or detecting and correcting material misstatements.
2.3 Risk management framework

Recommendation

Measure the effect of controls on reducing risks in the risk framework, and report to the Council the residual risk that remains after controls.

Finding

Council adopted the new Risk Management Framework in April 2018. This year we reviewed the framework against key areas of the Risk Management Standard ISO 31000. Overall our review concluded that most elements of good practice with ISO 31000 are included within the Council’s framework. We identified one area for improvement from our review.

Good practice in risk management, is to assess risk both before controls are used to treat risks, and the impact after controls have been used as risk treatments. We observe the current framework, and risk reporting to the Council does not include this.

By assessing the risk before and after controls, the Council is able to assess the impact controls are having, and ultimately whether controls it has implemented are sufficiently effective to treat its significant organisational risks. It will also demonstrate what residual risk remains after controls. The Council can then consider whether the risk has been treated to a satisfactory level of residual risk consistent with the Council’s risk appetite.

Management comment

Agree.

The Risk Management framework 2018 has been undergoing a review and the draft reporting template now incorporates the assessment of risk prior to and after mitigation measures are put in place. A working group meets regularly and reports the progress through to the Management Team. Audit New Zealand will be provided the template for their review.

2.4 Sensitive expenditure policy improvements

Recommendation

Review sensitive expenditure policies, and consider the inclusion of the identified policy improvements below.

Finding

Over the last year, the OAG has identified an increase need for robust sensitive expenditure policies and procedures. This increased focus follows recent publicised issues of performance, waste and probity in the public sector.
We have performed a review of the Council’s key policies to control sensitive expenditure against good practice guidance issued by the OAG for sensitive expenditure. Sensitive expenditure encompasses all forms of expenditure where there is a risk of scrutiny from the media or public. This includes but is not limited to travel, entertainment, credit card, and gift expenditure.

Overall we observe existing policies are strong and cover most areas we would expect. We summarise the areas below we identified that are not covered within existing policies. The Council should review these and consider their implementation, within the relevant policies.

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Recommendation</th>
</tr>
</thead>
</table>
| General                      | • Explicitly state that where the purpose of expenditure is not clear from supplier documentation supporting expenditure, that a written statement of purpose should be included as part of the supporting documentation.  
• For minor expenditure where receipts are not available, the date, amount, description and purpose should be documented.  
• Specify the process for amending policies and procedures. |
| Credit Card Policy           | • Credit card policies and procedures need to set out the need to have acceptable original documentation to explain and corroborate transactions. This includes transactions below $50. |
| Travel and Accommodation Policy | • Travel policies and procedures should include guidance on taking annual leave, and staying away over the weekend.  
• Include that separate meal expenses may not be claimed if a meal is provided as part of another package paid for by the Council.  
• Policies and procedures outlining the process for taxi charge cards (if these are utilised by the Council).  
• Include a policy on cash advances where these are used, or if these are not allowed under the policy, this should be explicitly stated.  
• Include a policy on tipping outlining that tipping should not in any circumstances be extravagant. Entities should not meet the costs of tipping by staff while they are on entity business in New Zealand, and to pay for tips during international travel only in places where tipping is local practice or custom. |
| Discretionary Expenditure Policy | • The policy should specify the extent of expenditure allowed for gifts and morning teas for staff leaving events. |
| Koha and Gifts               | • Council should have a policy on the giving of Koha and gifts. |
Management comment

Agree.

*The sensitive expenditure policies are currently under review and the recommendations above will be incorporated into these policies.*

2.5 Procurement and contract management

Local authorities have a large volume of vital information that can help to inform their strategy for future procurements. This includes information underlying asset management, long term, and annual planning processes, as well as section 17A service delivery reviews.

In order to focus what the best strategic approach is to procurement, the development of a procurement strategy is good practice. This should complement existing policies for procurement and contract management to help deliver on priorities, objectives, and outcomes the Council seeks.

As part of our interim audit we reviewed the Council’s updated Procurement and Contract Management Policy. Our review of the policy was against good practice guidance in the public sector, including information available on the OAG’s website [https://www.oag.govt.nz/good-practice/procurement](https://www.oag.govt.nz/good-practice/procurement).

Overall we concluded the policy adequately covers the fundamental principles for procurement, and contract management, adequately covers the full procurement lifecycle, and adequately deals with matters such as conflicts of interest.

