

# Agenda

**Notice is hereby given of  
an Audit and Risk Committee Meeting**

**Tuesday 15 December 2020**

To follow the Extraordinary Council Meeting

Council Chamber  
Waimate District Council  
125 Queen Street  
Waimate

[www.waimatedc.govt.nz](http://www.waimatedc.govt.nz)

**Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Council Chamber, Waimate District Council, 125 Queen Street, Waimate, on Tuesday 15 December 2020, to follow the Extraordinary Council Meeting.**

### **Committee Membership**

Damian Hogue	Chairperson
Sheila Paul	Deputy Chairperson
Craig Rowley	Mayor
Miriam Morton	Councillor
Tom O'Connor	Councillor

Quorum – no less than three members

### **Significance Consideration**

Evaluation: Council officers, in preparing these reports have had regard to Council's Significance and Engagement Policy. Council and Committee members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council or Committee explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

### **Decision Making**

The Council, in considering each matter, must be:

- i. Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decision;
- ii. Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.

Stuart Duncan  
Chief Executive

## Order Of Business

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**OPENING****1 APOLOGIES****2 VISITORS**

Nil

**3 CONFLICTS OF INTEREST**

As per the Local Authorities (Members' Interests) Act 1968 (as below), the Chair will enquire if there are any Conflicts of Interest to be declared on any item on the agenda, and if so, for any member to declare this interest.

**Local Authorities (Members' Interests) Act 1968**

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

**4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA**

1. The Chair will call for any major (urgent business) or minor items not on the agenda to be raised according to Standing Orders, as below:

**a. Standing Orders 3.7.5 – Major Items**

An item not on the agenda for a meeting may be dealt with at the meeting if the local authority by resolution so decides, and the presiding member explains at the meeting at a time when it is open to the public –

- i. The reason why the item was not listed on the agenda; and
- ii. The reason why discussion of the item cannot be delayed until a subsequent meeting.

**b. Standing Orders 3.7.6 – Minor Items**

An item not on the agenda for a meeting may be dealt with at the meeting if –

- i. That item is a minor matter relating to the general business of the local authority; and
- ii. The presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- iii. No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.



**MINUTES****5 CONFIRMATION OF MINUTES****5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 8 SEPTEMBER 2020**

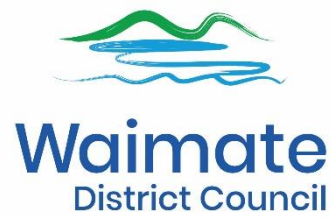
**Author:** Karalyn Reid, Committee Secretary and PA to the Mayor  
**Authoriser:** Tina Stevenson, Corporate Services Group Manager  
**Attachments:** 1. Minutes of the Audit and Risk Committee Meeting held on 8 September 2020

**PURPOSE**

To present the unconfirmed Minutes of the Audit and Risk Committee Meeting held on 8 September 2020 for confirmation.

**RECOMMENDATION**

That the Minutes of the Audit and Risk Committee Meeting held on 8 September 2020 be adopted as a true and correct record.



# **MINUTES**

## **Audit and Risk Committee Meeting**

**8 September 2020**

**MINUTES OF WAIMATE DISTRICT COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE WAIMATE EVENT CENTRE, WAIMATE ON TUESDAY 8 SEPTEMBER 2020,  
COMMENCING AT 9.30AM**

**PRESENT:** Chair Damian Hogue, Cr Sheila Paul, Mayor Craig Rowley, Cr Miriam Morton, Cr Tom O'Connor

**APOLOGIES:** Nil

**IN ATTENDANCE:** Cr Sandy McAlwee, Cr David Owen

Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Carolyn Johns (Community and Strategy Group Manager), Tina Stevenson (Corporate Services Group Manager)

Karalyn Reid (Committee Secretary)

**PARTIAL ATTENDANCE:** Fiona Hester-Smith (Human Resources Manager)

## **OPENING**

### **1 APOLOGIES**

Nil

### **2 VISITORS**

11.00am – Jerard Cowburn of Marsh Limited

### **3 CONFLICTS OF INTEREST**

The Chair asked if there were any conflicts of interest. There were no conflicts of interest declared.

### **4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA**

The Committee agreed that the minor item 'Three Waters' is discussed later in the agenda, in relation to any risks to Council.

## **MINUTES**

### **5 CONFIRMATION OF MINUTES**

#### **5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 9 JUNE 2020**

##### **COMMITTEE RESOLUTION 2020/24**

Moved: Cr Sheila Paul

Seconded: Mayor Craig Rowley

That the Minutes of the Audit and Risk Committee Meeting held on 9 June 2020 be adopted as a true and correct record, with the below amendment.

**CARRIED**

##### **Amendment:**

6.6: Audit New Zealand Proposal to Conduct Audit 2020-2022 – Note: 'The Committee noted the 2020 fees were close to full recovery.'

## REPORTS

### 6 GENERAL REPORTS

#### 6.1 HEALTH AND SAFETY REPORT

##### COMMITTEE RESOLUTION 2020/26

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Health and Safety update report is accepted.

**CARRIED**

#### 6.2 HUMAN RESOURCES MANAGERS REPORT

##### COMMITTEE RESOLUTION 2020/27

Moved: Cr Tom O'Connor

Seconded: Cr Sheila Paul

That the Human Resources Manager's report is accepted.

**CARRIED**

##### Note:

Leave Liability: The Chief Executive reported leave liability is still high, but may not change in foreseeable future because of the heavy workloads of some staff.

A discussion will be held with Leadership Team about resource gaps resulting from a number of reasons, and ways to mitigate these gaps.

The Chief Executive will look at a way to incorporate the risk of staff facing heavy workloads into the Risk Register and following the Leadership Team meeting will circulate an email on the magnitude of the problem and opportunities to mitigate risks, and produce a more comprehensive report to the next Audit and Risk Committee meeting.

#### 6.3 CORPORATE SERVICES GROUP MANAGER REPORT

##### COMMITTEE RESOLUTION 2020/28

Moved: Cr Sheila Paul

Seconded: Cr Miriam Morton

That the Corporate Services Group Manager Report is accepted.

**CARRIED**

##### Note:

Risk Register: The Committee discussed identifying the human resources risk around stress and work overload, with the possibility of prioritising work streams and possibly employing summer university students in some areas. Staff will look at how to frame this into the Risk Register.

Cyber Security: A discussion was held on moving Cyber Security from moderate to significant. The Chief Executive is communicating with Council's IT Manager on this and will review and adjust the Risk Register accordingly.

Budget Carry Forwards: The Corporate Services Group Manager reported due to the timing of this meeting financials weren't available; however the budget carry forwards will not be dropped

off the work plan. The date of the meetings will be taken into consideration when planning next year's Audit and Risk Committee meetings.

Covid-19: Council is prepared for a change in Covid-19 restrictions. At the current time staff have not noted any Covid-19 related rate payment concerns.

Three Waters: The Chief Executive reported it seems certain there will be an aggregation of the Three Waters if the current Government gets re-elected. Staff are looking at the option of not aggregating, but there are a lot of things to consider. The technical group looking at rural solutions to drinking water supplies has not yet come to a solution.

The Canterbury Mayoral Forum Three Waters Steering Committee are working on a comprehensive report which will include the effects of the redistribution of overheads of infrastructure and subsequent viabilities of Councils.

There are strong concerns that the Government is moving too quickly without answers. Classifying Councils would help, as they could be treated differently.

The Chief Executive reiterated that Council's staff are highly skilled and would be able to continue independently owning its own water.

Carbon Footprint: This is currently on hold due to current workloads.

The Chief Executive reviews the Risk Register regularly and ensures it is kept current.

#### **6.4 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO SEPTEMBER 2020**

##### **COMMITTEE RESOLUTION 2020/29**

Moved: Cr Tom O'Connor

Seconded: Cr Sheila Paul

That the External Audit Recommendations Progress Report to September 2020 report is accepted.

**CARRIED**

##### **Note:**

Correctly Recording Incidents in Asset Finda: The Audit NZ team are currently completing the 2020 Annual Report final audit and will be reviewing the improved processes.

Downlands Water Scheme: An assessment was completed which determined Downlands is a Joint Operation and the associated accounting treatment will apply.

A Downlands Water Scheme Workshop being held on Thursday (10 September) in Timaru and is expected to work through the ownership/management of the scheme. The Committee agreed it is important to get good legal advice and do due diligence. The Chief Executive will circulate the document and legal report to Councillors.

The meeting was adjourned at 10.55am for morning tea.

The meeting reconvened at 11.10am.

#### **6.7 PRESENTATION: INSURANCE RENEWALS - 11.00AM**

Jerard Cowburn of Marsh Limited presented to the Audit and Risk Committee on the insurance market, Waimate District Council's current insurance programme, one-off insurances and future proofing.

**6.5 COUNCIL'S POLICY STATUS****COMMITTEE RESOLUTION 2020/30**

Moved: Cr Miriam Morton

Seconded: Cr Sheila Paul

That the Council's Policy Status report is accepted.

**CARRIED**

**Note:**

The Committee agreed a new policy was needed on Personal Accident Insurance, following the Insurance Renewal presentation, and this is to be added to the Policy Status.

**6.6 2019/20 MAJOR PROJECT UPDATE****COMMITTEE RESOLUTION 2020/31**

Moved: Cr Sheila Paul

Seconded: Cr Miriam Morton

That the 2019/20 Major Project Update report is accepted.

**CARRIED**

**Note:**

The Committee requested that the 'percentage complete' and status columns be reviewed concurrently to ensure they reflect the progress of each major project.

Item - 6.7 Presentation: Insurance Renewals 1.00am - was moved to another part of the document.

**PUBLIC EXCLUDED****7 EXCLUSION OF THE PUBLIC REPORT****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2020/32**

Moved: Cr Miriam Morton

Seconded: Mayor Craig Rowley

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

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>7.1 - Public Excluded minutes of the Audit and Risk Committee Meeting held on 9 June 2020</b>	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

<b>7.2 - Outstanding Audit &amp; Risk Committee Actions Report - Public Excluded</b>	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.3 - Corporate Services Group Manager Report - Public Excluded</b>	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>CARRIED</b>		

## 8 RE-ADMITTANCE OF THE PUBLIC REPORT

<p><b>COMMITTEE RESOLUTION 2020/33</b></p> <p>Moved: Cr Sheila Paul</p> <p>Seconded: Mayor Craig Rowley</p> <p>That Council moves out of Closed Council into Open Council.</p> <p style="text-align: right;"><b>CARRIED</b></p>
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## MEETING CLOSURE

There being no further business, the Chair closed the meeting at 12.21pm.

The Minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on 24 November 2020.

.....  
**CHAIRPERSON**

## REPORTS

## 6 GENERAL REPORTS

## 6.1 HUMAN RESOURCES MANAGERS REPORT

**Author:** Fiona Hester-Smith, Human Resources Manager

**Authoriser:** Fiona Hester-Smith, Human Resources Manager

**Attachments:** Nil

## PURPOSE

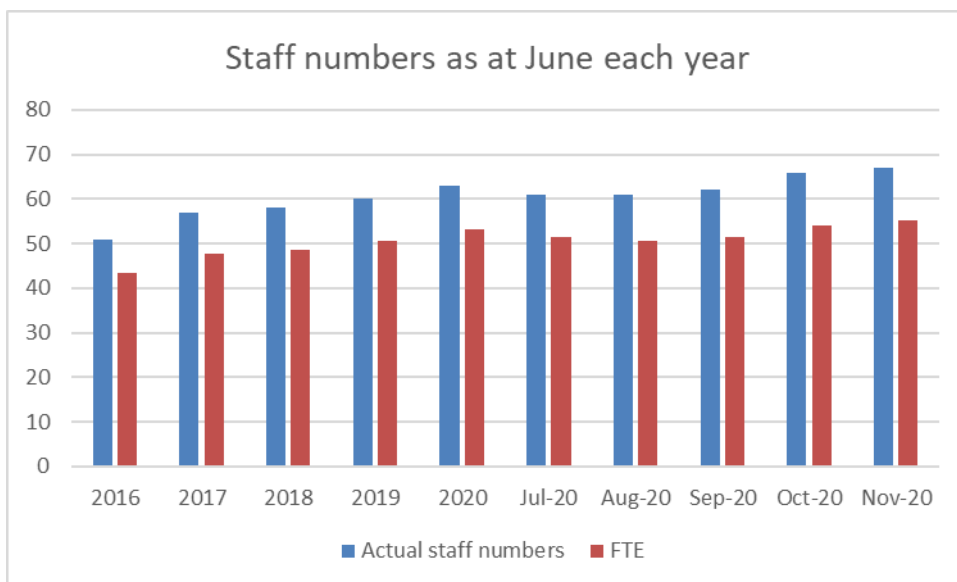
1. The Human Resources Report is submitted for the information of the Audit and Risk Committee.



2. We currently have 18 staff with excess leave. *(Note: excess leave is any leave over one year's entitlement. e.g. if an employee has a yearly entitlement of 150.00 hours and they have a balance of 160.00 hours, then 10 hours will be counted as excess leave.)*



3. The below graph shows the proportion of excess leave (red) to the balance of the leave liability as current leave (blue)



### RECOMMENDATION

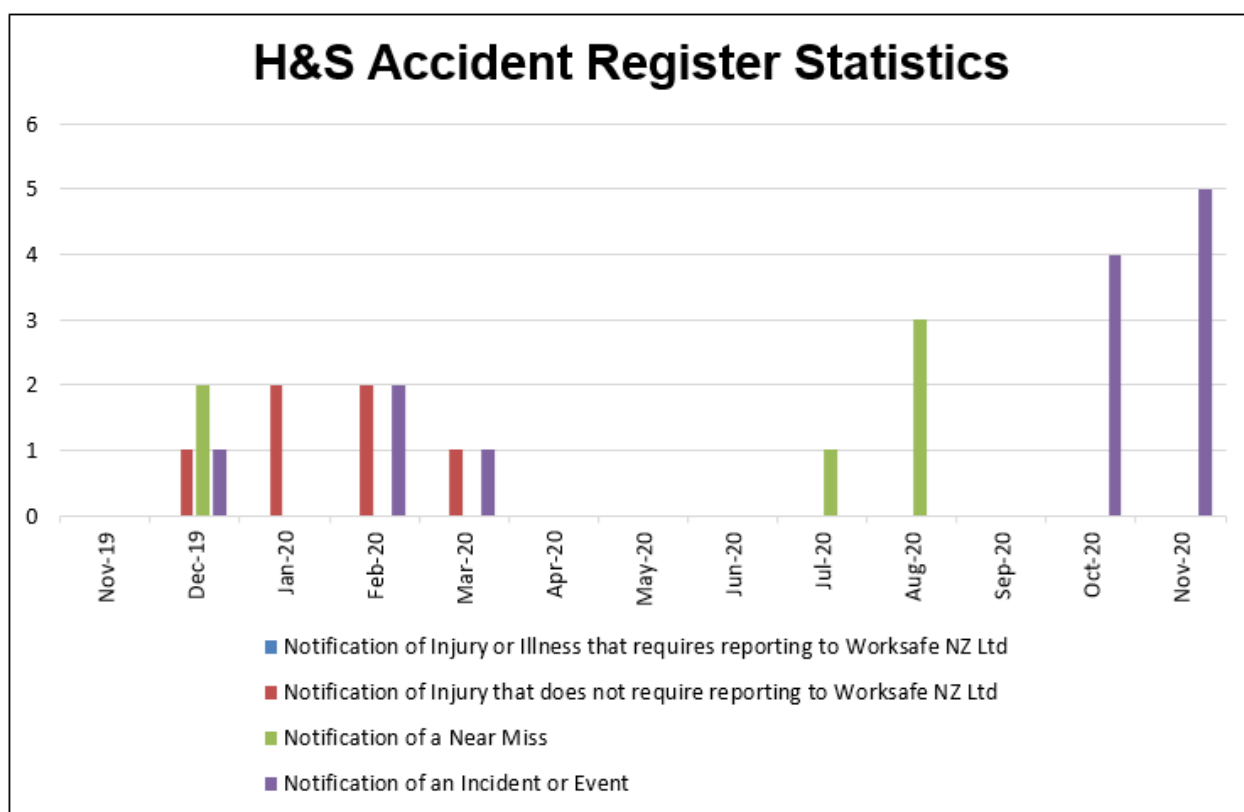
That the Human Resources Manager's report is accepted.

**6.2 HEALTH AND SAFETY REPORT**

**Author:** Paul Cooper, Regulatory and Compliance Group Manager  
**Authoriser:** Paul Cooper, Regulatory and Compliance Group Manager  
**Attachments:** Nil

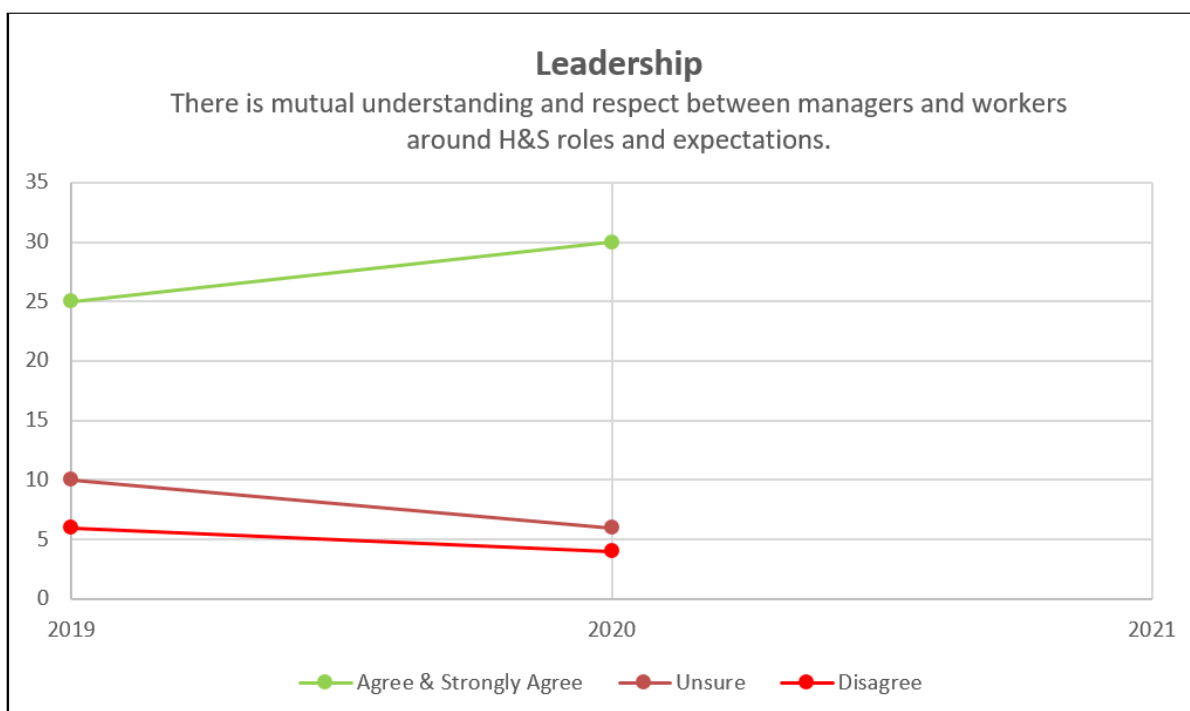
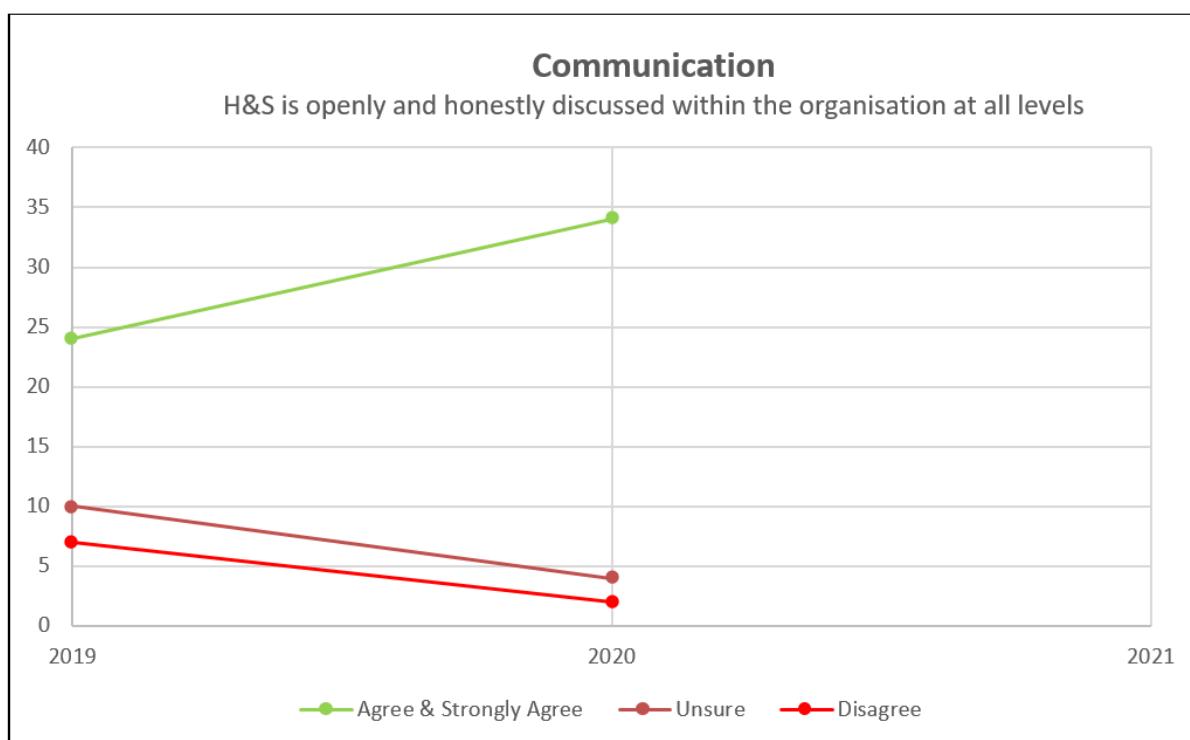
**PURPOSE**

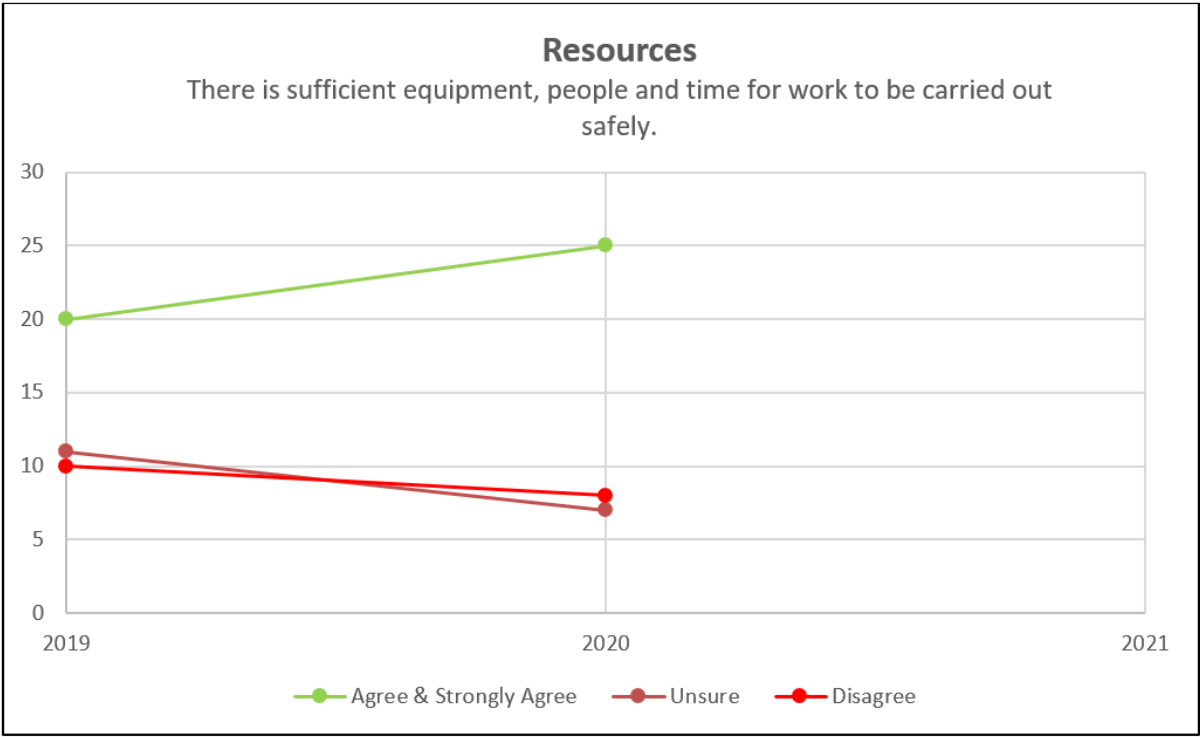
1. The Health and Safety Report is submitted for the information of the Audit and Risk Committee.