We understand the Council is currently developing a procurement strategy. We support the development of the strategy, and welcome the opportunity to review and comment on the draft strategy when it is available.

Management Comment

Correct.

*The Procurement Policy was adopted by Council and includes the fundamental principles developed by the Ministry of Business, Innovation & Employment. The templates development have also been or about to be incorporated into our policy. A report is being provided to Council in July to make a change to the Procurement & Contract Management Policy that defines the one up approval to incorporate the delegation policy limit within that approval, as this will help make processes both more effective and efficient.*

*The Procurement & Contract Management Strategy has been drafted and will be presented to Council within the next few months. A review of the policy will be provided back to Council early next year, once it has been in operation for this time.*
3 Bringing work forward

In our audit plan we outlined the substantive procedures, we would normally perform at the year-end audit which we sought to do in advance of our final visit this year.

The work we performed included the review of fixed asset additions, fees and charges revenue, employee expenditure, and review of the valuation of the regeneration land vested from the Crown. We recently completed these procedures and have the following matter below to report.

3.1 Transfer of ownership of regeneration land

Following the government’s approval of the Waimakariri Residential Red Zone Recovery Plan, land of approximately 80 hectares was transferred from Crown ownership to the Council and Te Kohaka o Tuhaitara Trust. The land was transferred for a nominal value by Gazette notice between November 2018 and February 2019.

Because the value of the land is not equal to its purchase price, accounting standards require it to be recognised upon acquisition at its fair value. The difference between purchase price and its fair value is to be recognised as revenue.

The Council engaged QV to value the regeneration land. The property was valued at $16.044 million which consisted of $12.78 million of investment property, and $3.264 million of operational property, plant and equipment.

Our review of the valuation focussed on the methodology, key assumptions, and source data collection processes.

The valuation used comparable sales data to establish fair value of the sites, which is an appropriate and commonly used method of valuation. However, where sites were zoned to be built on (e.g. commercial zoned property), comparable sales needed to be adjusted for additional land remediation costs. We agreed with the valuer’s assumption as a willing buyer would factor in remediation costs in their purchase decision.

We concluded that assumptions applied were reasonable, and that valuations were prepared in accordance with the relevant accounting and valuation standards. We will confirm valuation movements are correctly recognised in the financial statements at our final audit visit.

Management comment

Agree.

These values will be incorporated into the Financial Statements to be audited for the year ended 30 June 2019.
3.2 Accounting classification of land

Recommendation

Formally document your position on the accounting for regeneration land, or seek formal accounting advice.

Finding

Land zoned as mixed use business is proposed to be classified as investment property, and all other land is proposed to be classified as operational property plant and equipment.

The accounting treatment for land will be judgmental and determined based on the land’s future use. It is important the Council assess the appropriate accounting treatment on a case by case basis dependent on the land’s future use.

If the land has no determined future use, or is held for capital appreciation it may be classified as investment property. Equally, land that is retained for service delivery or strategic purposes, may be property, plant and equipment.

Intention to divest land in the future could even result in classifying the land as inventory, or as non-current assets held for sale.

To determine the correct accounting treatment, the Council should formally document its assessment of the accounting treatment, or even seek formal advice. We will comment on the accounting treatment of the land upon receipt of Council’s position.

Management comment

Agree.

Currently the classifications are being made on land for business use, reserves and those used for recreational activities.
4 Useful publications

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Where to find it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client updates</td>
<td>On our website under publications and resources. Link: <a href="#">Client updates</a></td>
</tr>
<tr>
<td>In April 2019, we hosted a series of client updates. The theme was “Improving Trust and Confidence in the public sector”. These included speakers from both Audit New Zealand and external organisations.</td>
<td></td>
</tr>
<tr>
<td>Model financial statements</td>
<td>On our website under publications and resources. Link: <a href="#">Model Financial Statements</a></td>
</tr>
</tbody>
</table>
| Our model financial statements reflect best practice we have seen to improve financial reporting. This includes:  
  - significant accounting policies are alongside the notes to which they relate;  
  - simplifying accounting policy language;  
  - enhancing estimates and judgement disclosures; and  
  - including colour, contents pages and subheadings to assist the reader in navigating the financial statements. | |
| Tax matters                           | On our website under publications and resources. Link: [Tax Matters](#) |
| As the leading provider of audit services to the public sector, we have an extensive knowledge of sector tax issues. These documents provide guidance and information on selected tax matters. Whilst the Council is not subject to income tax, information on other taxes, including GST, FBT and PAYE is covered and may be of interest. | |
### Data in the public sector

The Office of the Auditor-General (the OAG) has published a series of articles about how data is being used in the public sector. These cover:

- functional leadership;
- building capability and capacity;
- collaboration; and
- security.