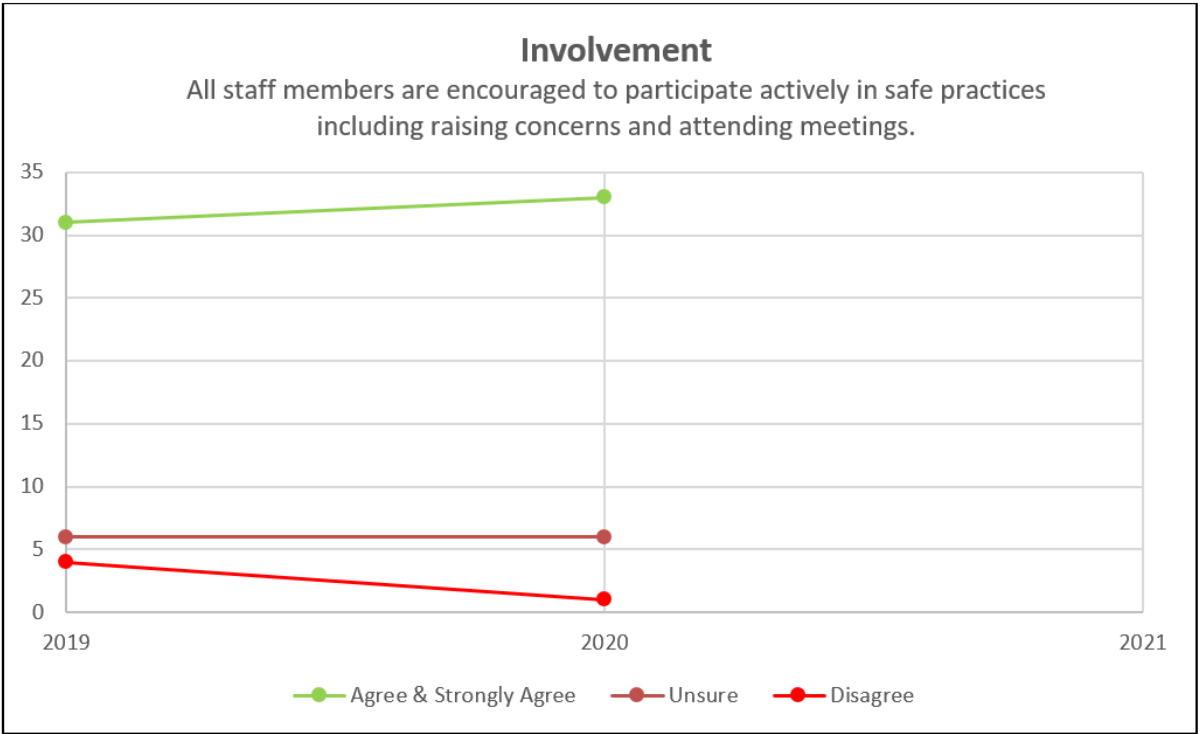
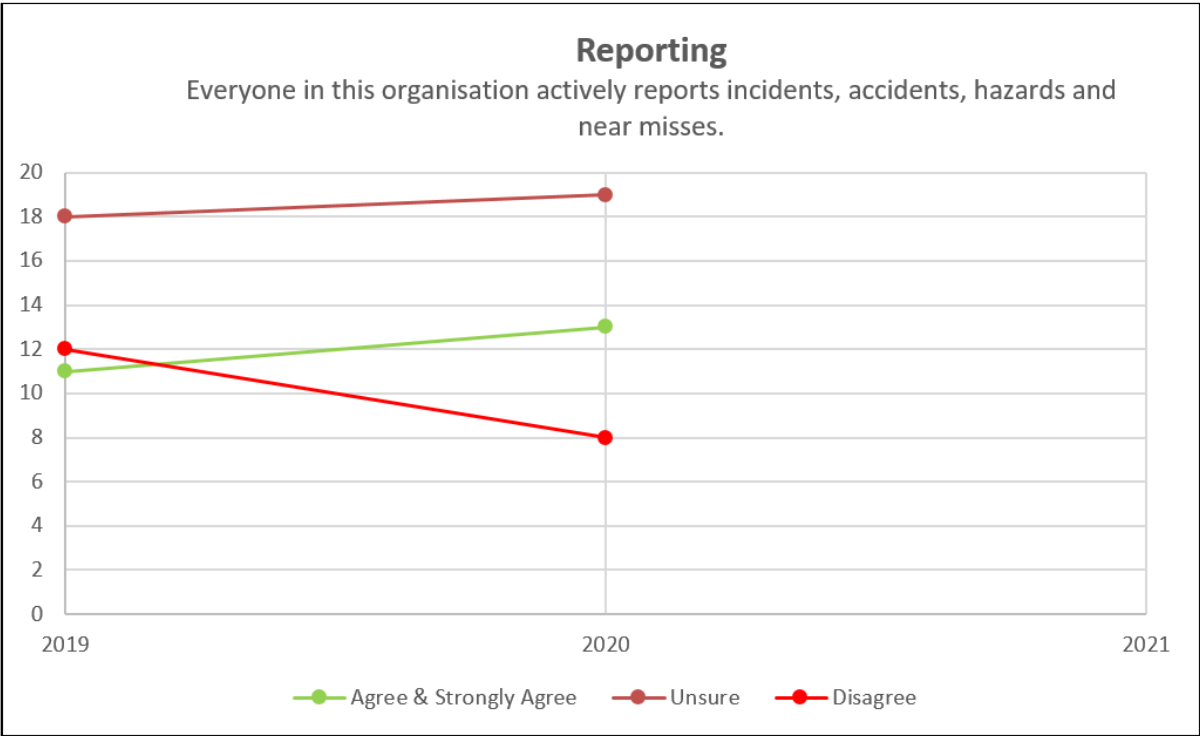
**Health and Safety Statistics**

2. Since September 2020, there have been nine incidents or events. Four of the incidents were public with minor injuries that required basic first aid at the Norman Kirk Swimming Pool. Two of the incidents were at Victoria Park (dog bite and back strain). Three of the incidents were on other council properties (Event Centre - cut finger, LGC Safe - trip, Waihao Box public toilets - trip).
3. The internal health and safety audit inspections are over 90 percent complete with the only outstanding audit being the Gorge Road office. The information gathered in the audits is being worked through for each council building, park and piece of infrastructure. The majority of identified hazards can be easily resolved and are minor in nature, this work is already underway with first aid checks being undertaken, test and tag appliance checks being organised, and new equipment being purchased (smoke detectors and PPE). There are two hazards identified which needed further investigations to understand the risk to staff and public, what the legislative requirements are and what the mitigation measures might be. These hazards are the lower height and type of fencing around the Timaru Road Water treatment plant and the layout and construction of the Stock Yards at the Pound. Both of these hazards are being investigated to determine their level of risk, and the best solution to reduce the risk as necessary in order to ensure current regulations are adequately met.

4. The second Annual Health & Safety Staff Survey was undertaken during the reporting period with results being collated in October 2020. The purpose of the survey is to track how staff perceive Health & Safety within the organisation, and over time identify either positive or negative trends. The 2020 survey was responded to by 40 staff (41 in 2019) and the results were generally slightly more positive in nature in 2020 than in 2019.
5. The graphs below show an overview of the results from each question in the survey. We have combined the *agree* and *strongly agree* answers, as well as the *disagree* and *strongly disagree* answers to give three categories (Agree, Unsure and Disagree). This is to make the results easier to view on the graphs. If anyone would like to see the results in more detail, we are happy to share the full set from survey monkey on request.









6. As Council strives for continuous improvement in its approach to Health & Safety we are optimistic that the 2021 staff survey will show ongoing improvement.
7. The Dare to Care Team had a meeting on 5 November and after considering the items on the agenda thanked Emergency Management and Health & Safety Advisor Luci Swatton for all her hard work during her time here at Waimate District Council. Luci has now moved on to take up an emergency management role with the Nelson-Tasman Group CDEM Office in Nelson. We wish Luci all the best for her future endeavours.
8. Council is currently in the process of recruiting a replacement for Luci. It is worthy of note that the role has been increased in terms of hours from 32 hours per week to a full time role of 37.5 hours per week. The extra time has been allocated to the Health & Safety portion of the role (3 days Civil Defence Emergency Management and 2 days Health & Safety).

#### RECOMMENDATION

That the Health and Safety report is accepted.

**6.3 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO DECEMBER 2020**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Audit NZ Recommendations - December 2020 [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with a progress update on recommendations from Audit New Zealand.

**BACKGROUND**

2. Council staff have updated progress on the External Audit Recommendations for the Audit and Risk Committee's information and any relevant feedback.
3. Recommendations from the audit of the 2020 Annual Report will be incorporated upon receipt and finalisation of the audit management letter.

**RECOMMENDATION**

That the External Audit Recommendations Progress Report to December 2020 report is accepted

## AUDIT NEW ZEALAND RECOMMENDATIONS – PROGRESS REPORT TO DECEMBER 2020

## Open recommendations as per 2020 Interim Audit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<b>Necessary</b>				
<b>Correctly recording incidents in Asset Finda</b>				
To ensure that staff correctly enter information into Asset Finda, the Council should develop a handbook and educate staff on its use.	2018/19	<b>In progress – improvements noted</b> We reviewed the population of water faults and sewerage faults recorded in Asset Finda for the six months ended 31 December 2019, to identify any anomalies which may be indicative of inaccurate reporting. Compared to 2018/19, we noted that a lower percentage of faults had no "arrived on site" time, or an "arrived on site" or "closed" time earlier than the "works request date/time". We also noted a significant reduction in the number of faults without any service request details or resolution comments entered.	Training for Utilities staff for the service request system.  Production of a reference guide in order to prevent incorrect data entry in the future.	Additional training for utilities staff has been undertaken and staff now possess a much better understanding of the service request system. The training focus identified the issues highlighted and in particular focused on the fault/request type and the calculation of the appropriate response times.  Ongoing training and quality assurance is to occur. New staff resources have added additional capacity to



AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
		Although some potential errors were identified, we commend the Council for the effectiveness of staff training.		provide real-time quality assurance.
<b>Payroll processing super users</b>				
The Council should complete a periodic comparison of approved timesheets to what has actually been processed to ensure any anomalies or changes can be adequately explained.	2017/18	<b>In progress – improvements noted</b> Based on correspondence with the HR Manager, we understand that a new control has been implemented in 2019 to address this risk as it pertains to manual timesheets. However, we have been advised that there is presently no control around employees who complete electronic timesheets.	Management are implementing a cyclical process which will involve the Corporate Services Group Manager review of pays processed compared to approved timesheets.	New control implemented for manual timesheets during 2019.

## Implemented or closed recommendations as per 2020 Interim Audit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<b>Procurement policy</b>				
The procurement policy should include conditions relating to set value, quantity limits and restrictions on the use of purchasing privilege for third parties such as family and friends.	2013/14	<b>Closed</b>  We consider the Procurement Policy and Staff Manual to provide sufficient coverage of this matter given the nature of purchases currently made by the Council.	N/A  Recommendation was previously 'closed' by Audit & Risk Committee.	N/A  Recommendation was previously 'closed' by Audit & Risk Committee.

## Matters that will be followed up during the final 2020 audit visit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<b>Necessary</b>				
<b>Interest in Downlands Rural Water Scheme (DWS)</b>				
<p>Assess whether the Council's interest in the DWS meets the definition of a joint arrangement and, if so, whether it is a joint venture or a joint operation, or whether it is that of an associate.</p> <p>Design and perform steps to confirm that the value of the investment is accurate, including consideration of impairment indicators.</p>	2018/19	<p><b>Please refer to section 3.1 of 2020 Interim Audit Report</b></p> <p>This relates to year-end reporting. We will complete our review of the Council's assessment during the final audit.</p>	<p>Waimate District Council will enter into discussions with Timaru District Council and Mackenzie District Council so all three parties can conclude the basis of their interest in the Downlands Water Scheme and use this assessment to determine how the scheme is accounted for in the financial statements.</p> <p>We acknowledge the recommendation around an assessment of the value of the investment and consideration of impairment.</p>	<p>Timaru District Council engaged Anderson Lloyd for an opinion on the ownership of the Downlands Scheme and the Joint Committee's authority to operate the scheme. This has clarified the position upon which to base our assessment of the new PBE accounting standards on interests in other entities.</p> <p>We, and the other parties, have interpreted the Anderson Lloyd legal advice received by Timaru District Council as confirming Downlands is a 'Joint Operation' and under PBE IPSAS 37 have recognised the portion of</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				<p>its assets, liabilities, revenue and expenses relating to our 14% interest in the scheme.</p> <p>Representatives from all stakeholders attended a Workshop on 10 September 2020 with Anderson Lloyd to help us to work collectively through the scheme Ownership and Management in order that the documents that govern this entity are updated to clearly reflect the status. A redrafting of the Downlands agreement is required to improve its clarity. The revised agreement will be required to be adopted by each respective Council.</p> <p>Council has implemented the new accounting standards in 2019/20 and expects this item to be closed following</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				<p>completion of the 2020 Annual Report Audit.</p> <p>Additionally, the Chairman of the Downlands Committee and senior staff from Timaru District Council will present to Council towards the end of the first quarter of 2021.</p>
<b>Property, plant and equipment revaluations</b>				
<p>We recommended:</p> <p>The Council ensure all assets within an asset class are revalued when they perform revaluations.</p> <p>Valuations should be completed at an earlier stage to allow time for quality assurance processes and the figures to be included in the financial statements.</p>	2016/17	<p><b>Pending</b></p> <p>The recommendation was made in respect of infrastructure assets. As they are being revalued this year, we will assess implementation of the recommendations during the final audit.</p>		<p>Infrastructure assets valuation work progressed through June, July and August with some delays due to COVID-19 and competing priorities.</p> <p>Council uses BERL adjustment factors (LGCI) and other indices and will need to monitor these and to whether an intermediate revaluation may be required.</p> <p>Council expects this item to be closed following</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				completion of the 2020 Annual Report Audit which included consideration of the 2020 asset revaluations.
<b>Property, plant and equipment fair value and impairment assessments</b>				
<p>The Council needs to prepare a formally documented fair value assessment for each revalued asset class that is not subject to a revaluation in the current financial year, in order to determine whether there are any indications that the carrying values recorded in the general ledger are no longer materially consistent with the fair values.</p> <p>Similarly, for assets recorded at cost, the Council needs to prepare a formally documented impairment assessment in order to determine whether there are any indications of impairment.</p>	2013/14	<p><b>Pending</b></p> <p>This relates to year-end reporting. We will assess implementation of the recommendation during the final audit.</p>	Council acknowledges the recommendation and will take steps to include consideration of construction indices as required, and formally document impairment reviews prior to the commencement of audit.	In conjunction with the preparation of the 2020 Annual Report, various reviews have been undertaken to complete fair value and impairment assessments for the asset classes not subject to revaluation this year. In 2020 this has included comparisons of motor vehicles to relative market values, plant and equipment assessments and reviews and obtaining market movements from our land and building valuer to apply in order to identify any material movements.

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				Council prepared a formally documented fair value assessment for land and buildings and impairment assessment for plant and equipment. Council expects this item to be closed following completion of the 2020 Annual Report Audit.
<b>Internal controls regarding property, plant and equipment</b>				
<p>Strengthen internal controls around property plant and equipment:</p> <p>Regular stocktakes and timely reconciliations between the general ledger and fixed assets register should be performed to confirm the existence and accuracy of these asset records.</p> <p>Implement a monitoring and write off process to account for the infrastructure assets that are replaced during the year.</p>	2013/14	<p><b>Pending</b></p> <p>We will assess implementation of the recommendations during the final audit.</p>	<p>Management will ensure that, where possible, resources are employed to address the areas of highest risk with regard to stock-take, asset reconciliations and write offs.</p>	<p>In conjunction with fair value and impairment assessments, assets were reviewed and assets no longer held identified and adjusted accordingly.</p> <p>The Finance Team have obtained a better understanding of Asset Finda software in order to aid in the assessment of infrastructural assets for impairment as at 30 June each year.</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				A mechanism to capture disposals of roading infrastructure assets replaced during the year is yet to be developed.
<b>Beneficial</b>				
<b>Project and contract management</b>				
<p>Consideration to be given to enhancing contract management and project management policies and practices.</p> <p>For contract management, the Council could:</p> <ul style="list-style-type: none"> <li>have an overall policy outlining an organisationally consistent approach to contract management;</li> <li>implement more detailed reporting of contract monitoring to Council;</li> <li>ensure contract managers have sufficient skills and expertise to effectively manage contracts. This could be achieved by formal training and identification of training needs (i.e. structured instead of ad hoc); and</li> <li>complete a self-review to identify areas for improvement.</li> </ul>	2013/14	<p><b>Pending</b></p> <p>We were unable to review project and contract management practices due to the COVID-19 lockdown period. We will complete our assessment during the final audit.</p>	<p>Policies around Contract Management are expected to be developed.</p> <p>Council have recently formalised the role of IT Project Manager whose core role is to apply Prince2 project methodologies to new and existing technology projects. Since tech projects represent a priority area for Council, we believe this represents a significant step in Project</p>	<p>With the understanding at this time, the risk has been considered and was accepted by the Audit &amp; Risk Committee.</p> <p>Council's contract for roading is the most significant and is governed by NZTA processes that result in independent review through collaboration.</p> <p>Council's major contracts are in the asset area and are monitored by the activity managers who report to the Asset Group</p>



AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<p>For project management, the Council's grading here could be improved through:</p> <p>development of Council wide formal project management practices;</p> <p>conducting post implementation reviews on completed projects;</p> <p>consideration of independent quality assurance over projects; and</p> <p>more comprehensive reporting and monitoring of projects by management and Council as discrete projects – rather than as part of monthly reports.</p>			<p>management maturity for Council.</p> <p>Independent QA (by Deloitte) was applied to the 2018-28 Performance Reporting &amp; LTP system project. Council will continue to give consideration to independent QA where projects are deemed significant enough to justify this additional outlay.</p>	<p>Manager. Progress of major projects are reported to the Audit &amp; Risk Committee and a quarterly report of projects from all areas of Council are included in the respective Council committee reports</p> <p>Training has and is to be undertaken for the management of contracts written under NZS3910 and NZS3917</p>

## New recommendations as per 2020 Interim Audit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<b>Necessary</b>				
<b>Compliance with Investment Policy</b>				
Ensure compliance with the Investment Policy.	2019/20	New	We acknowledge the three month Term Deposit limitation was exceeded due to making an investment for a 120 day term to optimise the best available interest rate at that time. We do not presently have any Term Deposits with a term of more than three months. We propose to update our Investment Policy to allow for more flexibility to obtain the best return on our term deposit investments, when next reviewing our Policy.	Council's Investment Policy is to be reviewed as part of the Long Term Plan 2021-2031 process with the policy review due by June 2021.
<b>Beneficial</b>				
<b>Enhancing sensitive expenditure policies</b>				
Consider updating sensitive expenditure policies to fully comply with good practice guidelines.	2019/20	New	When next reviewing the Sensitive Expenditure Policy we will incorporate Audit New Zealand's recommendations,	Council's Sensitive Expenditure Policy is due for review by December 2021.

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
			that is, closer alignment to the OAG guidelines.	

**6.4 AUDIT NEW ZEALAND ENGAGEMENT LETTER: LONG TERM PLAN 2021-31**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. **Audit NZ - Audit Engagement Letter** [!\[\]\(23d9fc146e83b5c3013cfa32c784f8d5\_img.jpg\) !\[\]\(f5c463b8c1554ac5049d611bd8e33a51\_img.jpg\)](#)

**PURPOSE**

1. That the Audit and Risk Committee reviews the *Audit engagement letter: audit of the consultation document and long-term plan for the period commencing 1 July 2021* and makes a recommendation as to whether the Mayor may sign to accept the terms of engagement.
2. That the Audit and Risk Committee confirms the terms of the auditor's appointment and engagement for the Long Term Plan (LTP) Audit.

**BACKGROUND**

3. The Audit and Risk Committee's Terms of Reference state that 'The Committee, in conjunction with the Chief Executive, will: engage and confirm with the external auditor the terms of the auditor's appointment and engagement, including the nature and scope of the audit, timetable and fees.
4. Audit New Zealand have prepared the Audit Engagement Letter to outline the terms of the audit of Council's consultation document and LTP.
5. The Engagement Letter outlines the terms of the audit engagement, scope and objectives, audit approach, areas of emphasis, audit logistics and professional fees.
6. Following discussion between Council management and Audit NZ personnel, the consultation document is to be approved by Council for auditing by 31 March 2021. The balance of dates are to be confirmed, subject to availability of Audit NZ resources in relation to when Council is able to provide the relevant information.
7. Audit New Zealand seek acknowledgement of receipt of this letter and the terms and arrangements of the audit engagement by return of the signed letter.
8. The Audit and Risk Committee is asked to review the Audit Engagement Letter and make a recommendation as to whether the Mayor may sign to accept the terms and arrangements of the audit engagement.

**RECOMMENDATION**

1. That the Audit New Zealand Engagement Letter: Long Term Plan 2021-31 report is accepted; and
2. That the Audit and Risk Committee recommends that the Mayor be authorised to sign the Audit Engagement Letter: audit of the consultation document and long-term plan for the period commencing 1 July 2021, thereby confirming the terms and arrangements of the audit engagement, and the letter is returned to Audit NZ.



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

17 November 2020

Level 1, 399 Moray Place  
PO Box 232, Dunedin 9054

Craig Rowley  
Mayor  
Waimate District Council  
PO Box 122  
Waimate 7960

cc Stuart Duncan, Chief Executive  
Tina Stevenson, Corporate Services Group Manager

Dear Craig

**Audit engagement letter: audit of the consultation document and long-term plan for the period commencing 1 July 2021**

This audit engagement letter is sent to you on behalf of the Auditor-General, who is the auditor of all “public entities”, including Waimate District Council (the Council), under section 14 of the Public Audit Act 2001. The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, under section 32 and 33 of the Public Audit Act 2001, to carry out the audit of the Council’s consultation document and long-term plan (LTP).

This letter outlines:

- the terms of the audit engagement and the respective responsibilities of the Council and me as the Appointed Auditor;
- the audit scope and objectives;
- the approach taken to complete the audit;
- the areas of audit emphasis;
- the audit logistics; and
- the professional fees.

## 1 Specific responsibilities of the Council for preparing the consultation document and the LTP

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for preparing the consultation document and LTP, by applying the Council's own assumptions, in accordance with the Local Government Act 2002 (the Act) (in particular, the requirements of Part 6 and Schedule 10) and in accordance with generally accepted accounting practice in New Zealand. We assume that elected members are familiar with those responsibilities and, where necessary, have obtained advice about them.

For clarity, we note the following statutory responsibilities as set out in the Act:

- Section 93 of the Act requires the Council to have an LTP at all times, and Part 1 of Schedule 10 governs the content of the LTP.
- Section 111 aligns the financial information with generally accepted accounting practice.
- Section 83 (with reference to section 93A) sets out the special consultative procedure that the Council is required to follow to adopt the consultation document and LTP.
- Section 93C (4) requires an auditor's report on the consultation document, and section 94 requires a separate opinion on the LTP.

Please note that the audit does not relieve the Council of any of its responsibilities.

Other general terms are set out in the relevant sections of this letter and Appendix 1.

## 2 Our audit scope

The Act requires us to provide two separate reports, as follows:

- On the consultation document, a report on:
  - whether the consultation document gives effect to the purpose specified in section 93B; and
  - the quality of the information and assumptions underlying the information in the consultation document.
- On the LTP, a report on:
  - whether the LTP gives effect to the purpose in section 93(6); and
  - the quality of the information and assumptions underlying the forecast information provided in the LTP.

We expect our work to assess the quality of underlying information and assumptions to be a single, continuous process during the entire LTP preparation period.

Our focus for the first limb of each opinion will be to assess whether each document meets its statutory purpose. Given the different purposes of each document, we will assess the answers to different questions for each opinion.

Our focus for the second limb of each opinion will be to obtain evidence about the quality of the information and assumptions underlying the information contained in the consultation document and LTP. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the information and assumptions underlying the information contained in the consultation document and LTP, whether because of fraud or error.

Our audit opinions do not:

- provide a guarantee of absolute accuracy of the information in the relevant document;
- provide a guarantee that the Council has complied with all relevant legal obligations;
- express an opinion on the merits of any policy content; or
- include an opinion on whether the forecasts will be achieved.

### **3 Our approach to this audit**

#### **3.1 The content of the consultation document**

The Act emphasises the discretion of the Council to decide what is appropriate to include in the consultation document and the associated consultation process. In deciding what to include in the consultation document, the Council must have regard to its significance and engagement policy, and the importance of other matters to the district and its communities.

We will need to understand how the Council has approached the task of applying its significance and engagement policy, and how it has considered the importance of other matters in deciding what to include in the consultation document. This will help inform our assessment of whether the consultation document achieves its statutory purpose.

#### **3.2 Adopting and auditing the underlying information**

Before adopting the consultation document, section 93G of the Act requires the Council to prepare and adopt the information that:

- is relied on by the content of the consultation document;
- is necessary to enable the Auditor-General to issue an audit report under section 93C(4); and
- provides the basis for the preparation of the LTP.

The information to be prepared and adopted needs to be enough to enable the Council to prepare the consultation document.

We consider that local authorities will need to have thought comprehensively about how best to meet the requirements of the Act. Consistent with the guidance of the Society of Local Government Managers (SOLGM), our view is that core building blocks of an LTP will be needed to support an effective consultation document. This will include, but not be limited to, draft financial and infrastructure strategies and the information that underlies them, including asset management information, assumptions, defined levels of service, funding and financial policies, and a complete set of financial forecasts.

We will work with management to understand the information proposed to be adopted and assess whether it will enable us to issue an audit report under section 93C(4).

In addition, the time frames to consider and adopt the LTP after the consultation process will be tight. From a practical perspective, it will be important that the Council is well advanced with the preparation of the full LTP when it issues the consultation document. Otherwise, you may find it difficult to complete the work and adopt the full LTP before the statutory deadline. The same is true for the audit work. The more audit work that is able to be completed at the first stage of the process, the less pressure there will be on you and the audit team at the end of the process.

### **3.3 Control environment**

The Council is responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the Council), supported by written policies and procedures, designed to prepare the consultation document and LTP, and to provide reasonable quality information and assumptions underlying the information contained in these documents.

Our approach to the audit will be to identify, confirm, and assess the Council's key processes and controls over the underlying information and the production of both the consultation document and the LTP. The purpose of this assessment is to enable us to plan the most effective and efficient approach to the audit work needed to provide our two audit opinions. Our assessment is not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls.

We will carry out a review of the control environment to help us understand the approach taken to develop the consultation document and LTP, develop expectations of what should be included in the consultation document and LTP, and identify areas of potential audit risk. This will involve discussions with elected representatives and selected staff throughout the Council, review of publicly available information about the Council, updating our knowledge of Council issues developed during recent years, and a review of Council minutes since the last audit review.

Our review of your self-assessment response (see below) and key controls relating to the underlying information and development of the LTP is useful to our initial assessment of audit risk and so the nature and extent of our overall audit work.



### **3.4 Project management, reporting deadlines, and audit progress**

The development of the consultation document and LTP is a significant and complex project, and a comprehensive project plan is required for a successful LTP process. It is also essential that there is commitment throughout the organisation for the project, starting with the elected representatives. The involvement of senior management and elected representatives is important in deciding what to include in the consultation document.

The LTP has complex and inter-related information needs and draws together plans, policies, decisions, and information from throughout the Council and its community. We recognise that the Council will be doing its LTP preparation over an extended period. A more efficient and cost-effective audit can be achieved when audit work and feedback is provided in "real time" or on an "auditing as you go" basis as the underlying information is developed.

Consequently, we will discuss with you and your staff the Council's approach to preparing and completing the LTP. We expect that the Council is approaching its preparation on a project basis and recognise that our audit work should "shadow" that project timetable. The success of this "auditing as you go" approach will depend on the Council's project management of the overall LTP process, which should include time for audit work at appropriate points in the process.

### **3.5 Self-assessment**

To assist our audit planning, we intend to use a self-assessment process to assist with our risk assessment process. The self-assessment requires you to reflect on your most significant issues and risks, governance of the LTP project, and the systems and processes you have in place (particularly to meet the purposes in the Act for the consultation document and the LTP), asset management, performance management and reporting, and financial management.

We will shortly be forwarding the self-assessment to you under a separate cover. We ask for your co-operation in completing this assessment for return to us by 29 January 2021.

The self-assessment is similar to those used with our audit of previous LTPs. The information provided through the self-assessment will be confirmed with you through discussion after its completion.

## **4 Our particular areas of audit emphasis**

### **4.1 Impact of the economic downturn caused by Covid-19 on the Council's forecasts**

The response to manage Covid-19 has created significant uncertainty for businesses, local and central government organisations, as well as communities and families. The impact to the economy is likely to be negative, and share a number of impacts on Council, including on Council's revenue assumptions and the level of service Council provides in the future. In addition Council will need to consider the impact on their financial and infrastructure strategies, and key underlying assumptions such as changes in demographics, climate change and investment in significant assets.

We will review Council's approach to considering the impact of Covid-19 and how this has been factored into the underlying policies, strategies and assumptions used to prepare the LTP.

#### **4.2 Financial strategy and infrastructure strategy**

The Act requires a local authority to prepare two key strategies as part of the LTP: the financial strategy and the infrastructure strategy.

The purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The purpose of the infrastructure strategy is to:

- identify significant infrastructure issues for the local authority during the period covered by the strategy; and
- identify the principal options for managing those issues and the implications of those options.

The Act expects close alignment between the two strategies, and section 101B(5) allows for them to be combined into a single document.

Although the Act clearly sets the minimum requirements for these strategies, it does not define the only things that can be in a strategy. A good strategy should include what is needed to be a good quality strategic planning document. In the case of the infrastructure strategy, the principles of ISO 55000 should be considered, particularly where the Council is seeking to prepare a best practice strategy.

As in prior years, we will continue our focus on the linkage between the strategies and current issues and how the strategies seek to address these. We will also look at how the implications of adopting these strategies have been communicated and whether proposed solutions have been articulated in a clear and concise way.

It will be very important for the Council to effectively communicate with ratepayers about value for money from rates with appropriate justification for annual rate movements.

Our focus when reviewing both strategies is to assess whether the Council has met the purpose outlined in the Act and presented the strategies in a coherent and easily readable manner. Specifically, we will:

- confirm that the two strategies are appropriately aligned;

- understand the effect of the financial forecasts included in the infrastructure strategy on the prudence of the financial strategy; and
- assess the reasonableness of the prepared forecasts by:
  - understanding how the Council has applied the effect of its assumptions (for example, allowing for changing demographics, the implications of the changing climate, the condition and performance of critical assets) and levels of service on expenditure decisions and outlined the implications of these decisions in the strategies;
  - reviewing the Council's relationship between its renewal capital expenditure and depreciation expenditure forecasts; and
  - checking that the infrastructure strategy is appropriately inflated.

The Council's financial modelling is a significant component of the underlying information that supports both the financial strategy and infrastructure strategy. We will place particular emphasis on the integrity and effectiveness of the financial modelling of all local authorities.

An additional role played by these strategies is to facilitate accountability to the community. It is critical that these strategies are presented in such a way that they are engaging and informative, and support the presentation of issues, options, and implications presented in the consultation document.

#### **4.3 Assumptions**

The quality of the Council's financial forecasts is significantly affected by whether the assumptions on which they are based are defined and reasonable. The Act recognises this by requiring all local authorities to clearly outline all significant forecasting assumptions and risks underlying the financial estimates in the LTP (Schedule 10, clause 17). Prospective Financial Statements (PBE FRS 42) also requires the disclosure of significant assumptions.

We will review the Council's list of significant forecasting assumptions and confirm that they are materially complete. We will also test the application of selected assumptions in the financial forecasts to check they have been reasonably applied. Finally, we will confirm that:

- all significant forecasting assumptions disclose the level of uncertainty associated with the assumption; and
- for all significant forecasting assumptions that involve a high level of uncertainty, the uncertainty and an estimate of the potential effects of the uncertainty on the financial forecasts are appropriately disclosed in the LTP.

We consider that the significant forecasting assumptions are crucial to the underlying information for the consultation document and will complete our review during our audit of the consultation document.

**Climate change assumption**

We will be paying more attention to the assumptions that the Council has made about climate change and the adequacy of other information and disclosures relating to climate change.

We will review the Council's climate change assumptions to determine whether they are reasonable and supportable. We will assess the quality of the supporting information the Council is using in developing its assumptions and disclosures included in the LTP, the consultation document (if relevant), and the adopted underlying information.

**4.4 Quality of asset-related forecasting information**

A significant portion of the Council's operations relates to the management of its infrastructure: the roading network, the "three waters" of water supply, sewerage, and stormwater drainage. These activities typically make up about 61% of operational expenditure and 72% of capital expenditure.

It is important to ensure that all asset management plans are updated as budgeted financial information for the LTP consultation document is prepared. These plans should be reviewed by Council as an input to the LTP consultation document.

To prepare reasonable quality asset information, the Council needs to have a comprehensive understanding of its critical assets and the cost of adequately maintaining and renewing them. An important consideration is how well the Council understands the condition of its assets and how the assets are performing.

In reviewing the reasonableness of the Council's asset-related forecasting information, we will:

- assess the Council's type asset management planning systems and processes;
- understand what changes the Council proposes to its forecast levels of service;
- understand the Council's assessment of the reliability of the asset-related information;
- consider how accurate recently prepared budgets have been; and
- assess how matters such as affordability have been incorporated into the asset-related forecasts prepared.

Depending on what we identify in completing the above, we may have to complete further detailed testing on the Council's asset-related information.

#### **4.5 Council-specific matters**

Our initial discussions with yourself and management have suggested to us the following issues and matters that may be specifically covered in the LTP:

- Council's proposed approach including maintenance and funding of water infrastructure assets given potential major government reforms in the three waters area.
- The impact on ratepayers resulting from the reduction in the dividend from Alpine Energy.
- The economic impact on the wider community of Covid-19 and Council's proposals for assisting with recovery, including gauging community needs and how to deliver the best value for rates.
- Climate change.

#### **5 Other matters**

##### **5.1 Our independence**

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the Council (including being independent of management personnel and the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity, and independence.

##### **5.2 Publication of the consultation document and adopted LTP on the Council's website**

The Council is responsible for the electronic presentation of the consultation document and LTP on its website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the presented data. Please ensure that your project plan allows time for us to examine the final electronic file version of the respective documents, including our audit report, before their inclusion on the website.

We need to do this to ensure consistency with the paper-based documents that have been subject to audit.

## 6 Audit logistics

### 6.1 Audit timing

The key dates in the audit timetable are as follows:

Self-assessment provided to Council	18 November 2020
Self-assessment returned to audit team for consideration	29 January 2021
First interim visit (initial assessment)	TBC
Second interim visit (see project plan for key dates and number of visits)	TBC
Proposed consultation document available	31 March 2021
Audit opinion on consultation document required	TBC
Draft management report on consultation document engagement	TBC
Finalised management report on consultation document engagement	TBC
Proposed LTP for adoption available	TBC
Audit opinion on adopted LTP required	TBC
Draft management report on LTP engagement	TBC
Finalised management report on LTP engagement	TBC

Should we encounter any significant problems or delays during the audit, we will inform you immediately.

We have an electronic audit management system. This means that our auditors will complete most of their work on their laptops. Therefore, we would appreciate it if the following could be made available during our audit:

- A suitable workspace for computer use (in keeping with the health and safety requirements discussed in Appendix 1).
- Electronic copies of key documents.

As noted in section 3.4, our audit work needs to be done as you develop your underlying information and prepare your consultation document and LTP, to ensure the timely completion of our audit.

To ensure that we meet agreed deadlines, it is essential that the dates agreed are adhered to.

## 7 Professional fees

Our audit fee, covering both the consultation document and the LTP for the period commencing 1 July 2021, is \$76,000 (excluding GST and disbursements), as outlined in Appendix 2.

The proposed fee is based on the following assumptions:

- Information required to conduct the audit is complete and provided in accordance with the agreed timelines. This includes the draft consultation document and the full draft financial strategy, draft infrastructure strategy and key underlying assumptions and information that supports the draft consultation document.
- There will be an appropriate level of assistance from your staff.
- All documentation (consultation document, LTP, and all other underlying documentation) provided will be subject to appropriate levels of quality review before submission for audit.
- The consultation document and LTP will include all relevant disclosures.
- We will review, at most, two drafts of each of the consultation document and LTP during our audit.
- We will also review one printer's proof copy of the consultation document and LTP and one copy of the electronic version of the consultation document and LTP (for publication on your website).
- There are no significant changes in the structure or level of operations of the Council impacting on the audit, such as the establishment of a CCO to deliver core functions or a major restructuring of groups of activities.

If the scope and/or amount of work changes significantly (such as a change in direction during the development of the consultation document or between the development of the consultation document and the LTP), we will discuss the issues with you at the time.

If information is not available for the visits as agreed, or the systems and controls the Council use to prepare the underlying information and assumptions cannot be relied on, we will seek to recover all additional costs incurred as a result. We will endeavour to inform you as soon as possible should such a situation arise.

This fee is exclusive of any subsequent amendments the Council might make to the adopted LTP under section 93D.

We wish to interim bill as work progresses. We propose the following billing arrangements:

March 2021	25,000
April 2021	16,000
May 2021	25,000
June 2021	10,000
Total	<u>\$76,000</u>

## 8 Personnel

Our personnel involved in the management of the audit are:

Our personnel involved in the management of the audit are:

Rudie Tomlinson	Director
Peter Catterick	Specialist Audit and Assurance Services (SAAS)
Debbie Bradfield	Manager

We have endeavoured to maintain staff continuity as far as possible.

## 9 Agreement

Please sign and return the attached copy of this letter to indicate that:

- it is in accordance with your understanding of the arrangements for this audit of the consultation document and LTP for the period commencing 1 July 2021; and
- you accept the terms of the engagement set out in this letter that apply specifically to the audit of the consultation document and LTP and supplement the existing audit engagement letter dated 1 April 2020.

If there are any matters requiring further clarification, please do not hesitate to contact me.

Yours sincerely



Rudie Tomlinson  
Director



I acknowledge that this letter is in accordance with my understanding of the arrangements of the audit engagement. I also acknowledge the terms of the engagement that apply specifically to the audit of the consultation document and LTP, and that supplement the existing audit engagement letter dated 1 April 2020.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Craig Rowley  
Mayor

## **Appendix 1: Terms of the engagement that apply specifically to the audit of the consultation document and LTP**

### **Objectives**

The objectives of the audit of the consultation document and LTP are:

- to provide independent opinions on the consultation document (under section 93C(4) of the Act) and on the LTP (under section 94(1) of the Act) about:
  - whether each document gives effect to the relevant statutory purpose; and
  - the quality of the information and assumptions underlying the information included in each document; and
- to report on matters relevant to the Council's planning systems that come to our attention.

Our audit involves performing procedures that examine, on a test basis, evidence supporting assumptions, amounts, and other disclosures in the consultation document and LTP, and evaluating the overall adequacy of the presentation of information.

We also review other information associated with the consultation document and LTP to identify whether there are material inconsistencies with the audited consultation document and LTP.

### **Provision of a management report to the Council**

At a minimum, we will report to the Council at the conclusion of the engagement. The management report communicates matters that come to our attention during the engagement and that we think are relevant to the Council. For example, we will report:

- any weaknesses in the Council's systems; and
- uncorrected misstatements noted during the audit.

Please note that the Auditor-General may refer to matters that are identified in the audit of consultation documents and LTPs in a report to Parliament if it is in the public interest, in keeping with section 20 of the Public Audit Act 2001.

### **Materiality**

Consistent with the annual audit, the audit engagement for the consultation document and LTP adheres to the principles and concepts of materiality during the 10-year period of the LTP and beyond (where relevant).

Materiality is one of the main factors affecting our judgement on the areas to be tested and the nature and extent of our tests and procedures performed during the audit. In planning and performing the audit, we aim to obtain assurance that the consultation document and LTP, and the information and

assumptions underlying the information contained in these documents, do not have material misstatements caused by either fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence a reader's overall understanding of the consultation document and LTP.

Consequently, if we find material misstatements that are not corrected, we will refer to them in the audit opinion. Our preference is for any material misstatement to be corrected, avoiding the need to refer to misstatements in our opinion.

### **The standards applied when conducting the audit of the consultation document and adopted LTP**

Our audit is carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

### **Responsibilities**

#### **General responsibilities**

The general responsibilities of the Council for preparing and completing the consultation document and LTP are consistent with those for the annual report, as set out in the audit engagement letter dated 1 April 2020 – but noting that the consultation document and LTP include forecast information.

These responsibilities include those set out in Appendix 1 of that audit engagement letter as detailed below:

Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor:

- responsibilities for compliance with laws and regulations; and
- responsibilities to establish and maintain appropriate standards of conduct and personal integrity.

#### **Specific responsibilities**

The Council is responsible for:

- maintaining accounting and other records that:
  - correctly record and explain the forecast transactions of the Council;
  - enable the Council to monitor the resources, activities, and entities under its control;

- enable the Council's forecast financial position to be determined with reasonable accuracy at any time; and
  - enable the Council to prepare forecast financial statements and performance information that comply with legislation; and
- providing us with:
  - access to all information and assumptions relevant to preparing the consultation document and LTP, such as records, documentation, and other matters;
  - additional information that we may request from the Council for the purpose of the audit;
  - unrestricted access to Council members and employees that we consider necessary; and
  - written confirmation of representations made to us in connection with the audit.

### **Health and safety of audit staff**

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, we need to make arrangements with you to keep our audit staff safe while they are working at your premises.

We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

**Appendix 2: Team mix and hours for the audit of the consultation document and LTP for the 10-year period commencing on 1 July 2021**

	Total hours
Appointed Auditor	60
Sector Specialists	1
Audit Manager	100
Other CA staff	125
Staff not yet CA qualified	210
Other Expert or Specialist Assistance:	
• SAAS	8
<b>Totals</b>	<b>504</b>

**Fee calculations**

	\$
Net fee	76,000
OAG overhead contribution*	NIL
<b>Total fee (including overhead contribution)</b>	76,000
GST	11,400
<b>Audit fee for the LTP for the period commencing 1 July 2021</b>	87,400

\* No OAG overhead is charged in relation to the audit of the LTP.

This compares to the fee for the 2018-28 audit of \$71,000 (excluding GST and disbursements) and our actual time of \$111,000. Planned hours were 500 and actual hours were 680.

We will charge disbursements, including travel, on an actual and reasonable basis.

**6.5 OAG FORUM - VERBAL REPORT FROM THE CHAIR**

**Author:** Karalyn Reid, Committee Secretary and PA to the Mayor  
**Authoriser:** Tina Stevenson, Corporate Services Group Manager  
**Attachments:** Nil

**PURPOSE**

For the Chair to give the Audit and Risk Committee a verbal report of any relevant information from the Office of the Auditor General (OAG) Forums held remotely for Audit and Risk Committee Chairs.

**6.6 INFORMATION UPDATES**

**Author:** Tina Stevenson, Corporate Services Group Manager  
**Authoriser:** Tina Stevenson, Corporate Services Group Manager  
**Attachments:** Nil

**PURPOSE**

1. To provide the Audit and Risk Committee with an update of the following Council activities for information purposes:

**Meeting Schedule**

2. The 2021 meeting schedule proposes the following Audit & Risk Committee meeting dates:
  - 2 March 2021
  - 1 June 2021
  - 31 August 2021
  - 30 November 2021

**Security Camera Footage Requests**

3. As per clause 3.8 of Council's Security Camera Policy 321, a report detailing Security Camera footage accessed will be provided to Council's Audit & Risk committee. This report will include details of the access requestor, the access authoriser, the reason given for access and the period & location the accessed images covered.
4. Since the last report in June 2020, there have been some enquiries however these did not result in formal requests or footage being accessed. There is, therefore, no access information to report.

**RECOMMENDATION**

That the Information Updates report is accepted



**6.7 ANNUAL WORK PLAN REVIEW**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. 2021 Annual Work Plan - Draft [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with the draft 2021 Work Plan for review and approval.

**BACKGROUND**

2. The Audit and Risk Committee are required to review the Work Plan for the ensuing year at its December meeting.
3. Attached is the draft Work Plan for consideration.
4. Staff ask the committee to consider the reporting frequency to the Audit & Risk Committee in some areas with a proposal to reduce the reporting from quarterly to six monthly in the following areas:
  - a. External Audit Recommendations
  - b. Corporate Policies Update
  - c. Internal Audit Processes
  - d. Regulatory Compliance
  - e. Health & Safety

**RECOMMENDATION**

1. That the Annual Work Plan Review report is received, and
2. That the 2021 Annual Work Plan is approved, with or without modifications.