We are aware the Council has implemented Business Intelligence reporting on its own data. The second article regarding building data capability may be of interest. This covers what “managing data well” looks like, and the culture required for managing data well.

On the OAG’s website under publications.  
Link: [Data in the public sector](#)

### Audit Committees

The OAG has released various best practice information on Audit Committees.

On the OAG’s website under “Our Work – Audit Committee Resources”.  
Link: [Audit Committee Resources](#)

### Infrastructure as a Service

The OAG has completed a performance audit on Infrastructure as a Service and considered whether the benefits are achieved.

On the OAG’s website under publications.  
Link: [Infrastructure as a Service](#)
Appendix 1: Status of previous recommendations

Open recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>First raised</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested Assets</td>
<td>2017</td>
<td>An effective system is yet to be implemented. Further unrecorded vested assets continue to be discovered. We are working with management on these currently and will report the outcome of our review in our final report to the Council.</td>
</tr>
<tr>
<td>Signing of employment agreements</td>
<td>2016</td>
<td>In progress</td>
</tr>
<tr>
<td>We encourage the Council to implement the recommendations of the tax compliance review.</td>
<td>2016</td>
<td>In progress</td>
</tr>
<tr>
<td>GST risks from TechOne implementation</td>
<td>2016</td>
<td>In progress</td>
</tr>
<tr>
<td>Contract Register</td>
<td>2015</td>
<td>No progress has been made</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>Status</th>
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</tr>
<tr>
<td>Contract Register</td>
<td>2015</td>
<td>No progress has been made</td>
</tr>
</tbody>
</table>

The proposed implementation is yet to occur.
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>First raised</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conflicts of Interest Register</strong></td>
<td>2015</td>
<td><strong>In progress</strong></td>
</tr>
<tr>
<td>Implement an Interests register to record all conflicts of interest.</td>
<td></td>
<td>An interests’ register has been implemented for Councillors. An interests’ register, for senior management, is yet to be developed.</td>
</tr>
<tr>
<td><strong>Development contributions system</strong></td>
<td>2018</td>
<td><strong>We did not review any developer agreements at our interim audit. We will follow this matter up at our final audit as part of our review of development contributions.</strong></td>
</tr>
<tr>
<td>Implement a finance review of developer draft agreements before they are executed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Implemented or closed recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>First raised</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Contributions</strong></td>
<td>2017</td>
<td><strong>A module for processing development contributions has been developed within TechOne.</strong></td>
</tr>
<tr>
<td>Implement a process to record all development contribution offsetting arrangements to enable correct recording for financial reporting purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shared Services Business Process Review</strong></td>
<td>2016 and 2017</td>
<td><strong>The final recommendations to be implemented, were implemented this year.</strong></td>
</tr>
<tr>
<td>Implement the recommendations of the 2016 and 2017 shared services business review, taking into account the cost of implementation compared to the benefits provided.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Use of automated controls</strong></td>
<td>2017</td>
<td><strong>The automated controls for accounts payable in Techone have been activated.</strong></td>
</tr>
<tr>
<td>Activate the available automated controls in TechOne for the accounts payable function.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Network administration passwords</strong></td>
<td>2014</td>
<td><strong>The administrator password has been changed.</strong></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendation</td>
<td>First raised</td>
<td>Status</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>administrator passwords. Good practice is for administration passwords to be complex, changed regularly and kept secure.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Segregation of Duties</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Restrict access for reviewers of masterfile changes to read only status, to enforce appropriate segregation of duties.</td>
<td>2016</td>
<td>Independent reviews are now occurring, and access permissions are appropriate.</td>
</tr>
<tr>
<td>• Revise the report reviewed for creditor masterfile to include changes for existing creditors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Enforce independent one-up review of the creditor masterfile changes report.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 2: Disclosures