## AUDIT AND RISK COMMITTEE

### 2021<sup>10</sup> Annual Work Plan

Approved on ~~19 March 2020~~ 15 December 2020

ACTIVITY	MAR	JUN	SEP	DEC
Meetings				
Schedule meetings for next year				●
Committee Chair to establish meeting agenda	●	●	●	●
Minutes of previous meeting	●	●	●	●
Review action list	●	●	●	●
Review Committee work plan				●
Chair to provide update report to Council following Committee meetings	●	●	●	●
External Audit				
Schedule Committee meetings with external auditor (discuss issues arising from the interim and final audit reports)	●		●	
Engage and confirm with the external auditor the terms of the auditor's appointment and engagement, including the nature and scope of the audit and timetable	●			
Monitor implementation by management of any issues and recommendations made by external auditors	●	●	●	●
Review reports from other external audits (including IANZ and NZTA) and/or reports relating to Council's performance, of a financial, risk mitigation or compliance nature that are undertaken	As required			
Internal Audit				
Monitor existing corporate policies and recommend new policies	●	●	●	●
Approve the appointment of the internal auditor, internal audit programme, audit engagement letters and letters of undertaking for audit functions		●		
Monitor the delivery and implementation of the internal audit programme and audit processes	●	●	●	●
Regulatory Compliance				
Monitor Council's compliance with laws (including governance legislation, regulations and associated government policies) with Council's own standards and sector best practice guidelines	●	●	●	●


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ACTIVITY	MAR	JUN	SEP	DEC
<b>Risk Management and Internal Controls</b>				
Monitor corporate risk assessment	●	●	●	●
Recommend to Council an appropriate level of risk tolerance	●			
Review Council's Risk Management Policy and recommend any amendments				●
Health and safety report	●	●	●	●
Monitor access requests to Council's security camera footage		●		●
Review Council's Insurance Arrangements and monitor claims		●		
Review requests for budgets to be carried forward to the following financial year			●	
<b>Projects</b>				
Monitor major projects including the overall capital works programme	●	●	●	●
<b>Other</b>				
Approve, coordinate and monitor special investigations	As required			
Review the performance of the Committee and Terms of Reference at the commencement of the new triennium (in collaboration with Council)	As required			
Review and make recommendations on any relevant reports prepared by management for public distribution.	As required			
Review policy relating to Treasury, published Financial Statements and accounting standards of Council.	As required			

**6.8 2020/21 BUDGET CARRY FORWARDS**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. 2020/21 Budget Carry Forwards [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with Council's 2020/21 Budget Carry Forwards for consideration of risk.

**Background**

2. At the September 2020 Audit and Risk Committee meeting it was noted that the Budget Carry Forwards were to be presented to the next Audit & Risk Committee Meeting, as the timing of the September meeting did not allow their completion.
3. Operational and capital expenditure projects that are budgeted and funded in Council's Long Term Plan and Annual Plans are sometimes unable to be completed during the financial year for a variety of reasons.
4. At the time of Annual Plan 2020/21 preparation managers identified operational and capital expenditure projects to be included in the Plan. Following 30 June 2020, managers have reassessed the uncompleted projects as outlined in the attached report.
5. The Budget Carry Forwards were reported to Council at the 13 October 2020 meeting with management budgets now updated. The Budget Carry Forwards are provided to the Audit & Risk Committee for consideration of risk.

**RECOMMENDATION**

That the 2020/21 Budget Carry Forwards report is accepted

Item	Description	Budget Holder	Reason for carry forward	2018/19 Total Actuals	2019/20 Total Actuals	2019/20 Annual Plan	Carry forwards from 2018/19	2019/20 Total Budget (Inc Carry Fwd)	2019/20 Variance to budget	Proposed Carry Forward to 2020/21	2020/21 Annual Plan	2019/20 Total Budget (Inc Carry Fwd)
<b>Operational Items</b>												
1	Economic Development Strategy	Michelle Jones	The Economic Development Steering Group are progressing a number of projects.	4,900	30,520	51,000	87,100	138,100	107,600	107,600	25,000	132,600
2	Economic Development - Council initiatives	Michelle Jones	Expenditure is funded via the Economic Development Special Grant Fund, with the unspent funds proposed to be carried forward.	0	0	69,450	80,000	149,450	149,500	149,500	70,000	219,500
3	Economic Development and Promotions - Rebranding	Michelle Jones	Economic Development and Promotions - The rebranding project is about to commence.	930	4,020	0	49,100	49,100	45,100	45,100	0	45,100
4	Economic Development and Promotions - Brochures, souvenirs, videos and photographs	Michelle Jones	Funds proposed to be re-purposed towards purchasing a branded marquee (capital item), maintainance and painting the yellow shed, and Christmas lights for the band rotunda.	1,430	24,800	24,200	29,000	53,200	28,400	28,400	18,000	46,400
5	Community Support - Community Link grant	Carolyn Johns	Due to a delay in payment of the 2019/20 grant, it is proposed to carry forward and make payment this year.	0	0	17,600	0	17,600	17,600	17,600	17,600	35,200
6	Community Support - Recreational track grants	Carolyn Johns	Propose to grant unspent funds from the prior year, held in reserve, during the 2020/21 funding rounds.	10,090	23,470	20,000	9,900	29,900	6,400	6,400	20,000	26,400
7	Community Support - Sport NZ Rural Travel Fund	Carolyn Johns	Propose to grant unspent funds from the prior year, held in reserve, during the 2020/21 funding rounds.	8,470	3,270	9,500	0	9,500	6,200	6,200	9,500	15,700
8	Public Toilets - Repairs and maintenance	Dan Mitchell	Some increased maintenance is proposed for 2020/21.	9,400	3,740	15,420	0	15,420	11,700	11,700	15,420	27,120
9	Various activities - Asset Management Plans	Dan Mitchell	Some increased spends for Asset Management Plan preparation for the Long Term Plan is proposed for 2020/21.	17,700	34,640	71,720	0	71,720	37,100	37,100	71,800	108,900
10	Central Administration - Utilities staff training	Dan Mitchell	Some increased training is proposed for 2020/21.	13,530	2,960	10,000	0	10,000	7,000	7,000	5,500	12,500
11	Central Administration - Health and safety protective clothing	Paul Cooper	Propose to carry forward the unspent Protective Clothing operational budget for spend during 2020/21.	4,150	10,050	20,000	0	20,000	10,000	10,000	10,000	20,000
12	Central Administration - IT security testing	Tina Stevenson	Cyber Security consultancy budget carried forward to be used for penetration testing.	2,000	0	10,000	0	10,000	10,000	10,000	0	10,000
<b>Total Operational Carry Forwards</b>										<b>436,600</b>		

Item	Description	Budget Holder	Reason for carry forward	2018/19 Total Actuals	2019/20 Total Actuals	2019/20 Annual Plan	Carry forwards from 2018/19	2019/20 Total Budget (Inc Carry Fwd)	2019/20 Variance to budget	Proposed Carry Forward to 2020/21	2020/21 Annual Plan	2019/20 Total Budget (Inc Carry Fwd)
<b>Capital Items</b>												
13	Library - Self service and library item security	Carolyn Johns	Propose to re-purpose the unspent capital budget to fund some Library furniture purchases.	26,050	26,050	0	34,000	34,000	8,000	8,000	0	8,000
14	Property - Community Housing operational maintenance	Carolyn Johns / Dan Mitchell	Propose to re-purpose the unspent operational maintenance budget to fund painting of the units.	5,800	4,520	12,000	0	12,000	7,500	7,500	0	7,500
15	Property - Utilities depot washdown concrete pad and interceptor	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	0	0	11,840	0	11,840	11,840	11,840	0	11,840
16	Property - Local Government Centre floor coverings and heatpumps	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	5,200	0	40,880	0	40,880	40,880	40,880	0	40,880
17	Property - New public toilets (Waimate town)	Dan Mitchell	Carried forward from the 2017/18 Annual Plan, with commissioning of a strategy about to begin.	0	0	0	200,000	200,000	200,000	200,000	0	200,000
18	Event Centre - Landscaping	Carolyn Johns	The project budget was partially used to fund the Sound System, therefore the remaining underspend is proposed to be carried forward to 2020/21.	0	0	40,880	0	40,880	40,880	7,000	0	7,000
19	Sewer - Various renewals, DO probe and control, disposal field border dyke renewals	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	119,894	105,015	252,374	96,700	349,074	244,000	244,000	305,900	549,900
20	Stormwater - Various renewals, upgrades, weather station, CCTV assessments etc	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	0	17,287	133,640	82,100	215,740	198,500	198,500	0	198,500
21	Rural Water - Otaio Makikihi Tavistock bore treatment filter and UV	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	640	22,960	0	166,400	166,400	143,400	143,400	0	143,400
22	Urban Water - Rising main renewals, Timaru Road and Manchesters Road treatment filter and UV's.	Dan Mitchell	Carry forward net remaining budgets to Rising mains renewals for spend during the 2020/21 financial year.	447,710	467,550	498,580	99,400	597,980	130,400	130,400	0	130,400
23	Urban Water - CI water main renewals	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	147,653	292,484	164,480	172,300	336,780	44,300	44,300	168,480	212,780
24	Urban Water - Pressure management	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	0	0	77,100	0	77,100	77,100	77,100	0	77,100
25	Urban Water - Timaru Rd Retic Sub Pump 1 Harmonic filter	Dan Mitchell	Carry forward budget for spend during the 2020/21 financial year.	0	0	0	25,000	25,000	25,000	25,000	0	25,000
26	Urban Water - Reservoir 240V switch board	Dan Mitchell	Project to be completed during the 2020/21 financial year.	0	0	8,220	0	8,220	8,220	8,220	0	8,220
27	Camping - Waitaki Lakes pipe renewals	Dan Mitchell	Project to be completed during the 2020/21 financial year.	20,620	2,020	10,220	0	10,220	8,200	8,200	10,440	18,640
28	Camping - Waitaki Lakes chlorine dosing Te Aka & Waitangi	Dan Mitchell	Project to be completed during the 2020/21 financial year.	0	48,340	30,660	48,000	78,660	30,000	30,000	31,320	61,320
29	Camping - Victoria Park driveway reseals	Dan Mitchell	Project to be completed during the 2020/21 financial year.	0	0	0	33,000	33,000	33,000	33,000	8,350	41,350
30	Cemetery - Upgrade workshop, office & toilet	Dan Mitchell	This project was budgeted in the 2017/18 Annual Plan. The project is partially completed (workshop and office) with the remaining budget to complete the toilet.	0	0	0	10,000	10,000	10,000	10,000	0	10,000
31	Cemetery - Concrete storage (Large bins)	Dan Mitchell	Project to be completed during the 2020/21 financial year.	0	0	10,000	0	10,000	10,000	10,000	0	10,000

Item	Description	Budget Holder	Reason for carry forward	2018/19 Total Actuals	2019/20 Total Actuals	2019/20 Annual Plan	Carry forwards from 2018/19	2019/20 Total Budget (Inc Carry Fwd)	2019/20 Variance to budget	Proposed Carry Forward to 2020/21	2020/21 Annual Plan	2019/20 Total Budget (Inc Carry Fwd)
32	Parks and Public Spaces - Knottingley Park driveway reseal	Dan Mitchell	Project to be completed during the 2020/21 financial year.	3,228	0	0	25,000	25,000	25,000	25,000	0	25,000
33	Parks and Public Spaces - Knottingley Park Geogrid matting	Dan Mitchell	Project to be completed during the 2020/21 financial year.	0	0	30,000	0	30,000	30,000	30,000	0	30,000
34	Vehicle Replacements	Tina Stevenson	Fleets replacements to be carried forward to 2020/21. Purchases delayed due to condition of vehicles not requiring earlier replacement.	0	0	195,200	101,000	296,200	296,200	296,200	0	296,200
35	Central Administration - Computer hardware, network switches and firewall	Tina Stevenson	Carry forward budgets for computer hardware for additional staff, an extra switch at the LGC and the firewall project to be completed during 2020/21.	12,511	15,950	32,330	2,500	34,830	18,900	18,900	15,660	34,560
36	Central Administration - Chief Executive, various operational underspends	Stuart Duncan	Propose to carry forward unspent operational budgets for re-purposing to fund the Online Payment software capital item.	39,470	39,480	107,800	47,500	155,300	115,800	115,800	0	115,800
Total Capital Carry Forwards										1,723,240		
Total Operational and Capital Carry Forwards										2,159,840		

**6.9 CARBON FOOTPRINT**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Waimate District Council - Greenhouse Gas Emissions [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with an update on Council's Carbon Footprint.

**Background**

2. At the March 2020 Audit and Risk Committee meeting the committee resolved "That the Committee recommend that the Council consider measuring our carbon footprint."
3. Council engaged Mad World to prepare a Greenhouse Gas Emission Report. A variety of information was collated and provided to enable the report to be completed.
4. The report is now attached for the Committee's information, highlighting Council's positive contribution towards climate change by achieving negative net carbon emissions throughout its everyday activities.
5. A resulting media release was issued on 12 October 2020 summarising the findings and Council's positive position.
6. Report recommendations are being considered with the impact on emissions continuing to be factored in to all activities of Council.

**RECOMMENDATION**

That the Carbon Footprint Report is accepted



# **Waimate District Council Greenhouse Gas Emissions 2018/19 Tax Year**

*(1 July 2018 – 30 June 2019)*

Prepared for Waimate District Council by Mad World Ltd



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**Disclaimer:** This report has been prepared by Mad World Ltd. Every effort has been made to ensure the reporting methodology is consistent with the requirements of ISO 14064-1:2018, however Mad World Ltd does not accept any responsibility whether in contract, tort, equity or otherwise for any action taken, or reliance placed on it, or for any error or omission from this report.

## Introduction

### Organisation Description

Waimate District Council is a territorial authority in the Canterbury Region of the South Island of New Zealand. The boundary of the Council's area of responsibility is the Waitaki River to the south, to the west Lake Benmore and to the north-east the Pareora River. Waimate District had a population of 7,815, with the main town being Waimate.

The Council's services include:

- Building consents.
- Local roads and footpaths.
- Water and Sewerage system.
- Rubbish, recycling and landfills.
- Parks and sports fields.
- Recreation centres, libraries and pool.
- Social housing.
- Civil defence.

The Council has a team of 58 full time equivalent staff members, with headquarters located in Waimate.

### Statement of Intent

A greenhouse gas (GHG) inventory is a comprehensive analysis of an organisation's applicable GHG emissions and removals within a defined boundary, over a specified period. This is the first annual GHG emissions inventory undertaken by the Waimate District Council. This report provides details of this baseline inventory and associated analysis. The organisation has no reporting obligations and this inventory has been undertaken on a voluntary basis, with the following key aims:

- ✓ Understanding the Council's current carbon footprint.
- ✓ Stimulate planning for reducing/ mitigating carbon emissions.
- ✓ Provide a base year for data, which will allow GHG emissions to be tracked and compared annually, in order to determine the success of carbon reducing initiatives.

The Council believes that the climate is changing and is committed to working with the community and partner organisations and Iwi to focus our work and decisions that will lessen the environmental impacts and promote ecological use and care for the environment.

## Approach

This report follows guidance given by the New Zealand Government, *Guidance for Voluntary Greenhouse Gas Reporting* (MfE 2019). This approach includes adopting the methodology outlined by *GHG Protocol Corporate Accounting and Reporting Standard* (World Business Council & World Resources Institute 2001) and *ISO 14064-1: 2018 standard* (International Standards Organisation 2018).

A GHG is a gaseous constituent of the atmosphere, both natural and anthropogenic. There are six GHGs listed in the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). Each gas absorbs and emits radiation at different wavelengths, within a specific atmospheric residence time. These differences result in different global warming potentials (GWPs). In order to make comparisons between the different gases, GHG emissions are typically expressed as carbon dioxide equivalent (CO<sub>2-e</sub>).

Under the reporting requirements of *ISO 14064-1:2018* and the *GHG Protocol*, GHG emissions should be reported in tonnes of CO<sub>2-e</sub>. However, some emissions are too small to be reported meaningfully in tonnes, so this report utilises emission factors in kilograms of CO<sub>2-e</sub> per unit. To help with the reader's comprehension, this report refers to overall carbon dioxide equivalent emissions in tonnes (rounded up) in the main section and uses kilograms in the methodology section.

The quantification methodology in this report uses calculations based on GHG activity data multiplied by GHG emission or removal factors. Activity data relates to a measure of activity that results in a GHG emission or removal (e.g. litres of petrol fuel from vehicle travel). Emissions factors are calculated from activity data to estimate GHG emissions. These emission factors have been calculated using GWPs sourced from the IPCC's Fourth Assessment Report (2007).

## Organisational Boundaries

Organisational boundaries have been determined as required by the methodology in the *ISO 14064-1: 2018 standard*, which allows for two approaches:

- **Control:** the organisation accounts for all quantified GHG emissions and/or removals from facilities over which it has financial or operational control; or
- **Equity share:** the organisation accounts for its portion of GHG emissions and/or removals from respective facilities.

This report takes an operational control consolidation approach to account for emissions, which is recommended as best practice. This approach allows the Waimate District Council to focus on the emission sources over which the organisation has day-to-day control and can consequently implement management decisions.

## Reporting Period: Financial Year 2018/19

Organisations can choose to report on a calendar or financial year basis. This inventory focuses on the governmental financial year, covering the period from 1 July 2018 to 30 June 2019, which will be established as a base year for comparative purposes within future reports.

### Scope

The GHG Protocol identifies three different scopes of emissions, to help delineate direct and indirect emission sources. Scopes 1 and 2 are required under the GHG Protocol. Scope 3 is optional, providing organisations with an opportunity to be innovative in GHG management. Scopes 1 and 2 are carefully defined to ensure that two or more organisations will not account for emissions in the same scope. The activities that occur in Scope 3 for some organisations will fall under Scope 1 for others, if the pertinent emission sources are owned or controlled by the company (as defined under the organisational boundaries).

Under government guidance (MfE 2019), the different emission sources under the three scopes for a typical organisation are defined as follows:

**Scope 1 Direct GHG emissions:** defined as 'direct GHG emissions from sources that are owned or controlled by the organisation'.

- Stationary combustion.
- Transport fuels.
- Refrigerant use.

**Scope 2 Indirect GHG emissions:** defined as 'emissions from the consumption of electricity, steam, or other sources of energy generated upstream from the organisation'.

- Purchased electricity.

**Scope 3 Other indirect GHG emissions:** defined as 'emissions that are a consequence of the operations of an organisation, but are not directly owned or controlled by the organisation'.

- Transmission and distribution losses from purchased electricity.
- Air travel (domestic and international).
- Rental cars.
- Taxis.
- Accommodation.
- Freight transport.
- Water supply and wastewater treatment.
- Waste.

## Reporting Boundaries & Exclusions

This report has undertaken analysis of all of Waimate District Council's services and facilities. The *ISO 14064-1: 2018 standard* allows exclusions of direct or indirect emissions, which are not material or whose quantification would not be technically feasible or cost effective. This includes emissions that are estimated to be *de minimus*, being well below the 5% threshold of the entire inventory.

In line with the operational control consolidation approach, emissions that result from operations that are completely outside of the Waimate District Council's day-to-day management are excluded. This exclusion helps avoid the potential for double counting of emissions. Double counting refers to the possibility of two separate entities including the same emissions in their respective inventories.

The following activities have not been included in this report:

- **Scope 1. Transport Fuels (public transport):** The Council is responsible for public passenger transport (buses) in Dunedin and Queenstown. However, these services are contracted out to a private company.
- **Scope 1. Refrigerants use:** There are no significant emissions from unintentional leaks and spills from refrigeration units, air conditioners and heat pumps.
- **Scope 3. Rental Cars:** Rental vehicles are seldom used and associated emission are insignificant.

There are some categories where no activity took place, including international air travel and international accommodation. Furthermore, Waimate District Council does not have any forestry or other removal mechanisms.

## Report Layout

This report is in three sections:

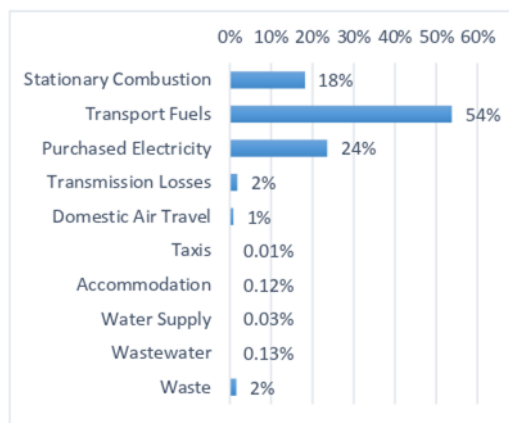
- **Section 1:** Outlines the GHG emissions and removals, with explanatory details on the activity data and emissions factors.
- **Section 2:** Provides more technical details on the methodology of how the activity data has been calculated and details the figures relating to calculations. This section is critical in ensuring that subsequent inventories are conducting using the same methodology.
- **Section 3:** Details the proposed action plan for lowering emissions. This includes a full list of recommendations across all activity areas, timeframes, the likely impacts on emissions, and organisational requirements.

## Gross Emissions

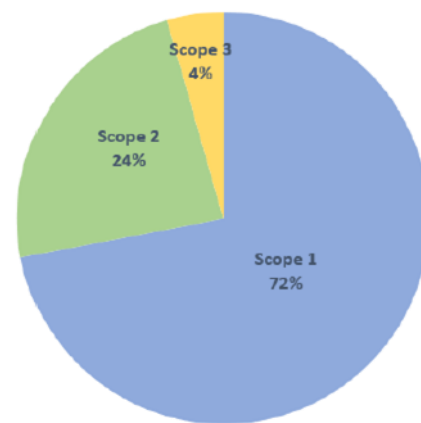
The total gross carbon dioxide equivalents for the Waimate district Council are **904 tonnes (903,721 kilograms)**:

Scope	Activity	Tonnes				Percentage
		Total CO <sub>2</sub> -e	CO <sub>2</sub> -e	CH <sub>4</sub>	N <sub>2</sub> O	
Scope 1	Stationary Combustion	164.5	163.6	0.4	0.7	18%
Scope 1	Transport Fuels	486.0	478.3	0.8	8.0	54%
Scope 2	Purchased Electricity	213.1	203.2	9.6	1.9	24%
Scope 3	Transmission Losses	16.1	15.4	0.7	0.0	2%
Scope 3	Domestic Air Travel	7.4	7.3	0.0	0.1	1%
Scope 3	Taxis	0.1	0.1	0.0	0.0	0.01%
Scope 3	Accommodation	1.0	n/a	n/a	n/a	0.12%
Scope 3	Water Supply	0.2	0.2	0.0	0.0	0.03%
Scope 3	Wastewater	1.2	0.2	0.4	0.6	0.13%
Scope 3	Waste	14.0	n/a	14.0	n/a	2%
	<b>Totals</b>	<b>904</b>	<b>868</b>	<b>26</b>	<b>11</b>	

In respect to scope, the most significant emissions are associated with Scope 1 (direct emissions), accounting for the largest proportion of emissions at 72%, followed by Scope 2 (indirect emissions) at 24% and Scope 3 (other indirect emissions) at 4%. In terms of activities, transport fuels are by far the most significant emissions, representing 54% of all the Council's emissions, followed by purchased electricity at 24% and stationary combustion at 18%.



Emissions by Activity (Percentage)



Emissions by Scope (Percentage)

## Net Emissions

Waimate Council has a total of 135 hectares of forest. Emissions under the Land Use, and Land use Change and Forestry sector total **-4,554 tonnes**, meaning that forests act as 'net sink'. Taking into account the Council's gross emissions of 904 tonnes and removals of -4,554 tonnes, this results in net emissions of **-3,650 tonnes**. This means that the Council is making a positive contribution overall towards climate change.

## Emission Source Methodology

This following table provides a summary of the methodology and data sources for calculating GHG emissions. For full details see Section 2.

Scope	Category	Emissions Source	Data Source	Methodology
1	Stationary Combustion	Boiler for heating swimming pool (coal); LPG heating showers.	Fuel summary invoices.	Tonnes of coal; kilograms of LPG.
1	Transport Fuels	Fleet of vehicles and machinery (e.g., tractors, mowers, and other small machinery). Roading Contracts.	Fuel summary invoices; Expense claims (purchased fuel/ mileage).	Calculations used fuel data for vehicles in the majority of cases (litres); in a few cases kilometres travelled were utilised.
2	Purchased Electricity	Electricity consumed in all facilities.	Electricity supplier invoices.	Actual energy use: kilowatt hour (kWh).
3	Transmission and Distribution Line Losses	Electricity consumed.	Electricity supplier invoices.	Actual energy use: kilowatt hour.
3	Air Travel	Domestic flights with radiative forcing.	Flight invoices.	Passenger kilometre, class of travel and type of plane.
3	Taxis	Average between the Diesel 1600–2000 cc and the 2000–3000 cc classes within the 2010–2015 fleet range.	Invoice records showing dollars spent.	Cost of journey converted to kilometres, using an average of \$3 per kilometre.
3	Accommodation	Nights' accommodation.	Travel records.	Location and number of nights stayed in hotels.
3	Water Supply	Metres cubed water.	Metre readings or estimates.	Predominantly estimates of water use.
3	Wastewater Treatment	Metres cubed water.	Metre readings or estimates.	Predominantly estimates of wastewater.
3	Waste	Waste produced.	Number of waste receptacles collected.	Estimated kilograms of waste.
Removals				
LULUCF	Forestry	135 hectares of planted forest	Hectares of forest	Hectares of planted forest. No harvesting undertaken.

### Notes:

- Actual emissions in this section are in tonnes and are rounded to one decimal place, unless the number is significantly small. Sensitivity analysis calculations, which is conducted to show how reducing certain activities will impact emission, utilise a combination of tonnes and kilograms.
- The emission factors for fuels, including those utilised in purchased electricity, do not incorporate emissions associated with the extraction, production and transport of the fuels used in the production of electricity or for vehicle use.



## SECTION 1: Greenhouse Gas Emissions

The following sections provide results for GHG emission across each scope, along with initial recommendations that the Council may consider in order to reduce emissions further. An action plan, which provides details for all recommendations is presented in section 3.

Overall general recommendations are for the Waimate District Council to:

- ✓ Make data and the findings in this report available to staff, so they can understand Waimate District Council's emissions and their contribution to them.
- ✓ Introduce an educational and awareness raising programme for Council staff, focused on reducing emissions from individual's day-to-day activities.
- ✓ Undertake future emissions inventories to track and compare progress over time.
- ✓ Develop a low-carbon procurement strategy, purchasing goods and services that reduce overall life-cycle carbon emissions.

### Scope 1. Emissions

#### Stationary Combustion of Fuels

Stationary combustion emissions result when fuels are burnt in a fixed unit or asset, such as heaters, generators, and boilers, which generate heat, energy and hot water. The Waimate District Council utilises stationary combustion using the following fuels:

- Coal: Used in the furnace for heating the towns swimming pool. The town pool is only open from late October to late March/early April each year. The coal fired furnace was replaced with an electrical heat pump heating system for the 2019/20 pool season.
- Liquefied petroleum gas (LPG): Utilised for heating showers at the swimming pool, events centre and ensuite cabins.

A total of 90.9 tonnes of coal and 1.2 tonnes of LPG were utilised in stationary combustion, resulting in **165 tonnes** of carbon dioxide equivalent:

Emission Source: Stationary Combustion	Activity Data Tonnes	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Coal	91	161	160	0.41	0.734
LPG	1	4	4	0.01	0.002
<b>Totals</b>	<b>92</b>	<b>165</b>	<b>164</b>	<b>0.42</b>	<b>0.736</b>

*Recommendations:*

- ✓ Ensure that boilers are regularly tuned and maintained, and that pipes and insulation checked.

## Transport Fuels

Greenhouse gas emissions from vehicles depend on the amount of fuel that is consumed. When fuel is burnt in a vehicle the reaction results in the release of carbon dioxide, along with other compounds that include nitrous oxides and sulphide. Different fuels have different Global Warming Potentials, with diesel vehicles resulting in higher emissions than petrol driven vehicles.

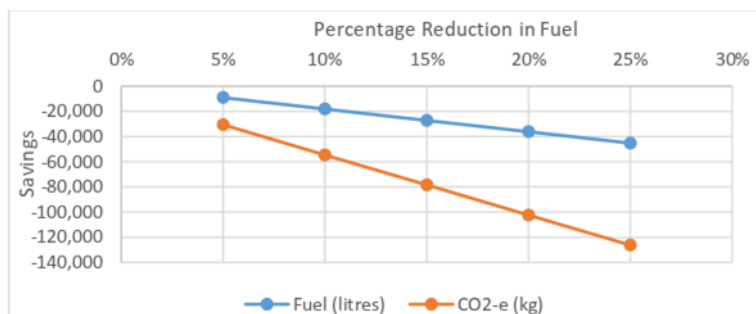
The Waimate District Council uses a range of vehicles and machinery including four-wheeled drive vehicles, tractors, tippers, mowers, and other small machinery. The Council undertakes a range of roading works, utilising a range of vehicles and plant. In addition to the Council's fleet, expense claims are incurred for transport fuels from staff, councillors, consultants and contractors. These claims are either for kilometres travelled.

The Council utilised a total of 172,805 litres of fuel (of which, 139,271 litres were associated with roading works), resulting in **486 tonnes** of carbon dioxide equivalent:

Emission Source: Transport Fuels	Activity Data	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Fuel Data (Litres)					
Diesel	172,805	464.8	457.9	0.6	7.3
Regular Petrol	8,364	20.5	19.7	0.2	0.7
<b>Sub-Total (litres)</b>	<b>181,168</b>	<b>485.3</b>	<b>477.6</b>	<b>0.8</b>	<b>8.0</b>
Expense Claims (Kilometres)					
Diesel	2,102	0.6	0.6	0.00	0.0
Regular Petrol	525	0.1	0.1	0.00	0.0
<b>Sub-Total (Kilometres)</b>	<b>2,627</b>	<b>0.7</b>	<b>0.7</b>	<b>0.00</b>	<b>0.0</b>
<b>Transport Fuels Total</b>		<b>486</b>	<b>478</b>	<b>0.84</b>	<b>8.0</b>

Note that the reason that the emission weight is higher than the starting weight of the fuel, is that through the combustion process oxygen is added to carbon to create carbon dioxide.

**Sensitivity Analysis:** As transport fuels have high emissions factors, reducing the volume of transport fuel will result in correspondingly higher reductions in carbon dioxide equivalent. As displayed in the following graph, even a small reduction of 5% in Waimate District Council's vehicle fuels usage (9,058 litres) would save 30.6 tonnes of carbon dioxide equivalent per year, while a 25% lowering (45,292 litres) would save 126 tonnes per year:



*Transport Fuels Recommendations:*

Face-to-face meetings are clearly an important way to effectively reach organisational goals and continued vehicle use will be required as a result. Although, the impact of COVID-19 on interactions has started to “normalise” virtual meetings. The following actions will help reduce the emissions from transport fuels:

- ✓ Where appropriate, encourage staff to use alternative, low carbon, transport options for travelling to work and for work journeys (walking, cycling, public transport, pool cars, and moving away from single occupancy vehicle journeys).
- ✓ Use videoconferencing/ teleconferencing whenever feasible, to reduce the need to undertake physical journeys.
- ✓ Ensure fleet cars are regularly serviced and maintained to ensure they are running as efficiently as possible.
- ✓ Consider fitting driver tracking systems, which record high Revolutions Per Minute (RPMs), harsh braking, accelerating, sharp cornering and speeding.
- ✓ Educate staff on driving habits to ensure that cars are driven effectively.
- ✓ Determine fleet requirements for diesel powered vehicles.
- ✓ Transition the vehicle fleet to small engine vehicles/ electric cars/ hybrids.

## Scope 2. Emissions

### Purchased Electricity

These are indirect emissions from energy, consumed in owned or controlled equipment by the Waimate District Council, but generated by another company. Emissions are calculated from the total amount of purchased kilowatt hour (kWh).

The facility type that is by far the highest user of purchased electricity are pumps, accounting for 77% of all the council's electricity use:

Facility	Annual kWh	Percentage of kWh	Tonnes Total CO <sub>2-e</sub>
Camping	135,267	6%	13.2
Depot	12,498	1%	1.2
Office	130,954	6%	12.8
Parks	84,929	4%	8.3
Pump	1,682,947	77%	164.4
Stadium	75,900	3%	7.4
Swimming Pool	49,117	2%	4.8
Other	9,091	0.4%	0.9
<b>Total</b>	<b>2,180,703</b>		<b>213</b>

The top five individual users of electricity incurred the following proportion of total emissions for purchased electricity:

1	WATER PUMP TREATMENT, 330 TAVISTOCK ROAD, WAIMATE	13%
2	PUMP, TIMARU ROAD, WAIMATE	12.5%
3	PUMP, 141 FERRY ROAD, GLENNAVY, WAIMATE	12.0%
4	WAIKAKAHI MAIN PUMP, HIGHWAY 82, IKAWAI, WAIMATE	12.0%
5	COUNCIL BUILDINGS, OFFICE/125 QUEEN STREET, WAIMATE	6%

A total of 2,180,703 kWh was utilised across all the council's facilities, resulting in **213 tonnes** of carbon dioxide equivalent.

Emission Source: Purchased Electricity	Activity Data (kWh)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Electricity Total	2,180,703	213.1	203.2	9.57	1.88

### Purchased Electricity Recommendations:

- ✓ Develop awareness raising initiatives to increase staff awareness, improving their daily habits in relation to energy use.
- ✓ Undertake an energy audit and develop a strategy and actions for lowering energy requirements in the Waimate District Council's office and facilities. For example:
  - Replace desktop computers with laptops (laptops are 50-80% more efficient than personal computers).
  - Set equipment to switch to sleep mode (this can save 50% of energy use for computers).

### Scope 3. Emissions

These indirect emissions are a consequence of the activities of Waimate District Council, but are not owned or controlled by the organisation itself.

#### Transmission and Distribution Line Losses for Purchased Electricity

This emission factor accounts for emissions from the additional generation, which is needed to compensate for electricity lost in the transmission and distribution network, resulting from inefficiencies in the grid.

The calculations in this report were based on a total of 2,180,70 kWh and resulted in a total of **16.1 tonnes** of carbon dioxide equivalent.

Emission Source: Transmission Losses	Activity Data (kWh)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Transmission Total	2,180,703	16.14	15.40	0.73	0.014

#### Air Travel

Air travel emissions are based on the total distance travelled and on the area of the plane that each passenger occupies. If a plane is comprised totally of business-class or premium economy seats, as opposed to more densely packed economy class seats, this means that fewer passengers can fly. Therefore, business class and premium economy travel incur higher emissions.

#### Domestic Flights

The Waimate District Council undertook a total of 84 domestic flights, across 12 different flight routes, with the most frequent route between Timaru and Wellington.

These domestic flights resulted in 35,396 passenger kilometres of travel (pkm) and **7.4 tonnes** of total carbon dioxide equivalent.

Emission Source: Domestic Air	Activity Data (pkm)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Jet Aircraft (e.g. Airbus A320)	1,920	0.3	0.3	0.0	0.0
Medium Aircraft (e.g. Aerospatiale ATR 72)	33,476	7.1	7.0	0.0	0.1
<b>Domestic Air Total</b>	<b>35,396</b>	<b>7.4</b>	<b>7.3</b>	<b>0.0</b>	<b>0.1</b>

#### International Flights

The Waimate District Council did not undertake any international flights.

#### Recommendations:

- ✓ Evaluate and where possible reduce the number of staff that need to travel to meetings in other parts of the country.
- ✓ Utilise carbon offset schemes for air travel.

## Taxis

Taxis, shuttles and buses are generally used for travel from domestic airports to and from meetings and conference venues. A total of \$1,661 was spent on taxi travel. These taxi trips resulted in an estimated 554 kilometres of travel (based on \$3 per kilometre) and emissions totalling **124 kilograms (0.1 tonnes)** of carbon dioxide equivalent.

Emission Source: Taxis	Activity Data (Dollars Spent)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
<b>Taxis Total</b>	<b>1,661</b>	<b>0.12</b>	<b>0.12</b>	<b>0.0002</b>	<b>0.002</b>

### Taxis Recommendations:

- ✓ Ensure that staff members coordinate travel and share taxis whenever possible.
- ✓ Utilise taxi companies with low emission policies whenever possible.<sup>1</sup>

## Accommodation

According to the United Nations World Tourism Organization, the hotel industry accounts for approximately 1% of global emissions. Prior to the impact of COVID-19 this proportion of emissions was set to increase. The Council only utilised accommodation within New Zealand, with no international trips. Emissions were calculated using the Cornell Hotel Sustainability Benchmarking Index (CHSB) Tool (Ricaurte and Jagarajan 2019), which is the hotel industry's largest annual benchmarking of energy, water, and carbon.

A total of 85 nights of accommodation were incurred within New Zealand, resulting in **1 tonne** of carbon dioxide equivalent:

Emission Source: Accommodation	Activity Data (Nights)	Emissions (tonnes)
		Total CO <sub>2-e</sub>
New Zealand	85	12.3
<b>Accommodation Total</b>	<b>85</b>	<b>12.3</b>

### Accommodation Recommendations:

- ✓ Evaluate and where possible reduce the number of staff that need to travel.
- ✓ Identify hotel chains and companies with a low carbon footprint.<sup>2</sup>

<sup>1</sup> Note that future inventories will not pick up any emissions savings from taxi companies with green fleets, as calculations use default emission factors.

<sup>2</sup> Note that emissions savings from a low-carbon hotel will not be picked up in future inventories, as calculations utilise average emission factors based on country.



### Water Supply

Emissions result from energy use in water supply. The Waimate District Council uses water directly in its offices and depots, as well as provides water for public use in its facilities:

Facility Type	Water (m <sup>3</sup> )	Total CO <sub>2-e</sub> (kg)
Offices & Depots	634	20
Campgrounds & Cabins	1,680	53
Swimming Pool	2,626	82
Other	2,653	83
<b>Total</b>	<b>7,592</b>	<b>238</b>

Water use resulted in an estimated 7,592 cubic water and emissions totalling **0.2 tonnes** of carbon dioxide equivalent.

Emission Source: Water Supply	Activity Data (Metres Cubed Water)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
<b>Taxis Total</b>	<b>7,592</b>	<b>0.24</b>	<b>0.23</b>	<b>0.0106</b>	<b>0.0002</b>

#### Recommendations:

- ✓ Provide communications to staff and the public to raise awareness on the importance of water use efficiency.

### Wastewater Treatment

Domestic wastewater treatment plant emission factors are derived from the total energy use emissions in the wastewater treatment plants, and the gases emitted during the treatment process. There are no direct carbon dioxide emissions from wastewater treatment itself, only methane and nitrous oxide.

The Waimate District Council uses water directly in its offices and depots, as well as provides water for public use in its facilities. It must be noted that information for wastewater use is limited and there was no data for many facilities.

Facility Type	Water (m <sup>3</sup> )	Emissions (tonnes)
Offices & Depots	281	0.1
Campgrounds & Cabins	420	0.2
Other	1,926	0.9
<b>Total</b>	<b>2,627</b>	<b>1.2</b>

Wastewater treatment resulted in an estimated 2,627 cubic water and emissions totalling **1.2 tonnes** of carbon dioxide equivalent.

Emission Source: Wastewater	Activity Data (Metres Cubed Water)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
<b>Taxis Total</b>	<b>2,627</b>	<b>1.17</b>	<b>0.20</b>	<b>0.3967</b>	<b>0.573</b>

#### Recommendations:

- ✓ Provide communications to staff and the public to raise awareness on the importance of wastewater efficiency.

## Waste

Waste disposal emissions result from the disposal of materials at landfill. The anaerobic decomposition of organic-based waste (e.g. food waste and paper) in landfills generates methane, a powerful greenhouse gas (methane is considered to have a global warming potential that is 21 times higher than carbon dioxide). The Waimate District Council's waste is sent to Redruth Landfill at Timaru, which has landfill gas collection and energy generation systems in place.

The Council sent an estimated total of 56,510 kilograms of waste to landfill during the year. The exact composition of this waste is not known. This included 2,675 kilograms from Council offices and other facilities, and 53,835 kilograms of waste from public facilities:

Facility Type	Waste	Recyclables	Total	Percentage of Recyclables
Offices	2,295	3,150	5,445	58%
Other Council Facilities	380	58	438	13%
Cabins	380	156	536	29%
Campgrounds	44,780	23,022	67,802	34%
Events Centre	1,930	150	2,080	7%
Swimming Pool	131	54	185	29%
Other	6,614	4,212	10,826	39%
<b>Total</b>	<b>56,510</b>	<b>30,802</b>	<b>87,312</b>	

An estimated total of 1,258 kilograms of paper were diverted from landfill. If this paper was landfilled it would result in an additional 0.8 tonnes of carbon dioxide equivalent, since paper will decompose and produce methane.

An estimated total of 29,545 kilograms of recyclables (plastics, metals and glass) were diverted from landfill. Recyclable material is considered inert, because decomposition is slow and does not typically directly produce GHG emissions.

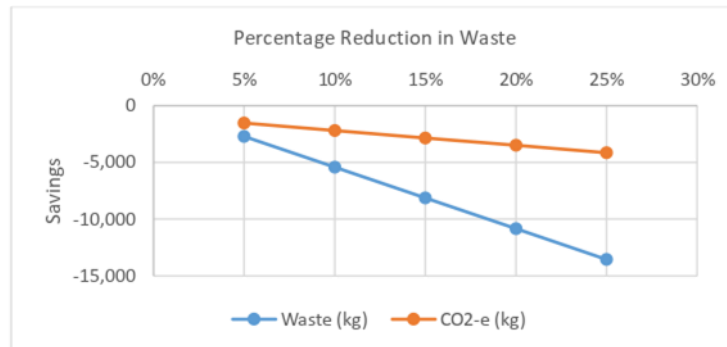
The separation of Council waste and diversion of 30,802 kilograms of recyclable material has provided a contribution to the principles of the circular economy, by keeping materials in circulation. It must be noted that this inventory is not a full life-cycle assessment, so this report does not include an analysis of life-cycle emissions for waste products.

A total of 56,510 kilograms (56.5 tonnes) of waste was disposed of by Waimate District Council, which resulted in emissions of **14 tonnes** of carbon dioxide equivalent:

Emission Source: Waste	Activity Data (kilograms)	Emissions (tonnes)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Unknown Composition					
Office Waste	2,295	0.87	n/a	0.87	n/a
General Waste	54,215	13.12	n/a	13.12	n/a
Total	56,510	13.99	n/a	13.99	n/a



**Sensitivity Analysis:** Reducing the amount of waste sent to landfill, either through reduction in the generation of waste or increasing diversion to recycling, can result in some modest reductions in carbon dioxide equivalent. The following graph displays how a reducing waste by 5% (2,711 kg) saves 1,530 kilograms of carbon dioxide equivalent, while a 25% reduction in waste (13,554 kg) will save 4,154 kilograms of carbon dioxide equivalent.



**Waste Recommendations:**

- ✓ Reduce paper use, favouring digital forms of communication whenever possible.
- ✓ Encourage staff to purchase products that utilise recycled content in packaging.
- ✓ Ensure all staff have access to an advanced waste diversion system of bins to facilitate recycling and composting.
- ✓ Ensure campsites and other public facilities have adequate facilities and communications, in order to promote the reduction in waste and the encouragement of higher levels of recycling.
- ✓ Undertake an analysis of waste using the Solid Waste Analysis Protocol to determine the exact volume and composition of Waimate District Council's waste streams.

## Removals

### Land Use, Land-Use Change and Forestry (LULUCF)

The LULUCF sector is responsible for both emitting GHG to the atmosphere (through deforestation) and removing GHG from the atmosphere (through forest growth and increasing organic carbon stored in soils). When emissions exceed removals, LULUCF is a 'net source' and emissions are positive. When removals exceed emissions, LULUCF is a 'net sink' and emissions are deemed negative.

Forests can act as carbon sinks, by trees absorbing carbon from the atmosphere through photosynthesis, which is then deposited in the tree's biomass (roots, trunk, branches and leaves) and in soils. This process is referred to as carbon sequestration. The exact amount of sequestration by a forest will depend on a range of attributes, including species type and age. Conversely, forests can be carbon sources, with carbon released into the atmosphere when trees burn or decay after dying.

Waimate District Council has 135 hectares of planted forests. There has been no harvesting or deforestation during the reporting period. The planted and natural forests resulted in the removal of **-4,554 tonnes** of carbon dioxide equivalents, making LULUCF a net sink.

Emission Source: LULUCF (Forest Growth)	Activity Data (hectares)	CO <sub>2</sub> e (Tonnes)	C/Unit
Planted Forest	135	-4,554	-1,242
<b>LULUCF Total</b>	<b>135</b>	<b>-4,554</b>	<b>-1,242</b>

It is also useful to understand the determine the estimated carbon stored in forests, in order to help the Council understand the potential impact of some forestry activities (harvesting) on emissions, and how to manage land use for carbon. In this regard the total carbon dioxide equivalents for all from forestry is estimated to be **127,792 tonnes**, amounting to **34,852 tonnes** of carbon.

Emission Source: LULUCF (Land Use Change)	Activity Data (hectares)	Potential Emissions (Tonnes)	
		Total CO <sub>2</sub> -e	Carbon
Planted Forest	135	127,792	34,852
<b>LULUCF Total</b>	<b>135</b>	<b>127,792</b>	<b>34,852</b>

#### Recommendation:

- ✓ Continue to sustainably manage forestry in order to provide a carbon sink and reduce Waimate District Council's GHG footprint.

## SECTION 2: Methodology

### Methodological Overview

This section provides an audit trail of how emissions have been calculated across each emissions source. This information will be important for any future GHG inventories that the Waimate District Council undertakes. The consistent application of accounting approaches, inventory boundary, and calculation methodologies are essential for tracking, assessing and reporting on GHG emissions over time. If there are any future changes in the inventory boundary, methods, data or any other factors affecting emission estimates, they need to be transparently documented and justified.

GHG emissions sources were identified with reference to the methodology described in the GHG Protocol and ISO 14064-1: 2018 standards. In line with the reporting requirements for Scope 1 emission sources, the GHG emissions for carbon dioxide, methane and nitrous oxide are reported separately, as well as the total carbon dioxide equivalent. Carbon dioxide emission factors are based on the carbon and energy content of a fuel. Therefore, these emissions remain constant irrespective of how a fuel is combusted. Non-carbon dioxide emissions (methane and nitrous oxide) and emission factors depend on the way the fuel is combusted. To reflect this variability uncertainty estimates are provided for scope 1 emission factors, which have been sourced from the Ministry for the Environment (2019).