<table>
<thead>
<tr>
<th>Area</th>
<th>Key messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our responsibilities in conducting the audit</td>
<td>We carry out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001. The audit of the financial statements does not relieve management or the Council of their responsibilities. Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</td>
</tr>
<tr>
<td>Auditing standards</td>
<td>We carry out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining systems of controls for detecting these matters.</td>
</tr>
<tr>
<td>Auditor independence</td>
<td>We are independent of the Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <em>Code of Ethics for Assurance Practitioners</em>, issued by New Zealand Auditing and Assurance Standards Board. In addition to the audit we carry out a limited assurance engagement over the reporting certificate for the Council’s debenture trust deed, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Council.</td>
</tr>
<tr>
<td>Fees</td>
<td>The audit fee for the year is $130,898, as detailed in our Audit Proposal Letter. To date, no other fees have been charged in this period.</td>
</tr>
<tr>
<td>Other relationships</td>
<td>To date, we are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit. We are not aware of any situations to date where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.</td>
</tr>
</tbody>
</table>
Audit New Zealand
Mana Arotake Aotearoa

Level 3, 335 Lincoln Road, Addington
PO Box 2
Christchurch, 8140

www.auditnz.govt.nz
1. SUMMARY

1.1 This report presents the annual achievements against the agreed Health and Safety 2018/19 Annual Plan (workplan), and presents the 2019/20 Annual Plan (workplan) for review. Additionally, the report presents other activities and statistics relevant to health and safety performance, in particular both lagging and leading indicators as per monthly due diligence reporting to Council.

Attachments:
i. HEALTH AND SAFETY ANNUAL PLAN REVIEW 2018-19 (TRIM 190704094424)
ii. HEALTH AND SAFETY ANNUAL PLAN 2019-20 (TRIM 190704094423)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 190704094430.
(b) Reviews the progress against the 2018/19 Health and Safety Workplan (Annual Plan).
(c) Notes the additional Health and Safety activities that have been achieved during this period.
(d) Reviews and Acknowledges the Health and Safety Workplan (Annual Plan) for 2019/20

3. BACKGROUND

3.1 The Health and Safety Workplan is created annually to guide the major health and safety projects for each year. The Workplan fulfils the requirement for an ‘Annual Plan’, as it aligns with Health and Safety objectives for the organisation, and is reported against on a monthly basis to senior management and Council via ‘due diligence’ reporting.

3.2 The Health and Safety at Work Act 2015 requires that Officers must exercise due diligence to make sure that the organisation complies with its health and safety duties. An officer under the Health and Safety at Work Act 2015 is a person who occupies a specified position or who occupies a position that allows them to exercise a significant influence over
the management of the business or undertaking. Councillors and Chief Executive are considered to be the Officers of WDC.

4. **ISSUES AND OPTIONS**

4.1. **Review against 2017/18 Health and Safety Annual Plan**

4.2. The attached Health and Safety Annual Plan Review outlines the progress against 2017/18 objectives, which were approved by the Health and Safety Committee, Management Team, and Council. All of the attached projects have been monitored on a monthly basis by Management Team and Council as a part of due diligence reporting.

4.3. All actions in the Health and Safety Annual Plan have been completed and closed out for the 2017/18 year.

4.4. **Health and Safety Annual Plan for 2018/19:**

4.5. The attached Annual Plan (workplan) defines the priorities for the Health and Safety Team for 2018/19. This workplan will be reported against on a monthly basis to Management Team and to Council, as a part of due diligence reporting. In addition, updates will be given to the Health and Safety Committee on a quarterly basis.

4.6. The Management Team have reviewed this report and support the recommendations.

5. **COMMUNITY VIEWS**

5.1. **Groups and Organisations**

5.1.1. The organisation was consulted during the SafePlus survey to communicate their perceptions about health and safety at Waimakariri District Council. Additionally, as a matter of procedure, the organisation is consulted prior to implementation of particular health and safety policies and processes.

5.2. **Wider Community**

5.2.1. The community has not been consulted with regard to this matter, as this is internal compliance reporting, relating to Health and Safety at Work.

6. **IMPLICATIONS AND RISKS**

6.1. **Financial Implications**

6.1.1. All financial implications for the upcoming year’s annual plan have been accounted for within approved project costs (such as Promapp implementation), or via departmental budgets already allocated to health and safety activities.

6.2. **Community Implications**

6.2.1. Community implications have not been included in this report as this is internal compliance reporting, relating to Health and Safety at Work.