Identification of emissions sources and activity data was undertaken via communications with Council staff, using established databases and information sources. Emission Factors have been sourced using best available recommendations, predominantly obtained from the Ministry for the Environment, in order to ensure that they are the most applicable for a New Zealand context.

*Notes: all emissions in this section are in kilograms, unless otherwise stated. Numbers associated with emission factors are typically rounded to two or three decimal places, unless the number is significantly small. Consequently, numbers may not always add up due to rounding. The kg CH<sub>4</sub> and kg N<sub>2</sub>O figures are expressed in kg CO<sub>2</sub>-e.*

## Total Emissions Summary

### Gross Emissions

The total gross carbon dioxide equivalents for the Waimate District Council are **903,721 kilograms**:

Scope	Activity	Data Used	Kilograms			
			Total CO <sub>2</sub> -e	CO <sub>2</sub> -e	CH <sub>4</sub>	N <sub>2</sub> O
Scope 1	Stationary Combustion	92,085 kg	164,521	163,601	418	736
Scope 1	Transport Fuels	181,168 litres	486,044	478,281	845	7,972
Scope 2	Purchased Electricity	2,180,703 kWh	213,055	203,242	9,573	1,878
Scope 3	Transmission Losses	2,180,703 kWh	16,137	15,396	726	14
Scope 3	Domestic Air Travel	35,396 pkm	7,388	7,283	28	104
Scope 3	Taxis	\$1,661	125	121	0.2	2
Scope 3	Accommodation	85 nights	1,046	n/a	n/a	n/a
Scope 3	Water Supply	7,592 m <sup>3</sup>	238	227	11	0
Scope 3	Wastewater	2,627 m <sup>3</sup>	1,174	202	397	573
Scope 3	Waste	56,510 kg	13,994	n/a	13,994	0
	<b>Totals</b>		<b>903,721</b>	<b>868,352</b>	<b>25,992</b>	<b>11,279</b>

### Net Emissions

Waimate Council has a total of 135 hectares of forest. Emissions under the Land Use and Land use Forestry sector total **-4,553,803 kilograms**, meaning that forests act as 'net sink'. Taking into account the Council's gross emissions of 903,721 kilograms and removals of -4,553,803 kilograms, results in net emissions of **-3,650,082 kilograms**. This means that the Council is making a positive contribution overall towards climate change.

## Scope 1. Methodology

### Stationary Combustion of Fuels Methodology

The Waimate District Council uses the following fuels in stationary combustion:

- Coal: 90,870 kilograms of coal in the furnace for heating the towns swimming pool. This furnace was utilised from late September 2018 until late March 2019 and resulted in 160,840 kilograms of carbon dioxide equivalent.
- LPG: 405 kilograms used for heating showers at the Swimming Pool, resulting in 1,227 kilograms of carbon dioxide equivalent.
- LPG: 270 kilograms used for heating showers at the Events Centre, resulting in 818 kilograms of carbon dioxide equivalent.
- LPG: 540 kilograms used for heating showers at the Ensuite Cabins, Tennent Street, resulting in 1,636 kilograms of carbon dioxide equivalent.

No transmission and distribution losses were calculated for this natural gas. Calculations used emission factors for common fuels used for stationary combustion in New Zealand, sourced by the Ministry of Business, Innovation and Employment (MBIE):

Emission Source: Stationary Combustion	Activity Data	Emission Factors/ Emissions (kg)				
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	Uncertainty kg CO <sub>2-e</sub> /unit
<i>Coal (Default)</i>	<i>Kg</i>	<i>1.77</i>	<i>1.76</i>	<i>0.00452</i>	<i>0.00808</i>	<i>3.50%</i>
	90,870	160,840	159,931	411	734	
<i>LPG</i>	<i>Kg</i>	<i>3.03</i>	<i>3.02</i>	<i>0.00594</i>	<i>0.0014</i>	<i>0.50%</i>
	1,215	3,681	3,669	7	2	
<b>Totals</b>	<b>92,085</b>	<b>164,521</b>	<b>163,601</b>	<b>418</b>	<b>736</b>	

### Transport Fuels Methodology

The calculations in this report utilised data from fuel provider records and expense claims. The fuel records provide details for Waimate District Councils vehicles (including four-wheeled drive vehicles, a truck, and a tipper), tractors, small machinery (e.g., compactors), and mowers:

Vehicle/ Plant	Litres of Fuel
Mower	776
Small Machinery	2,230
Tractor	5,054
Vehicle	33,837
<b>Grand Total</b>	<b>41,897</b>

The Council undertakes roading works, which utilise a range of vehicles and plant. The calculations include the following estimates of fuel use:

- Whitestone fuel used from the last financial year ending June 2020 from Waimate depot: 115,933 litres of diesel (vehicles); 138 litres of petrol (plant).
- Reseal works utilised 10 vehicles/ trucks for 20 days work, utilising an estimated 80 to 100 litres of fuel per day: 20,000 litres of diesel.
- Other minor works involved an estimated 40 days at 80 litres per day: 3,200 litres of diesel.

In addition to actual litres of fuel used, expense claims for kilometres travelled were also included in the calculations. Records do not stipulate fuel or vehicle type and it is recommended that future claims should include this information. In order to undertake emission calculations for these claims the existing data was examined on fuel records to determine the percentage split between diesel and petrol. As such, 90% of the total kilometres was deemed as diesel (2,102 kilometres) and 20% deemed as being petrol (525 kilometres).

The calculations utilised the default private car emission factors per km travelled for default age of vehicle and <3000 cc engine size. It must be noted that kilometre-based estimates of carbon dioxide equivalent emissions are less accurate than calculating emissions based on fuel-use data, due to variations in vehicle fuel efficiency and driving efficiency. The CO<sub>2-e</sub> per activity unit emission factors are derived by the Ministry of Business, Innovation and Employment using calorific values and incorporate relevant oxidation factors sourced from *The IPCC Guidelines for National Greenhouse Gas Inventories* (2006).

Emission Source: Transport Fuels	Activity Data	Emission Factors/ Emissions (kg)				Uncertainty kg CO <sub>2-e</sub> /unit
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	
<i>Diesel</i>	<i>Litre</i>	2.69	2.65	0.00354	0.0422	0.9%
	172,805	464,845	457,932	612	7,292	
<i>Default Diesel</i>	<i>Kilometre</i>	0.27	0.266	0.0004	0.004	N/A
	2,102	567	559	1	8	
<i>Petrol – Regular</i>	<i>Litre</i>	2.45	2.35	0.0276	0.0797	1.8%
	8,364	20,491	19,654	231	667	
<i>Default Petrol</i>	<i>Kilometre</i>	0.268	0.257	0.003	0.009	N/A
	525	141	135	2	5	
<b>Totals</b>		<b>486,044</b>	<b>478,281</b>	<b>845</b>	<b>7,972</b>	



## Scope 2. Methodology

### Purchased Electricity Methodology

The Waimate District Council has monthly records from its supplier, for electricity usage in kWh for all facilities, which resulted kWh and associated emissions for the following sites:

Location	Type	Annual kWh	CO <sub>2</sub> e	Percentage
PUMP, WAITANGI STATION, KUROW, OAMARU	Pump	534	52	0%
PUMP, TE AKATARAWA ROAD, KUROW, OAMARU	Pump	3,767	368	0%
PUMP, TE AKA STATION, KUROW, OAMARU	Pump	431	42	0%
LIMESTONE DOWNS, 437 PRATTS ROAD, MAUNGATI, TIMARU	Pump	24,097	2,354	1%
DOMAIN BOARD, 449 MAIN ROAD, ST ANDREWS, TIMARU	Camping	33,097	3,234	2%
PUMP STATION, 243 CAMPBELL AND FORRESTS ROAD, RD 1, TIMARU	Pump	18,739	1,831	1%
EXCELOO, 109 QUEEN STREET, WAIMATE	Toilets	2,164	211	0%
VICTORIA PARK MOTORCAMP, NAYLOR STREET, WAIMATE	Camping	79,633	7,780	4%
HOUSE, NAYLOR STREET, WAIMATE	House	6,016	588	0%
VICTORIA PARK CABINS, TENNANT STREET, WAIMATE	Camping	10,576	1,033	0%
GLASS HOUSE, QUEEN STREET, WAIMATE, TIMARU	Parks	24,789	2,422	1%
SWIMMING POOL, QUEEN STREET, WAIMATE	Swimming Pool	49,117	4,799	2%
BAND ROTUNDA, SEDDON SQUARE, WAIMATE, TIMARU	Parks	275	27	0%
COUNCIL BUILDINGS, OFFICE/125 QUEEN STREET, WAIMATE	Office	130,954	12,794	6%
STADIUM, PAUL STREET, WAIMATE	Stadium	75,900	7,415	3%
FACTORY, 26 STUDHOLME STREET, WAIMATE, TIMARU & OAMARU	Depot	12,498	1,221	1%
SEWAGE PUMP, MILFORD STREET, WAIMATE, TIMARU	Pump	1,309	128	0%
SEWAGE PUMP, 39 MCNAMARAS ROAD, WAIMATE	Pump	30,563	2,986	1%
PARK KITCHEN, WAIHAO BACK ROAD, RD 9, WAIMATE	Parks	55,240	5,397	3%
WATER PUMP TREATMENT, 330 TAVISTOCK ROAD, KOHIKA, WAIMATE	Pump	293,672	28,692	13%
MARIPOSA, 23 TRIANGLE ROAD, HUNTER, WAIMATE	Pump	10,169	994	0%
PUMP, TIMARU ROAD, WAIMATE	Pump	272,220	26,596	12%
PUMP, WAITUNA SCHOOL ROAD, WAIMATE	Pump	6,942	678	0%
PUMP SHED, 555 UPPER HOOK ROAD, HUNTER, WAIMATE	Pump	5,112	499	0%
WATER TREATMENT, PUMP STATION, 551 UPPER HOOK ROAD, WAIMATE	Pump	23,981	2,343	1%
PUMP, MANCHESTERS ROAD, WAIMATE, WAIMATE	Pump	190,140	18,577	9%
STORAGE SHED, 3 MCNAMARAS ROAD, RD 9, WAIMATE	Parks	110	11	0%
DOG POUND, 192 TIMARU ROAD, WAIMATE	Pound	644	63	0%
PUMPING STATION, DOG KENNEL ROAD, GLENNAVY, WAIMATE	Pump	57,744	5,642	3%
CEMETERY, SHED/HIGH STREET, WAIMATE	Parks	119	12	0%
ELECTRIC FENCE, 60 MCNAMARAS ROAD, WAIMATE	Parks	173	17	0%
MORVEN DOMAIN BOARD, DONALD STREET, WAIMATE	Camping	11,961	1,169	1%
MORVEN HALL COMT, MCLEAN STREET, GLENNAVY, WAIMATE	Other	267	26	0%
SHED, PIKES POINT ROAD, WAIMATE, TIMARU	Pump	104,523	10,212	5%
PUMP, 141 FERRY ROAD, GLENNAVY, WAIMATE	Pump	260,640	25,465	12%
TENNIS COURTS, 31 INNIS STREET, GLENNAVY, WAIMATE	Parks	1,690	165	0%
NUMBER 2 PUMP, WAIKAKAHI VALLEY ROAD, WAIMATE	Pump	334	33	0%
PUMP, TARA HILL ROAD, WAIHAORUNGA, WAIMATE	Pump	36,358	3,552	2%
MAIN PUMP, HURSTS ROAD, WAIHAORUNGA, WAIMATE	Pump	47,161	4,608	2%
PUMP 3, 226 TAVENDALES ROAD, ELEPHANT HILL, WAIMATE	Pump	12,178	1,190	1%
NUMBER 4 PUMP, ZIG ZAG ROAD, WAIHAORUNGA, WAIMATE	Pump	7,838	766	0%
PUMP, GARLANDS ROAD, WAIMATE	Pump	11,438	1,117	1%
PUMP, UPPER MILL ROAD, WAIMATE, TIMARU	Pump	1,057	103	0%
SECURITY CAMERA ECT, CENTRE WOOD PARK ROAD, WAIMATE, TIMARU	Parks	2,533	247	0%
WAIKAKAHI MAIN PUMP, HIGHWAY 82, IKAWAI, WAIMATE	Pump	262,000	25,597	12%
<b>TOTAL</b>		<b>2,180,703</b>	<b>213,055</b>	

The electricity emission factor covers purchased electricity from a supplier who sources its electricity from the national grid. The emission factor for purchased electricity is derived from the net electricity generation data in *Energy in New Zealand* (MBIE 2016). This grid-average emission factor is based on the average grid mix of generation types. The emission factor accounts for the emissions from fuel combustion at thermal power stations and fugitive geothermal emissions. Renewable generation such as hydro, wind and solar has no associated combustion or fugitive GHG emissions, so these are considered to be carbon neutral. This emission factor also does not reflect the real-world factors that influence the carbon intensity of the grid such as time of year, time of day and geographical area.

Emission Source: Purchased Electricity	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Electricity Used	kWh	0.0977	0.0932	0.00439	0.000861
Pumps	1,682,947	164,424	156,851	7,388	1,449
Other Facilities	497,756	48,631	46,391	2,185	429
<b>Electricity Used Total</b>	<b>2,180,703</b>	<b>213,055</b>	<b>203,242</b>	<b>9,573</b>	<b>1,878</b>

### Scope 3. Methodology

#### Transmission and Distribution Line Losses Methodology

The emissions factor is an average figure that makes no allowance for location of the end-user within the national grid, or other factors that may vary between individual consumers. The calculation in this report was based on the total electricity consumed (kWh):

Emission Source: Transmission Losses	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Electricity Used	kWh	0.0074	0.00706	0.000333	0.00000653
Facilities	2,180,703	16,137	15,396	726	14
<b>Electricity Used Total</b>	<b>2,180,703</b>	<b>16,137</b>	<b>15,396</b>	<b>726</b>	<b>14</b>



### Air Travel Methodology

To calculate emissions for domestic air travel, this report utilises data on the departure and destination airports of each journey. The distance travelled has been calculated using an online calculator (<https://airport.globefeed.com>).

For air travel emission factors, multipliers or other corrections may be applied to account for the GWP of emissions arising from aircraft transport at altitude. Radiative forcing helps organisations account for the wider climate effects of aviation, including water vapour and indirect GHGs. This is an area of active research, although the IPCC estimate that these other climate change impacts of aviation may be up to two to four times those of carbon dioxide alone. This report applies a recommended radiative forcing multiplier of 1.9 (Sausen et al 2005; CCC 2009).

**Domestic flights:** The Council undertook a total of 84 flights, across 12 different flight routes.

Origin	Destination	Percentage of Flights
Auckland	Wellington	2%
Hamilton	Wellington	10%
Napier	Wellington	1%
New Plymouth	Wellington	1%
Rotorua	Wellington	2%
Timaru	Wellington	33%
Wellington	Auckland	2%
Wellington	Hamilton	10%
Wellington	Napier	1%
Wellington	New Plymouth	1%
Wellington	Rotorua	2%
Wellington	Timaru	33%

Waimate District Council's travel data was analysed to determine the type of plane for each flight, which have been assigned the following classes:

- Airbus320: classed as a jet aircraft (large domestic aircraft – 70 plus seats).
- De Havilland Dash 8-300: classed as a medium aircraft (50 to 70 seats).
- Aerospatiale ATR 72: classed as a medium aircraft (50 to 70 seats).

As emission factors are based on fuel delivery data, it was not necessary to apply a distance energy uplift factor to account for delays/circling and non-direct routes.

Emission Source: Domestic Air Travel (With Radiative Forcing)	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Jet Aircraft	Passenger Kilometres	0.134	0.132	0.0005	0.002
Staff Travel	1,920	257	253	1	4
Medium Aircraft	Passenger Kilometres	0.213	0.21	0.0008	0.003
Staff Travel	33,476	7,130	7,030	27	100
<b>Total All Travel</b>	<b>35,396</b>	<b>7,388</b>	<b>7,283</b>	<b>28</b>	<b>104</b>

### Taxis Methodology

The Waimate District Council spent a total of \$1,661 on taxi travel. Taxicharge have advised that since 2014 the price per kilometre has remained stable at \$3, which results in an estimated 554 kilometres of travel. Separate calculations were undertaken based on known total dollars spent and estimated kilometres travelled. The results for both sets of activity data resulted in similar emissions.

According to the Motor Industry Association, the most common taxi vehicles are diesel, with the majority (62%) being in the <2000 cc and <3000 cc class and the average age of the taxi fleet being 8.6 years. Consequently, emission factors for taxis by distance use an average between the Diesel 1600–2000 cc and the 2000–3000 cc classes within the 2010-2015 fleet range.

Emission Source: Taxis	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Distance Travelled	Kilometres	0.224	0.220	0.0003	0.004
<b>Distance Travelled Total</b>	554	124	122	0	2
Dollars Spent	Dollars	0.075	0.073	0.0001	0.001
<b>Dollars Spent Total</b>	1,661	125	121	0	2

### Accommodation Methodology

Emission factors for accommodation are obtained from the Cornell Hotel Sustainability Benchmarking Index (CHSB) Tool (Ricaurte and Jagarajan 2019). The factors are in carbon dioxide equivalents and are not available by gas type. The CHSB notes limitations with the unverified dataset, which include the fact that it is skewed towards upmarket and chain hotels, and that the results do not distinguish hotel amenities such as swimming pools. Although forty-eight nations were involved in the research, the majority of the dataset is focused on the United States.

Records show that a total of 85 nights of accommodation were utilised within New Zealand, with no international travel

Emission Source: Accommodation		Emission Factor CO <sub>2-e</sub>	Emissions (kg) CO <sub>2-e</sub>
Location	Nights		
New Zealand	85	12.3	1,046
<b>Total</b>	<b>85</b>	<b>12.3</b>	<b>1,046</b>

### Water Supply Methodology

The Waimate District Council uses water directly in its offices and depots, as well as provides water for public use in its facilities:

Facility	Water (m <sup>3</sup> )	Total CO <sub>2-e</sub> (kg)	Data/ Estimate
<b>Offices &amp; Council Facilities</b>			
Local Government Centre, 125 Queen Street, Waimate	163	5	Data
LG Gorge Rd Office, 4-6 Gorge Road, Waimate	74	2	Estimate
LG Works Yard, 31 Michael Street	80	3	Estimate
LG Parks Yard, 5 Tennant Street, Waimate	317	10	Data
<b>Campgrounds</b>			
LG Victoria Park Campground	1,155	36	Data
Knottingley Park Campground	400	13	Estimate
St Andrews Domain Campground			Unknown
WDC Lakes Campgrounds			Unknown
<b>Other Public Facilities</b>			
LG Parks Cabins 18 Tennant St, Waimate	125	4	Data
LG Waimate Pool	2,626	82	Estimate
Event Centre, 15 Paul Street, Waimate	190	6	Data
5-16 Kennedy Crescent, Waimate	2,464	77	Estimate
Morven Domain			Unknown
Waihao Box			Unknown
<b>Total</b>	<b>7,592</b>	<b>238</b>	

Emissions result from energy use in water supply. The Ministry for the Environment guidance uses a weighted average of participant energy use and water supply data to calculate the emission factors. This approach drew on the Water NZ 2016/17 National Performance Review survey, which obtained information on the energy use of water systems to calculate national averages (WaterNZ 2017). This equates to a median energy intensity of 1.2 MJ of energy per cubic metre of water supplied.

Emission Source	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Water Supply	Metres cubed	0.0313	0.0299	0.0014	0.00003
<b>Water Supply Total (population)</b>	<b>7,592</b>	<b>238</b>	<b>227</b>	<b>11</b>	<b>0</b>

### Wastewater Treatment Methodology

The Waimate District Council requires wastewater treatment directly from its offices and depots, as well as from public facilities. Data is extremely limited and in most cases is an estimate.

Facility	Water (m3)	Emissions	Data/ Estimate
<b>Offices &amp; Council Facilities</b>			
Local Government Centre, 125 Queen Street, Waimate	120	54	Data
LG Gorge Rd Office, 4-6 Gorge Road, Waimate	52	23	Estimate
LG Works Yard, 31 Michael Street	56	25	Estimate
LG Parks Yard, 5 Tennant Street, Waimate	53	24	Estimate
<b>Campgrounds</b>			
LG Victoria Park Campground			
Knottingley Park Campground	320	143	Estimate
St Andrews Domain Campground			
WDC Lakes Campgrounds			
<b>Other Public Facilities</b>			
LG Parks Cabins 18 Tennant St, Waimate	100	45	Data
LG Waimate Pool			
Event Centre, 15 Paul Street, Waimate	152	68	Data
5-16 Kennedy Crescent, Waimate	1,774	793	Estimate
Morven Domain			
Waihao Box			
<b>Total</b>	<b>2,627</b>	<b>1,174</b>	

Domestic wastewater treatment plant emission factors are derived from the total energy use emissions in the wastewater treatment plants (kWh), and the gases emitted during the treatment process. As the wastewater emissions include electricity emissions, the same electricity emissions uncertainties carry through. The gas emissions are calculated using equations in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Emission Source	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2-e</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Wastewater Treatment	Metres cubed	0.447	0.077	0.151	0.218
<b>Wastewater Total</b>	<b>2,627</b>	<b>1,174</b>	<b>202</b>	<b>397</b>	<b>573</b>

### Waste Methodology

The waste in these calculations includes the direct waste produced by the Council's offices and operations, as well as the waste produced by the public who use the Council's facilities. The exact volume of waste is not recorded, so in all cases these are estimates based on the size of the bins and number of times they are emptied.

Facility	Waste	Recycling	Total	Percentage Recycling
<b>Offices &amp; Council Facilities</b>				
Local Government Centre, 125 Queen St., Waimate	1,930	3,000	4,930	61%
LG Gorge Rd Office, 4-6 Gorge Road, Waimate	365	150	515	29%
LG Works Yard, 31 Michael Street	380	58	438	13%
LG Parks Yard, 5 Tennant Street, Waimate	N/A	N/A	0	N/A
<b>Campgrounds</b>				
LG Victoria Park Campground	1,560	312	1,872	17%
Knottingley Park Campground	780	N/A	780	N/A
St Andrews Domain Campground	1,560	3,120	4,680	67%
WDC Lakes Campgrounds	40,880	19,590	60,470	32%
<b>Other Public Facilities</b>				
LG Parks Cabins 18 Tennant St, Waimate	380	156	536	29%
LG Waimate Pool	131	54	185	29%
Event Centre, 15 Paul Street, Waimate	1,930	150	2,080	7%
5-16 Kennedy Crescent, Waimate	5,054	4,212	9,266	45%
Morven Domain	780	N/A	780	N/A
Waihao Box	780	N/A	780	N/A
<b>Total</b>	<b>56,510</b>	<b>30,802</b>	<b>87,312</b>	<b>35%</b>

In determining office solid waste emissions, it is preferable to know the composition of the waste, as it allows the use of more accurate emission factors for specific material types. However, the exact nature of the Waimate District Council's waste is not known.

The type of landfill influences the GHG conversion factor, with some landfills capturing the methane (CH<sub>4</sub>) that is produced during the decomposition of waste. The emission factors for landfills that do not capture methane are significantly higher than for those with gas systems. The receiving landfill for Waimate District Council's waste, Redruth Landfill at Timaru, has landfill gas collection and energy generation systems in place.

Emission Source: Waste (landfill gas recovery)	Activity Data	Emission Factors/ Emissions (kg)			
		Total CO <sub>2</sub> e	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Unknown Composition					
Office Waste	Kilograms	0.381	n/a	0.381	n/a
Office Waste	2,295	874	n/a	874	n/a
General Waste	Kilograms	0.242	n/a	0.242	n/a
General Waste	54,215	13,120	n/a	13,120	n/a
Total	56,510	13,994	n/a	13,994	n/a

Freight emissions for recyclable materials can be calculated for transport to transfer stations. However, these emissions are typically relatively negligible and deemed *de minimus*.



## Removals Methodology

### Land Use, Land-Use Change and Forestry (LULUCF) Methodology

This report only provides emissions related to forestry, which is under the Council's ownership. Forest land is defined as woody vegetation with a tree crown cover of more than 30 per cent in a given hectare (ha) area, in which the trees could reach a minimum height of 5 metres at maturity. Ministry for the Environment guidance refers to three forests types:

- **Planted forests:** comprise of forest species including Radiata Pine, Douglas Fir and other planted species. The emission factors are based on the Land Use and Carbon Analysis System (LUCAS) national sample. They represent the average annual increment over 28 years, accounting for both the gains from forest growth and losses from any forest management activities up until the point of harvest. Waimate District Council has 135 hectares of forests, which meet this definition. There has been no harvesting or deforestation during the reporting period.
- **Natural forests:** have emission factors across two types of forest. Tall natural forests predominantly comprise of mature indigenous forest. Regenerating natural forest contains indigenous and naturally occurring vegetation and has the potential to reach forest under its current management. Waimate District Council has no forestry in these categories.

Emission Source: LULUCF (Forest Growth)	Activity Data	Emission Factors/ Emissions (kg)				
		Total CO <sub>2</sub> -e	Carbon	Uncertainty (95% CI)	CH <sub>4</sub>	N <sub>2</sub> O
Planted Forest	ha	-33,807	-9,220	±30%	n/a	n/a
Planted Forest	135	-4,553,803	-1,241,934	±30%	n/a	n/a
Natural Regenerating Forest	ha	-5,097	-1,390	±50%	n/a	n/a
Natural Regenerating Forest	0	0	0	±50%	n/a	n/a
Tall Natural Forest	ha	0	0	n/a	n/a	n/a
Tall Natural Forest	0	0	0	n/a	n/a	n/a
<b>Forest Growth Total</b>	<b>135</b>	<b>-4,553,803</b>	<b>-1,241,934</b>			

The estimated carbon stored in forests has been calculated using the following factors:

LULUCF (Land Use Change)	Activity Data	Emission Factors/ Emissions (kg)				
		Total CO <sub>2</sub> -e	Carbon	Uncertainty (95% CI)	CH <sub>4</sub>	N <sub>2</sub> O
Planted Forest Harvest & Deforestation	ha	946,605	258,165	±30%	n/a	n/a
Planted Forest Harvest & Deforestation	135	127,791,675	34,852,275	±30%	n/a	n/a
Natural Forest Harvest & Deforestation	ha	848,650	231,450	±50%	n/a	n/a
Natural Forest Harvest & Deforestation	0	0	0	±50%	n/a	n/a
<b>Land Use Change Total</b>	<b>135</b>	<b>127,791,675</b>	<b>34,852,275</b>			

## SECTION 3: Action Plan

The following table summarises the recommended actions contained in each section of the report. This is a comprehensive list and the Waimate District Council may wish to prioritise the areas that the organisation wishes to focus on. The timeframes are deemed the following: short - within one year; medium - one to two years; long – three years plus. The impact refers to the ability to reduce overall emissions.

Measure	Timeframe	Impact	Organisational Requirements
<b>General</b>			
Make data and the findings in this report available to staff, so they can understand Waimate District Council's emissions and their contribution to them.	Short > ongoing	Low	Presentation of greenhouse gas inventory to staff.
Set up KPIs that are discussed at monthly management meetings to keep on track.	Short > ongoing	High	Senior management to champion so that progress is monitored.
Introduce an educational and awareness raising programme for Council staff, focused on reducing emissions from individual's day-to-day activities.	Short > ongoing	High	Minor costs for materials and facilitation; additional training, including staff inductions; staff time.
Undertake future emissions inventories to track and compare progress over time.	Medium > long	N/A	Costs for undertaking inventories; collation of activity data.
Develop a low-carbon procurement strategy, purchasing goods and services that reduce overall life-cycle carbon emissions.	Medium	N/A <sup>3</sup>	Development of strategy, identification of supply chains, and ongoing implementation.
<b>Stationary Combustion</b>			
Ensure that boilers are regularly tuned and maintained, and that pipes and insulation checked.	Medium	Low	Undertake energy audit and checks.
<b>Transport Fuels</b>			
Where appropriate, encourage staff to use alternative, low carbon, transport options for travelling to work and for work journeys (walking, cycling, public transport, pool cars, and moving away from single occupancy vehicle journeys).	Short > ongoing	High	Education and awareness raising; route optimisation for work journeys via use of GPS-based route finders; installation of bike racks at offices and i-SITE/ provision of bikes for staff.
Use videoconferencing/ teleconferencing wherever feasible to reduce the need to undertake physical journeys.	Short > ongoing	High	Installation of up-to-date and secure technology to facilitate remote meetings.

<sup>3</sup> Note that emissions savings from a low-carbon procurement strategy are unlikely to be picked up in future inventories, as the lifecycle of goods and services is not examined.

Measure	Timeframe	Impact	Organisational Requirements
<b>Transport Fuels (Continued)</b>			
Ensure fleet cars are regularly serviced and maintained to ensure they are running as efficiently as possible.	Short > ongoing	Low	Book vehicles in for regular full services; change oil at appropriate intervals; check tyre pressure regularly.
Consider fitting driver tracking systems, which record high Revolutions Per Minute (RPMs), harsh braking, accelerating, sharp cornering and speeding.	Medium > long	Low	Costs for purchase and installation of driver tracking systems.
Educate staff on driving habits to ensure that cars are driven effectively.	Short > ongoing	Low	Air conditioning should be used appropriately; reduce idle time when parked or stuck in traffic; Change gear earlier, not exploring the upper reaches of the rev range; braking earlier and slowing down will reduce wear and tear, while maintaining efficiency.
Determine fleet requirements for diesel powered vehicles.	Short > ongoing	Low	Assess the operational needs for four-wheel drive vehicles within the fleet and determine number of vehicles required.
Transition the vehicle fleet to small engine vehicles/ electric cars/ hybrids.	Medium > long	High	Transition the fleet over time, as vehicles become obsolete/ end of lease; costs for purchase of new vehicles.
<b>Purchased Electricity<sup>4</sup></b>			
Develop awareness raising initiatives to increase staff awareness, improving their daily habits in relation to energy use.	Short > ongoing	Medium	Training; communications; and, general encouragement.
Undertake an energy audit and develop a strategy and actions for lowering energy requirements in the Waimate District Council's office and facilities.	Medium > long	Medium	Small contract for energy audit. Check the Energy Rating when purchasing/ leasing computer monitors, printers, copiers, and other electrical items; consider replacing desktop computers with laptops, which are 50% to 80% more efficient; switch off lights, shared equipment, monitors, etc; use sleep mode (this can save 50% of energy use in computers); unplug items from the wall when not in use; print only when necessary and use double sided printing when required (EECA 2019).

<sup>4</sup> Emission savings in purchased electricity will also have a knock-on impact on emission associated with transmission losses and distribution.



Measure	Timeframe	Impact	Organisational Requirements
<b>Air Travel</b>			
Evaluate and where possible reduce the number of staff that need to travel to meetings in other parts of the country.	Short > ongoing	High	Consider videoconferencing/ teleconferencing as alternatives to physical meetings. Post COVID-19 increased usage and familiarity with web-based video conferencing should facilitate these changes.
Utilise carbon offset schemes for air travel, particularly for international travel.	Short > ongoing	High	Many airline companies, including AirNZ (FlyNeutral), offer carbon offset options with ticket purchases. These will incur some additional costs for travel.
<b>Taxis</b>			
Ensure that staff members coordinate travel and share taxis whenever possible.	Short > ongoing	Low	Ensuring that staff communicate about forthcoming journeys to allow for coordinated travel.
Utilise taxi companies with low emission policies whenever possible. <sup>5</sup>	Short > ongoing	Low	Identify suitable companies and establish supply agreements/ organisational policies, to utilise the increasing number of taxi companies throughout the country that have low carbon fleets.
<b>Accommodation</b>			
Evaluate and where possible reduce the number of staff that need to travel and stay overnight.	Short > ongoing	Low	Consider videoconferencing/ teleconferencing as alternatives to physical meetings.
Identify hotel chains and companies with a low carbon footprint. <sup>6</sup>	Short > ongoing	Low	Identify hotels that have low carbon policies in regard to their buildings and operations. Establish supply agreements.
<b>Water Supply</b>			
Provide communications to staff and the public to raise awareness on the importance of water use efficiency.	Short > ongoing	Low	Provide basic signage in all council facilities and public buildings.
<b>Wastewater Treatment</b>			

<sup>5</sup> Note that future inventories will not pick up any emissions savings from taxi companies with green fleets, as calculations use default emission factors.

<sup>6</sup> Note that emissions savings from a low-carbon hotel will not be picked up in future inventories, as calculations utilise average emission factors based on country.

Provide communications to staff and the public to raise awareness on the importance of wastewater efficiency.	Short > ongoing	Low	Provide basic signage in all council facilities and public buildings.
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Measure	Timeframe	Impact	Organisational Requirements
<b>Waste</b>			
Reduce paper use, favouring digital forms of communication whenever possible.	Short > ongoing	High	Ensure that staff have access to suitable means of digital communication. It is noted that the use of paper in some circumstances is unavoidable.
Encourage staff to purchase products that utilise recycled content in packaging.	Short > ongoing	Medium	Education and awareness raising activities. Discussions with suppliers.
Ensure campsites and other public facilities have adequate facilities and communications, in order to promote the reduction in waste and the encouragement of higher levels of recycling.	Medium	Medium	Provision of receptacles for recyclable materials and composting facilities. Provision of basic signage encouraging waste minimisation and recycling.
Undertake an analysis of waste using the Solid Waste Analysis Protocol to determine the exact volume and composition of Waimate District Council's waste streams.	Medium	N/A	Small contract for a waste audit. Understanding the composition of waste will improve the accuracy of future inventories.
<b>Land Use, and Land Use Change and Forestry</b>			
Continue to sustainably manage forestry in order to provide a carbon sink and reduce Waimate District Council's GHG footprint.	Long	High	Sustainable harvesting and planting approaches.

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**6.10 RISK REGISTER**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Key Risk Register [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with Council's updated Risk Register for consideration.

**Risk Register**

2. In accordance with the Audit and Risk Committee Annual Work Plan, the Committee is to 'monitor corporate risk assessment' at each meeting. We provide the register to the Audit and Risk Committee regarding Council's key risks and mitigation measures.
3. The register includes some minor changes in commentary since it was last reported.
4. Further to the Committee's request at the September 2020 meeting, the human resources risk around stress and work overload has been added as a new separately identified risk.
5. At the September 2020 meeting the Chief Executive was asked to provide a report regarding staff workloads and opportunities to mitigate risks. A verbal report will be provided at the December meeting by way of an update.

**RECOMMENDATION**

That the Risk Register Report is accepted

## PUBLIC KEY RISK REGISTER – DECEMBER 2020

### RISK IMPACTS

Rating Level	Consequence Description	Score
<b>Catastrophic</b>	<ul style="list-style-type: none"> <li>• Catastrophic loss of public or stakeholder confidence, or breakdown in standards, which requires major recovery action to restore reputation or effectiveness; or</li> <li>• Clearly threatens operations or ability of organisation over an extended period to achieve its objectives, or</li> <li>• Major unexpected financial overspend or loss of \$1 million or above</li> <li>• Loss of life</li> <li>• Prolonged national media and political attention</li> </ul>	5
<b>Major</b>	<ul style="list-style-type: none"> <li>• Major unexpected financial overspend or loss of \$500,000 to \$1 million</li> <li>• Significant dissatisfaction expressed by stakeholders,</li> <li>• Serious harm, or</li> <li>• Unexpected failure to meet a standard and/or legislation.</li> </ul>	4
<b>Moderate</b>	<ul style="list-style-type: none"> <li>• Failure leading to review of project or operation that will require changes to processes or goals; or</li> <li>• Likely to cause some damage or, disruption or breach of controls; or</li> <li>• Moderate financial overspend or loss of \$100,000 to \$500,000</li> <li>• Regional media attention, loss of image</li> <li>• Injury to staff or contractor</li> </ul>	3
<b>Minor</b>	<ul style="list-style-type: none"> <li>• Localised or isolated failure to meet stakeholder requirements or standards,</li> <li>• Unlikely to cause damage or threaten the effectiveness of the project,</li> <li>• Minor financial impact, involves management time, up to \$100,000</li> </ul>	2
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>• Very low impact that will not be visible, negligible</li> </ul>	1

## RISK LIKELIHOOD

Likelihood	Likelihood Description	Scoring	Probability % (to assist assessment)
<b>Frequent</b>	Will almost certainly occur, and at least once in a month	5	91-100
<b>Often</b>	Will probably occur 6-12 times per year	4	71-90
<b>Likely</b>	1-5 times per year – likely to occur at least once in the next two - three months. There is a chance in the foreseeable future	3	51-70
<b>Possible</b>	May occur at least once in the next year. Little chance of occurrence in foreseeable future	2	21-50
<b>Rare</b>	Not expected to occur this year but may occur in a future period – unlikely in foreseeable future	1	1-20

## SCORING RISKS

Likelihood	Consequence				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
<b>Frequent (5)</b>	5	10	15	20	25
<b>Often (4)</b>	4	8	12	16	20
<b>Likely (3)</b>	3	6	9	12	15
<b>Possible (2)</b>	2	4	6	8	10
<b>Rare (1)</b>	1	2	3	4	5

Risk Score	Level of risk	Action Required	Attention of / assigned to
<b>15-25</b>	<b>Extreme risk</b>	Requires immediate assessment of actions	Audit and Risk Committee / Council / Chief Executive (as required), statutory bodies
<b>8-12</b>	<b>Significant risk</b>	Requires remedial assessment and action via the annual planning process	Chief Executive / Leadership Team
<b>4-6</b>	<b>Moderate risk</b>	Address via new procedures and/or modification of existing practices and training	Group Manager, programme manager, work stream leaders
<b>1-3</b>	<b>Low risk</b>	No formal requirement for further action, unless escalation of risk is possible	Work stream leaders, project managers

## RISK AREAS

				Who is responsible for following up and managing this risk	What could happen?	How likely is it to occur?	How severe is it when it does occur	Risk Matrix value	Combined rating	What are we doing about the risk?	What other actions need to happen to manage this risk	Risk Rating with Risk Mitigation actions applied	Any occurrence of events	
Risk ID	Type of Risk	Category	Division	Who is Accountable?	Risk Description	Likelihood	Impact		Risk level	Current risk mitigation	Future risk mitigation		Incidents	Comments
R0001	Strategic	Business Continuity	All	Chief Executive	Impact of severe weather, fire, natural disasters on Council infrastructure, Council-owned Forestry	3	4	12	Significant	<ul style="list-style-type: none"> <li>• Policies</li> <li>• Asset Management Plans</li> <li>• Civil Defence</li> <li>• Phone-In Facilities</li> <li>• Insurance Cover</li> <li>• Secondary Ops centre (Gorge Road)</li> </ul>	Consider contingency fund to cover unbudgeted repair works to protect existing works program.	Significant		Flooding is the highest risk/impact - we need to be prepared Wind secondary Infrastructure survives very well at present
R0002	Strategic	Governance	Mayor	Mayor	Councillors: confidentiality, conflicts of interest, bad decisions, ignorance of/ignoring statute, failing to meet timelines, "loose tongues", disposal of papers (particularly sensitive council papers)	2	4	8	Significant	<ul style="list-style-type: none"> <li>• Workshop topics</li> <li>• Publications (Auditor General)</li> <li>• Email to Councillors via Council network</li> <li>• Education</li> <li>• Professional Advice</li> <li>• LGNZ Advice</li> <li>• Members handbook</li> <li>• Legal opinions</li> <li>• Identify conflicts of interest</li> <li>• Use of Council facilities</li> <li>• Leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation of Formal and Informal training</li> <li>• Being transparent / information sharing</li> </ul>	Moderate		Individuality will always come in to play
R0003	Strategic	Reputation	Councillors	Councillors	Non-functional Council (Council unable to make resolutions due to reconcilable differences)	1	4	4	Moderate	<ul style="list-style-type: none"> <li>• Councillor workshops, Councillor retreats and keeping all elected members informed (no surprises)</li> </ul>	<ul style="list-style-type: none"> <li>• Government intervention</li> <li>• General Elections</li> </ul>	Moderate		
R0004	Strategic	Reputation	All	Chief Executive	<ul style="list-style-type: none"> <li>• Neglecting to act at correct or prescribed time</li> <li>• Tending towards Customer Service issue predominantly</li> <li>• We do not react when we should</li> </ul>	2	5	10	Significant	<ul style="list-style-type: none"> <li>• Appropriate relationship maintained between Mayor and CE</li> <li>• Regular timeline reviews</li> <li>• Open communication between Leadership Team and Elected Members</li> <li>• Evidence based reporting to Council</li> </ul>	Regular Planning meetings	Moderate		
R0005	Strategic	Business Continuity	All	Chief Executive	Local Government Building destroyed by Earthquake/ Fire	1	5	5	Moderate	<ul style="list-style-type: none"> <li>• IT Information recovery (off-site back-ups) Insurance coverage</li> <li>• Impact on staff from injury, lack of workplace</li> <li>• Business Continuity plan</li> <li>• Secondary Ops centre (Gorge Road)</li> </ul>	Availability of Waimate Event Centre and Works yard as secondary operational centres	Moderate		Fire is major issue - other events likely to impact whole District
R0006	Strategic	Business Continuity	Planning and Regulatory	Regulatory and Compliance Manager	IANZ Accreditation - potential loss of accreditation	2	3	6	Moderate	<ul style="list-style-type: none"> <li>• Constant monitoring of IANZ assessments. To be reviewed by CE and Audit Committee</li> </ul>		Low		
R0007	Strategic	Strategic Planning	All	Chief Executive	Non-completion of Performance measures and failure to understand their significance	1	1	1	Low	<ul style="list-style-type: none"> <li>• Good procedures and systems in place</li> <li>• Better understanding of measures</li> </ul>	Audit Team monitoring	Low		
R0008	Strategic	Legislation and compliance	All	Chief Executive	<ul style="list-style-type: none"> <li>• Compliance with all Statutes</li> <li>• Government's 3 waters review may result in new regulation and aggregation</li> <li>• Four wellbeing's</li> </ul>	2	3	6	Moderate	<ul style="list-style-type: none"> <li>• Archive mechanisms in place</li> <li>• CE Review</li> <li>• Audit and Risk Committee</li> <li>• Legislation/LGNZ newsletters regularly</li> <li>• Published timelines</li> <li>• Working to due process and prescribed timelines</li> <li>• Liaise with Audit NZ</li> </ul>	<ul style="list-style-type: none"> <li>• Distribute Anderson Lloyd newsletters to Councillors</li> <li>• Internal Audit projects</li> </ul>	Low		Revisit pending Aon Insurance conversation
R0009	Strategic	Market Forces	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> <li>• Insurance cost and changes in nature of the cost</li> <li>• Other standard costs on the increase</li> <li>• Changes in property Valuations (QV)</li> </ul>	2	3	6	Moderate	<ul style="list-style-type: none"> <li>• LAPP</li> <li>• Use of Insurance Broker</li> <li>• All of Government Contracts availability</li> </ul>	<ul style="list-style-type: none"> <li>• Review insurance cover required. Review what needs to be fully insured, have limited cover, have fire cover only, or be self-insured.</li> <li>• Other Shared Services/All of Government contracts that may become available</li> </ul>	Moderate		Further "Pick and Mix" reviews required on insurance covers with Probability/Consequences to be reviewed during insurance renewal process.