6.3. **Risk Management**

6.3.1. Risk Management is one of the key performance requirements of health and safety systems and reporting. Therefore risk management is integral to the planning and implementation of any Health and Safety system. Risk management will be the key focus of Objective 1 in the 2019/20 Annual plan.

6.4. **Health and Safety**
6.4.1. Continuous improvement is the key focus of the health and safety annual plan, and annual monitoring and review is integral to ensuring that health and safety is managed to best-practice standards, against agreed goals and objectives.

7. **CONTENTS**

7.1. **Policy**

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

7.2. **Legislation**

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

7.2.2. The Council has a number of Human Resources policies, including those related to Health and Safety at Work.

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

7.3. **Community Outcomes**

7.3.1. There is a safe environment for all

The Health, Safety and Wellbeing of the organisation, its employees and volunteers ensures that Community Outcomes are delivered in a manner which is legislatively compliant and culturally aligned to our organisational principles: tāmātou mauri.

7.4. **Delegations**

7.4.1. An officer under the Health and Safety at Work Act 2015 is a person who occupies a specified position or who occupies a position that allows them to exercise a significant influence over the management of the business or undertaking. Councillors and Chief Executive are considered to be the Officers of WDC.
HEALTH AND SAFETY ANNUAL PLAN REVIEW 2018/19

1.1. The below table outlines the progress against 2018/19 objectives, which were approved by the Health and Safety Committee, Management Team, and Council. All of the below projects have been monitored on a monthly basis by Management Team and Council as a part of due diligence reporting.

<table>
<thead>
<tr>
<th>Major Projects</th>
<th>Current Progress</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1: Improve Health and Safety systems, to align with organisational objectives</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Action 1: Re-develop Safety Management System to ensure that all Policies align with SafePlus framework (see TRIM 180315027921), and all critical risk procedures are captured in Promapp.** | COMPLETE | Policy structure has been defined, and re-writing of policies has been completed and submitted to Management Team for review and approval. Policies have then been published and are available to the organisation via the Intranet and TRIM. The policy structure has 3 key policies:  
  - Leadership & Commitment,  
  - Risk Management  
  - Worker Engagement.  
  There will be several key risk management processes under the ‘Risk Management’ main policy, to address critical risks (e.g. Asbestos Management, Drug and Alcohol, Driver Safety etc.)  
  To date, the following number of health and safety procedures have been captured in Promapp:  
  Published (finalised) = 37  
  Unpublished (in progress) = 1  
  Promapp has proven to be a very successful tool for the capture and communication of Health and Safety processes, in particular due to ease of access usability.  
  Additionally, the Water Unit have used Promapp to review and rewrite their Standard Operating Procedures, and have >130 procedures that have been developed. For the most part they have been finalised, with some in final draft phase. Promapp training has been delivered to the Water Unit team and the Standard Operating Procedures are available on their mobile devices. |
| **Action 2: Implement Promapp training module to improve the management of all Health and Safety training.** | COMPLETE | The Promapp training module has been purchased, and key staff (including H&S Coordinator and Manager) are trained in how to use the module. Single sign-on has been confirmed, and all staff are creating their Promapp profiles.  
  Health, Safety and Quality team has transferred all current training data across to the Promapp Training Module. The Promapp Training Module will now be the default training register for all H&S training records. |
Objective 2: 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.

Action 3: Review and re-develop internal health and safety auditing system, aligned with SafePlus. (see TRIM 180315027921).

COMPLETE

The SafePlus Online Self-Assessment tool from WorkSafe has been issued. From there the team will complete the following actions:
- Assess the suitability of the tool (and determine any changes in approach – if required) COMPLETE
- Confirm audit timing and approach (report to Management Team) COMPLETE
- Arrange audit COMPLETE
- Complete audit and submit findings to Management Team COMPLETE
- Develop action plan and monitoring schedule COMPLETE
- Review process and adjust if required.

The Health and Safety auditing that was completed in 2018/19 was an extremely useful process in that it gave visibility to managers of current adherence to process, and accountability to both managers and staff for continuous improvement.

Objective 3: Ensure that all contractors are managed according to health and safety procedural requirements, and improve staff knowledge of those requirements.

Action 4: Contractor management process improvement project (carry-over).
- Deliver training to all staff once Promapp processes are complete (Oct 2018).
- Develop audit function based on PDU audit role.

COMPLETE

Contract Management training is complete as of 12th November. Training delivered to 55 contract managers from across the Council, and notes sent out to a total of 90 (including the staff that attended training). Timing of the training was determined by the Promapp rollout project (access to the system).

Additionally:
- Health and Safety Manager provides a H&S Contract Management overview to all new staff at their induction.
- Health and Safety Manager also provided an overview of current procedures to U&R, Water Unit, Greenspace and Regeneration teams at a June workshop.
- A 6-monthly reminder email was sent to staff on 24/08 to inform them of H&S processes and tools to manage contractors.
- A ‘deep-dive’ audit of adherence to H&S aspects of contract management has been completed as part of SafePlus assessment (see above).
- Further Contract H&S Management training has been scheduled for early July 2019 for relevant staff.

The monitoring of adherence to process will be completed via ongoing audits, completed by Health and Safety (on an annual basis) and Project Delivery Unit (on an ongoing basis).
## Objective 4: Improve the Health and Wellbeing of staff, and create measures to ensure success.

<table>
<thead>
<tr>
<th>Action 5: Wellbeing strategy development and implementation project (carry-over).</th>
<th>COMPLETE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Wellbeing Committee has been established, the wellbeing strategy is complete, and was approved by Management Team in early August 2018. Additionally, the Management Team approved:</strong></td>
<td></td>
</tr>
<tr>
<td>- Wellbeing calendar of events</td>
<td></td>
</tr>
<tr>
<td>- Wellbeing presence on intranet</td>
<td></td>
</tr>
<tr>
<td>- Wellbeing branding</td>
<td></td>
</tr>
<tr>
<td>- Wellbeing communications plan.</td>
<td></td>
</tr>
<tr>
<td>The Wellbeing Committee has issued the strategy and communications to all staff (September 2018), and will coordinate and communicate all wellbeing activities.</td>
<td></td>
</tr>
<tr>
<td>The Wellbeing programme has seen some significant successes over the following 9 months, including the coordination of the Annual Health Checks, the provision of lunchtime education sessions, yoga classes, and a very well-received Wellbeing Newspaper (quarterly). Staff feedback has been positive.</td>
<td></td>
</tr>
</tbody>
</table>

### LEGEND

- **On track**
- Slightly behind schedule (less than one month)
- Behind schedule (greater than one month)
1.2. **Results of SafePlus Survey 2018/19:**

1.3. The SafePlus online assessment tool provides a simple way to engage people from all areas of the organisation. It asks about three things that have been identified as crucial for lifting health and safety performance:

- **Leadership:** effective governance, demonstrated commitment, continuous improvement, resourcing health and safety
- **Worker engagement:** effective communication, empowering workers and representatives
- **Risk management:** identification, assessment, control and monitoring of risks

1.4. **SUMMARY**

- 81% of staff either strongly agree or agree with the statements regarding the effectiveness of Health & Safety Leadership within WDC
- 19% of staff either strongly disagree, disagree or neither agree nor disagree with the statements regarding the effectiveness of Health & Safety Leadership within WDC
- Current SafePlus level = PERFORMING
1.5. SUMMARY

- 70% of staff either strongly agree or agree with the statements regarding the effectiveness of Health & Safety Worker Engagement within WDC.
- 30% of staff either strongly disagree, disagree or neither agree nor disagree with the statements regarding the effectiveness of Health & Safety Worker Engagement within WDC.
- Current SafePlus level = PERFORMING.
1.6. **SUMMARY**

- 84% of staff either strongly agree or agree with the statements regarding the effectiveness of Health & Safety Risk Management within WDC
- 16% of staff either strongly disagree, disagree or neither agree nor disagree with the statements regarding the effectiveness of Health & Safety Risk Management within WDC
- Current SafePlus level = PERFORMING

1.7. The review of the SafePlus questionnaire data indicates the following:

1.7.1. The 2019/20 Health & Safety Annual Plan needs to include actions with a specific focus on Worker Engagement (effective communication, empowering workers and representatives), as this aspect achieved the lowest score across the three key performance areas.

1.7.2. The organisation would benefit from an increase of focus on the risk areas that staff indicated require some further attention: i.e. bullying, fatigue and work-related stress (without losing focus on other critical risks).
1.8. **Incidents/Accidents – 2018/19 (as at 25th June 2019)**

1.9. Each of the below indicators have been reported on a monthly basis to the Management Team and Council. In addition, the indicators have been reported to the Health and Safety Committee every quarter, including the narrative detail of each incident and any associated corrective actions.
### Lost Time Injuries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Injuries</th>
<th>Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18</td>
<td>4</td>
<td>340.5</td>
</tr>
<tr>
<td>2018/19</td>
<td>3</td>
<td>195.7</td>
</tr>
</tbody>
</table>

- Pending LT data on 1 incident at 17/06.

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### LEAD INDICATORS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety Inspections Completed (Workplace Walkarounds)</td>
<td>Q1 2019: 13 out of 15 Workplace Walkarounds completed for Q2 2019 (June). Hazards raised for any non-compliances.</td>
</tr>
<tr>
<td>Training Delivered</td>
<td>2017/18: People Trained: 454</td>
</tr>
<tr>
<td>Training Delivered</td>
<td>2018/19: People Trained: 470</td>
</tr>
</tbody>
</table>

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### Contractor Database (drawn from SiteWise Database)

![Contractor Database Diagram](image-url)
1.10. Conclusions

1.10.1. 2018/19 has been a successful year for the Health and Safety Team and for health and safety across the organisation. In particular, the significant reduction in lost-time injuries, increase in hazard reporting, completion of risk register actions, and no notifiable incidents to workers and volunteers occurring during that period are key achievements.

1.10.2. In addition, the continuous improvement of systems via the use of software solutions (Promapp Process Module, Promapp Training Module and Datacom Sphere mobile forms) has been a significant achievement, and has had a positive impact on safety outcomes.
HEALTH AND SAFETY ANNUAL PLAN 2019/20

1.1. The below table outlines the proposed Annual Plan (Workplan) for the Health and Safety Team for 2019/20. This workplan will be reported against on a monthly basis to Management Team and to Council, as a part of due diligence reporting. In addition, updates will be given to the Health and Safety Committee on a quarterly basis.

1.2. A project plan (which will include scheduled milestones and deliverables) will be created for each of the below actions.

<table>
<thead>
<tr>
<th>Alignment with Corporate H&amp;S Objectives</th>
<th>2019/20 Action</th>
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<tbody>
<tr>
<td><strong>Objective 1:</strong> To ensure that health and safety risks are identified and evaluated at least annually (if not more frequently, depending upon the nature of the risk) and implement suitable control measures to prevent work-related injury or illness.</td>
<td><strong>Action 1:</strong> Review and re-develop Take-5 hazard assessment mobile form to account for variations in field worker requirements.</td>
</tr>
<tr>
<td><strong>Objective 2:</strong> To ensure that health and safety policies, processes and systems of work are developed, and review them to ensure their ongoing effectiveness.</td>
<td><strong>Action 2:</strong> Re-develop Health and Safety presence on WDC intranet to ensure that staff have easy and user-friendly access to Health and Safety systems.</td>
</tr>
<tr>
<td><strong>Objective 3:</strong> To ensure that Workers have clear understanding and awareness of health and safety requirements (including policies, processes and safe systems of work) that are relevant to their role.</td>
<td><strong>Action 3:</strong> Investigate and procure improved Health and Safety risk, hazard and incident management software systems to improve corrective action workflows, corporate reporting and staff communication of health and safety risks, hazards and incidents.</td>
</tr>
<tr>
<td><strong>Objective 5:</strong> To ensure that incidents (including workplace injuries, illness, property damage, and near misses) are reported, investigated and analysed, and that appropriate measures are put in place to prevent recurrence of harm.</td>
<td><strong>Action 4:</strong> H&amp;S participation in Corporate Accommodation working group and/or project team to ensure that the following are considered throughout the project:</td>
</tr>
<tr>
<td>- Safety in Design</td>
<td></td>
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<tr>
<td>- Site security considerations</td>
<td></td>
</tr>
<tr>
<td>- Risk management</td>
<td></td>
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<tr>
<td>- Contractor health and safety management</td>
<td></td>
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<tr>
<td>- Site health and safety management</td>
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<tr>
<td>- Worker wellbeing</td>
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</tbody>
</table>

1.3. In addition to the above, the Health and Safety Team will maintain business-as-usual activities as below:
   1.3.1. Health and Safety risk management
   1.3.2. Incident report and investigation coordination
   1.3.3. Health and Safety site and system auditing
   1.3.4. Health and Safety training coordination and training record management
   1.3.5. Health and Safety Representative / Health and Safety Committee coordination
   1.3.6. Health and Safety due diligence reporting