				Who is responsible for following up and managing this risk	What could happen?	How likely is it to occur?	How severe is it when it does occur	Risk Matrix value	Combined rating	What are we doing about the risk?	What other actions need to happen to manage this risk	Risk Rating with Risk Mitigation actions applied	Any occurrence of events	
Risk ID	Type of Risk	Category	Division	Who is Accountable?	Risk Description	Likelihood	Impact		Risk level	Current risk mitigation	Future risk mitigation		Incidents	Comments
R0010	Operational	Legal and Contractual	All	Chief Executive	<ul style="list-style-type: none"> <li>Incurrence of Legal costs</li> <li>Minimise the cost of Legal Opinions, mitigate conflicting opinions and monitor New Legislation</li> <li>Breach of Public Liability creating exposure and cost</li> </ul>	3	4	12	Significant	<ul style="list-style-type: none"> <li>Up to date Policies, specifically Procurement, HR and Delegations Policy</li> <li>Standard Conditions of contract</li> <li>File of Legal opinions maintained.</li> <li>legal activity to be approved by CE (re delegations Policy)</li> <li>Annual report of legal matters discussed with Council (confidential)</li> </ul>	CE with sole delegation to instruct Legal advisors and involved in all litigation	Moderate		Predicting occurrence of events not easy
R0011	Operational / Strategic	Fraud / Theft / Bribery / Corruption	All	Chief Executive / Corporate Services Group Manager	<ul style="list-style-type: none"> <li>Theft of assets, portable &amp; attractive items or cash</li> <li>Acceptance of bribes</li> <li>Acceptance of Gifts</li> </ul>	3	3	9	Significant	<ul style="list-style-type: none"> <li>Review Councils Fraud Policy and training for the nominated fraud officers</li> <li>Maintain accurate asset registers and asset owners</li> <li>Staff awareness and training</li> <li>Whistle blower policy</li> </ul>		Moderate		Fraud awareness and Bribery & Corruption training was undertaken by all available staff and elected members in March 2019. Council's Fraud Policy was reviewed and adopted by Council in October 2019. Asset stocktakes are undertaken by class of asset as appropriate.
R0012	Operational	Non Compliance	Assets	Asset Group Manager	Supply of non-potable water	3	5	15	Extreme	<ul style="list-style-type: none"> <li>SCADA monitoring and reporting</li> <li>Testing for bacterial compliance</li> <li>Monitoring adverse weather events</li> <li>Monitoring and regulating catchment activities (Regional and District Plans)</li> <li>Maintenance of approved Water Safety Plans alongside regular implementation reviews</li> <li>Inclusion of "Critical Control Points" and associated procedures</li> <li>Residual chlorination</li> </ul>	Programmed upgrades of all supplies to achieve compliance with the Health Act 1956, Health (Drinking Water) Amendment Act 2007, and the Drinking Water Standards for New Zealand 2005 (Revised 2008) (DWSNZ). See Waimate District Council 2018-28 Long Term Plan.	Moderate	Bacterial transgressions have occurred in the past with appropriate measures implemented. These include the transgression response procedures required by DWSNZ or the issue of Boil Water Notices (Permanent and Temporary) where controls are considered inadequate.	Predicting occurrence of events not easy. Council has participated in the Canterbury Drinking Water Reference Group and the CE Forum directed investigation into voluntary aggregation of water services (attended by DIA and ECan representatives). Enhanced monitoring and control implemented for high risk schemes prior to full upgrades to meet DWSNZ.
R0013	Strategic / Operational	Financial	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> <li>Unaffordable rates</li> <li>Not operate within budget</li> <li>Unable to maintain agreed levels of service</li> <li>Increased borrowing / debt limits</li> <li>Alpine Energy share revaluation</li> </ul>	4	3	12	Significant	<ul style="list-style-type: none"> <li>Report income and expenditure against budget monthly and annually</li> <li>Performance reporting quarterly and annually</li> </ul>	Continually monitor internally	Moderate		Budget variation reports are provided to Council on a quarterly basis
R0014	Operational	Cyber security	All	Corporate Services Group Manager	<ul style="list-style-type: none"> <li>Cyber threats</li> <li>Compromised availability of systems</li> <li>Sensitive information exposed</li> </ul>	3	3	9	Significant	<ul style="list-style-type: none"> <li>Commissioning of Cyber Security Review Report</li> <li>Cyber Security Project</li> <li>Preventative operational processes</li> </ul>	Completion of Cyber Security Project to achieve project outputs	Moderate		The Cyber Security Project has been completed. Training was delivered to staff and elected members during February and March 2019. Customisation of reports to describe cyber-security threats and incidents has progressed. A Computer Systems Use policy was reviewed and completed in February 2020. Further prioritised options to mitigate have been identified.
R0015	Operational	Roading Quality Assurance	Assets	Asset Group Manager	<ul style="list-style-type: none"> <li>Contracts not being performed to the standard required</li> <li>Unsafe bridges</li> </ul>	3	2	6	Moderate	<ul style="list-style-type: none"> <li>Audits carried out</li> <li>Inspections completed</li> <li>Failures identified</li> </ul>	<ul style="list-style-type: none"> <li>Increased audit numbers</li> <li>Increased work inspections</li> </ul>	Low		
R0016	Operational	Management of Closed Landfill Sites	Assets	Asset Group Manager	<ul style="list-style-type: none"> <li>Illegal dumping at closed sites</li> <li>Exposure of legacy materials</li> <li>Leachate causing contamination</li> </ul>	2	3	6	Moderate	<ul style="list-style-type: none"> <li>Sites are visually monitored by staff</li> <li>Some sites groundwater monitored</li> <li>Identify contingent liability associated with sites</li> </ul>	Increase monitoring frequency	Moderate	Hook landfill where erosion exposed old material. River realigned to protect edge of closed landfill.	Once new contract commences 1 Jul2021, provision of CCTV will be considered after an operational period is complete.
R0017	Operational and reputational	Compliance & Enforcement	Regulatory & Compliance	Regulatory & Compliance Group Manager	<ul style="list-style-type: none"> <li>Conduct a regulatory function subsequently found in proceedings to be in error or ultra</li> </ul>	3	3	9	Significant	<ul style="list-style-type: none"> <li>Follow enforcement policy guidance</li> <li>Provide appropriate and current training to staff</li> </ul>	<ul style="list-style-type: none"> <li>Provide training for staff and managers</li> <li>Continued vigilance to ensure</li> </ul>	Moderate		Council may choose to warrant enforcement officers to issue



				Who is responsible for following up and managing this risk	What could happen?	How likely is it to occur?	How severe is it when it does occur	Risk Matrix value	Combined rating	What are we doing about the risk?	What other actions need to happen to manage this risk	Risk Rating with Risk Mitigation actions applied	Any occurrence of events	
Risk ID	Type of Risk	Category	Division	Who is Accountable?	Risk Description	Likelihood	Impact		Risk level	Current risk mitigation	Future risk mitigation		Incidents	Comments
					vires (done beyond one's legal power or authority).					<ul style="list-style-type: none"> <li>Liaise closely with manager around work being conducted so assess risk to organisation</li> <li>Seek legal advice where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>current best practice is followed</li> <li>Monitor current case law</li> <li>Ensure regular meetings occur between manager and regulatory practitioners to ensure on going risk assessment is undertaken</li> </ul>			infringement notices under section 372 of the Act. Any enforcement activities are to follow policy guidelines, and any enforcement action beyond minor instances should be backed by legal advice.
R0018	Strategic / Operational	Investments	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> <li>Lesser return on investment compared to that anticipated, resulting in reduced income to use to potentially offset against rates</li> <li>Loss on value of investment</li> <li>Volatility of market prices i.e. forestry</li> </ul>	3	3	9	Significant	<ul style="list-style-type: none"> <li>Follow our Investment Policy</li> <li>Monitoring returns on investments</li> <li>Participation in Shareholder, company and board represented meetings for Alpine Energy Limited to ensure District's wishes are heard</li> <li>Engaged Forestry Consultants to provide advice</li> </ul>	<ul style="list-style-type: none"> <li>Consider alternative investment opportunities</li> <li>Ensure active participation in Shareholder, company and board represented meetings for Alpine Energy Limited</li> <li>Reduce reliance on investment returns used to offset rates</li> </ul>	Moderate	<ul style="list-style-type: none"> <li>Present economic climate is exhibiting low returns on investments due to low interest rates</li> <li>Reduction of Alpine Energy Dividend in 2020/21 financial year expected to continue for the foreseeable future.</li> </ul>	The 2020/21 Annual Plan budgets incorporated a reduction in reliance on Alpine Energy Dividend funds used to offset rates in order to spread our exposure to the anticipated income reduction.
R0019		Climate mitigation and adaptation		Chief Executive	<ul style="list-style-type: none"> <li>Higher proportion of extreme weather events</li> <li>Financial (from disaster mitigation and recovery and transitioning to low carbon economy)</li> <li>Legal - Planning provisions need to recognise for the management of significant risks from natural hazards.</li> </ul>	3	4	12	Significant	<ul style="list-style-type: none"> <li>Update planning and GIS provisions including possible prohibition of building in certain areas or restricted designs.</li> <li>Liaise with Ecan, LGNZ and other TA's</li> <li>Show leadership through action</li> </ul>	<ul style="list-style-type: none"> <li>Flood erosion protection</li> <li>Infrastructure relocation</li> <li>Map carbon footprint and identify opportunities to reduce emissions</li> </ul>	Significant	We are experiencing a change in climatic conditions.	Council is about to review its District Plan.
													Under the Resource Management Act 1991 (RMA) local government is required to consider the effects of a changing climate on communities. It is also required to incorporate climate change into existing frameworks, plans, projects and standard decision-making procedures. A climate change perspective is now integrated into activities such as flood management, water resources, planning, building regulations and transport	Climate mitigation and adaptation requires global investment and is a long-game.  New Zealand accounts for 0.17% of the world's greenhouses gases, but we rank much higher on a per capita basis (18 per person per year)  WDC as a minor player in the overall ability to reduce this risk, therefore the risk is assessed at remaining Significant.
R0020	Operational	Pandemic		Chief Executive	<ul style="list-style-type: none"> <li>Part or all of community locked down for extended periods, including Council.</li> <li>Inability to deliver statutory functions.</li> <li>Loss of revenue.</li> <li>Potential high levels of sickness/mortality across all of staff, leadership and governance.</li> <li>Significant impacts on corporate planning cycle (A/P's &amp; LTP's)</li> <li>Council heavily relied on to provide for welfare needs in the community (food, shelter and access to medical services).</li> </ul>	1 to 2	4 to 5	8 to 10	Significant	<ul style="list-style-type: none"> <li>Completed a Pandemic Plan that aligns with the National Pandemic Plan and has incorporated local learnings from the COVID-19 response.</li> </ul>	<ul style="list-style-type: none"> <li>Consider developing some generic business continuity planning to provide a high level framework across a number of scenarios.</li> </ul>	Significant	COVID-19 had all Council sites closed for 7 weeks and only very limited services available throughout the lockdown period – particularly at Alert Level 4.	The Waimate District Council Pandemic Plan was developed at the beginning of the COVID-19 lockdown period and updated after the lockdown period to incorporate the learnings from it.
R0021	Operational	Human Resources Stress and Work Overload	All	Chief Executive	<ul style="list-style-type: none"> <li>Potential high levels of sickness/depression/mortality across all of staff, leadership and governance</li> <li>Decision making impaired</li> <li>Vehicle/workplace accident increase</li> <li>High staff turnover</li> </ul>	4	3	12	Significant	<ul style="list-style-type: none"> <li>Ensuring adequate staff resources</li> <li>Job descriptions are reviewed for impact employees</li> <li>Communication across the organisation manager / staff regular meetings</li> <li>Maintain positive work culture and team building</li> <li>Encourage breaks/leave</li> <li>Workplace Support available</li> <li>Health Monitoring</li> <li>Communication is vital !</li> </ul>	<ul style="list-style-type: none"> <li>Constantly monitor staff to ensure the steps minimise harm</li> <li>Review levels of resourcing</li> <li>Monitor workload of staff</li> <li>Continuation of wellbeing / team building events</li> </ul>	Significant	Two external / unplanned events have created massive work streams for Councils, COVID-19 being a large disrupter; and the Three Waters Reforms being a large unplanned work stream.	Both of these disrupters are external and beyond the control of the WDC. It is disappointing that the Government is fast-tracking the implementation of major policy changes beyond Local Governments ability to adapt, scope, plan, build and adopt these changes in a controlled and timely manner and no relief to existing statutory deadlines.  With regards to staff health and wellbeing, we expect to be operating at maximum capacity until June 2021. It is clear that WDC requires additional resources in the finance area. Council can
													1. The disruption from COVID primarily impacted on Councils BAU and more directly on the Annual Plan and LTP productivity with this project being set-back approximately six weeks.	
													2. The Governments Three Waters Reform, scoping, planning, design and associated Request for Information (RFI) added	

				Who is responsible for following up and managing this risk	What could happen?	How likely is it to occur?	How severe is it when it does occur	Risk Matrix value	Combined rating	What are we doing about the risk?	What other actions need to happen to manage this risk	Risk Rating with Risk Mitigation actions applied	Any occurrence of events	
Risk ID	Type of Risk	Category	Division	Who is Accountable?	Risk Description	Likelihood	Impact		Risk level	Current risk mitigation	Future risk mitigation		Incidents	Comments
													approximately 800 hours work (or two staff at 10 weeks)	expect leave liabilities to grow and remain high for the short to medium term (8 months).  All staff will be closely monitored.

**6.11 RISK MANAGEMENT POLICY REVIEW**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Risk Scoring Criteria  

**PURPOSE**

1. For the Audit and Risk Committee to consider the Risk Scoring Criteria and the future development of a Council Risk Management Policy.

**BACKGROUND**

2. The Audit and Risk Committee's Work Plan stipulates that the Committee shall review Council's Risk Management Policy and recommend any amendments at the December meeting.
3. Presently Council has attached to its Risk Register a Risk Scoring Criteria which includes Risk Impact and Likelihood definitions along with the accompanying scoring matrix and resulting actions.
4. At this time Council does not have a specific Risk Management Policy to incorporate the Risk Scoring criteria.
5. Staff ask the committee to consider:
  - a. The suitability of the Risk Scoring Criteria as attached, noting staff's recommendation that this may be retained, and
  - b. Provision to recommend that Council develops a comprehensive Risk Management Policy for adoption.

**RECOMMENDATION**

1. That the Risk Management Policy Review Report is received; and
2. That the Audit & Risk Committee confirms the Risk Scoring Criteria is retained; and
3. That the Audit & Risk Committee makes a recommendation to Council to develop a Risk Management Policy for adoption

## PUBLIC KEY RISK REGISTER – DECEMBER 2020

### RISK IMPACTS

Rating Level	Consequence Description	Score
<b>Catastrophic</b>	<ul style="list-style-type: none"> <li>• Catastrophic loss of public or stakeholder confidence, or breakdown in standards, which requires major recovery action to restore reputation or effectiveness; or</li> <li>• Clearly threatens operations or ability of organisation over an extended period to achieve its objectives, or</li> <li>• Major unexpected financial overspend or loss of \$1 million or above</li> <li>• Loss of life</li> <li>• Prolonged national media and political attention</li> </ul>	5
<b>Major</b>	<ul style="list-style-type: none"> <li>• Major unexpected financial overspend or loss of \$500,000 to \$1 million</li> <li>• Significant dissatisfaction expressed by stakeholders,</li> <li>• Serious harm, or</li> <li>• Unexpected failure to meet a standard and/or legislation.</li> </ul>	4
<b>Moderate</b>	<ul style="list-style-type: none"> <li>• Failure leading to review of project or operation that will require changes to processes or goals; or</li> <li>• Likely to cause some damage or, disruption or breach of controls; or</li> <li>• Moderate financial overspend or loss of \$100,000 to \$500,000</li> <li>• Regional media attention, loss of image</li> <li>• Injury to staff or contractor</li> </ul>	3
<b>Minor</b>	<ul style="list-style-type: none"> <li>• Localised or isolated failure to meet stakeholder requirements or standards,</li> <li>• Unlikely to cause damage or threaten the effectiveness of the project,</li> <li>• Minor financial impact, involves management time, up to \$100,000</li> </ul>	2
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>• Very low impact that will not be visible, negligible</li> </ul>	1

## RISK LIKELIHOOD

Likelihood	Likelihood Description	Scoring	Probability % (to assist assessment)
<b>Frequent</b>	Will almost certainly occur, and at least once in a month	5	91-100
<b>Often</b>	Will probably occur 6-12 times per year	4	71-90
<b>Likely</b>	1-5 times per year – likely to occur at least once in the next two - three months. There is a chance in the foreseeable future	3	51-70
<b>Possible</b>	May occur at least once in the next year. Little chance of occurrence in foreseeable future	2	21-50
<b>Rare</b>	Not expected to occur this year but may occur in a future period – unlikely in foreseeable future	1	1-20

## SCORING RISKS

Likelihood	Consequence				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
<b>Frequent (5)</b>	5	10	15	20	25
<b>Often (4)</b>	4	8	12	16	20
<b>Likely (3)</b>	3	6	9	12	15
<b>Possible (2)</b>	2	4	6	8	10
<b>Rare (1)</b>	1	2	3	4	5

Risk Score	Level of risk	Action Required	Attention of / assigned to
<b>15-25</b>	<b>Extreme risk</b>	Requires immediate assessment of actions	Audit and Risk Committee / Council / Chief Executive (as required), statutory bodies
<b>8-12</b>	<b>Significant risk</b>	Requires remedial assessment and action via the annual planning process	Chief Executive / Leadership Team
<b>4-6</b>	<b>Moderate risk</b>	Address via new procedures and/or modification of existing practices and training	Group Manager, programme manager, work stream leaders
<b>1-3</b>	<b>Low risk</b>	No formal requirement for further action, unless escalation of risk is possible	Work stream leaders, project managers

**6.12 COUNCIL'S POLICY STATUS**

**Author:** Carolyn Johns, Community and Strategy Group Manager  
**Authoriser:** Carolyn Johns, Community and Strategy Group Manager  
**Attachments:** Nil

**INTRODUCTION**

1. For the information of the Audit and Risk Committee, I present the Policy Status Report.

**Policy – up to 04 December 2020**

## Waimate District Council Policy Index

Legend		Legend	
Policy is current		Policy review date has lapsed	
Policy review date is close / due		Proposed new policy	

Code	Title	Departmental Responsibility (Legislation)	Notes	Review Due  Review Expected	Status
200 Series  (DEMOCRACY)					
201	Standing Orders	Chief Executive (LGA cl 27 sch. 7)		October 2022	
202	Code of Conduct	Chief Executive (LGA cl 15 sch. 7)		October 2022	
203	Governance Statement	Chief Executive (LGA s 40)		March 2023	
204	Triennial Agreement	Chief Executive (LGA s 15)		February 2023	
300 Series  (PUBLIC POLICIES)					
301	Significance and Engagement Policy	Community and Strategy	Reviewed -To be included in the LTP	Reviewed November 2020 Adopted June 2021	

Code	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
303	Media Policy	Executive Support	Under development	2021	
304	Social Media Policy	Executive Support	Under development	2021	
305	Gambling Venue Policy	Regulatory and Compliance		November 2021	
306	Dog Control Policy	Regulatory and Compliance		December 2021	
307	Sustainability Policy	Asset Group	Under development	February 2020	
308	Delegations Policy	Corporate Services		August 2022	
309	Tab Board Venue Policy	Regulatory and Compliance		August 2021	
310	Elected Members Reimbursement and Expenses Policy	Corporate Services		March 2023	
311	Fraud Policy	Corporate Services		October 2022	
312	Smoke-free Environments Policy	Community and Strategy		February 2022	
313	Dangerous Buildings Policy	Regulatory and Compliance		December 2022	
314	Local Approved Products Policy	Regulatory and Compliance		10 December 2024	
315	Insanitary Buildings Policy	Regulatory and Compliance		December 2022	
316	Procurement Policy	Corporate Services		October 2022	
317	Unmanned Aircraft Policy	Asset Group		April 2022	
320	Vehicle Use Policy	Corporate Services	Final document to be reviewed by Leadership Team Proposed to move to an internal policy	June 2020 January 2021	
321	Security Camera Policy	Corporate Services		August 2021	
323	Friends and Voluntary Organisations Policy	Community & Strategy		August 2021	
324	Community Housing Policy	Community & Strategy		March 2022	

Code	Title	Departmental Responsibility (Legislation)	Notes	Review Due <b>Review Expected</b>	Status
325	Enforcement Policy	Regulatory & Compliance		June 2022	
326	Protected Disclosures Policy	Human Resources		October 2022	
327	<del>Freedom Camping Policy</del>	<del>Regulatory &amp; Compliance</del>	<del>To be removed as deemed not necessary at this time of limited Freedom campers and relative issues</del>		
328	Information Management Policy	Corporate Services	under development	March 2021	
400 Series					
(FINANCIAL POLICIES)					
Note: Policies 401 – 409 these policies are reviewed as part of each Long Term Plan process and are effective when the LTP is adopted in June.					
401	Revenue and Financing Policy	Corporate Services LTP (LGA sch 10)	Currently under review	June 2021	
402	Liability Management Policy	Corporate Services		June 2021	
403	Investment Policy	Corporate Services		June 2021	
404	Financial Contributions Policy	Corporate Services		June 2021	
406	Remission and Postponement of Rates on Maori Freehold Land Policy	Corporate Services		June 2024	
407	Rates Remission Policy	Corporate Services	Currently under review	June 2024	
409	Statement of Accounting Policies	Corporate Services	Reviewed for each annual plan and annual report	June 2021	
410	Property and Land Sale, Purchase and Lease Policy	Asset Group		December 2021	
411	Sensitive Expenditure Policy	Corporate Services	To include AuditNZ feedback	December 2021	
500 Series					
(INFRASTRUCTURE POLICIES)					



Code	Title	Departmental Responsibility (Legislation)	Notes	Review Due <b>Review Expected</b>	Status
501	Dust Suppression Policy	Asset Group		August 2021	
502	Water Supply - Rural	Asset Group	Awaiting on review of 3 waters.	December 2014 <b>2021</b>	
503	Asset Management Policy	Asset Group		March 2023	
600 Series  (INTERNAL POLICIES)					
601	Harassment Policy	Human Resources		June 2023	
602	Policy Authorisation and Validation Procedure	Community & Strategy		October 2023	
603	Building Security & Key Policy	Corporate Services		April 2022	
604	Personal Accident Insurance Policy	Corporate Services			
605	Dress Code Policy	Human Resources	Draft formulated	Early 2021	
606	Lockdown Procedure	Regulatory & Compliance		March 2021	
607	Computer Systems Use Policy	Corporate Services		February 2023	
613	Personnel Records Policy	Human Resources		August 2021	
616	Drug and Alcohol Policy	Human Resources		March 2021	
618	Sick Leave Gifting Policy	Human Resources		September 2021	

**RECOMMENDATION**

That the Council's Policy Status report is accepted.

**6.13 2020/21 MAJOR PROJECT UPDATE**

**Author:** Dan Mitchell, Asset Group Manager

**Authoriser:** Dan Mitchell, Asset Group Manager

**Attachments:** 1. Major projects as at 30 September 2020 [↓](#) 

**PURPOSE**

The 2020/21 Major Project list as at 30 September 2020 is submitted for the information of the Audit and Risk Committee.

**RECOMMENDATION**

That the 2020/21 Major Project Update report is accepted.

2020-21 Major Project Report  
As at 30 September 2020

Financial Year	Project	Project Description	Budget	Spend to Date	% Complete	Status		Comments / Issues / Risks / Reasons
						Time	Budget	
Water Supply								
2016/17 (carry forward)	Lower Waihao DWSNZ CAP funded upgrade	Planned project that will increase service levels for 2016/17	Subsidised	\$350,798	25%			The trial membrane plant was successful and the results have now been analysed. The bore appears to have been developed further through use and the fine particulate has greatly reduced meaning that the site may only require provision for a membrane unit rather than actually purchasing one as part of the project. To be carried over into 2019/20.
2019/20 (carry forward)	Hook / Waituna - Drinking Water Intake/Plant Compliance Upgrade		\$399,300	\$0	0%			Carried over from 2018/19. Ultra filtration membrane trial has been undertaken. Selection of plant and configuration is underway. Revised completion 2020/21
2020/21	Lower Waihao - Drinking Water Intake/Plant Compliance Upgrade		\$921,000	\$15,690	2%			Carried over from 2018/19. A trial membrane plant was successful and the results have now been analysed. The bore appears to have been developed further through use and the fine particulate has greatly reduced meaning that the site may only require provision for a membrane unit rather than actually purchasing one as part of the project. Planned for 2020/21
2019/20	Otaio / Makikihi - Tavistock Bore - Treatment Filter & UV		\$166,400	\$0	0%			Plan for a Medium Pressure UV to be put in for protozoal compliance.
2020/21	Waihaorunga - Drinking Water Intake/Plant Compliance Upgrade		\$527,000	\$1,007	0%			Monitoring and Control installed at Waihaorunga Main intake, Tavendales is underway
2020/21	Waikakahi - Drinking Water Intake/Plant Compliance Upgrade		\$1,474,000	\$11,014	10%			Note, New Treatment Plant upgrade is on hold with the agreement of DWA until 2020/21 and clearer direction on legislation and standards. Investigation has started into alternate source. Further investigation on source as part of stimulus funding
2019/20	Urban Water - Rising Main Renewals		\$219,992	\$0	0%			To be used for Urban pipe renewal / pressure management
2020/21	Urban Water - Lateral Renewals		\$61,680	\$11,369	18%			Ongoing
2019/20	Urban Water - Tim Rd Plant - Treatment Filter & UV		\$278,588	\$41,380	15%			Equipment purchased, some installation complete. Electrical work quotes to be sourced.
2020/21	Urban Water - AC Water Main Renewals		\$116,000	\$0	0%			
2020/21	Urban Water - CI Water Main Renewals		\$168,000	\$0	0%			First invoice received in October 2020
Sewerage and Sewage								
2019/20	Investigate inflow and infiltration	Infiltration investigation from surface influences i.e. illegal storm water connections	\$6,169	\$0	0%			Ongoing. Total budget of \$17,476 under GL, which \$6,169 of is set aside for Investigate inflow and infiltration. Work will progress through stimulus funding
2020/21	Sewer - Waimate Urban Renewals		\$530,897	\$255,654	48%			High Street Upgrade. Remainder re-allocated to Queen Street Upgrade. Work has started with Hadlee & Brunton jetting, cleaning and camera the sewer main on Queen St. Next step in the project is to put in a new Manhole approximately in front of the BNZ and old Post Office building.
2018/19	Sewer - Edward Street Upgrade (Renewal)		\$551,000	\$22,405	4%			Carried over from 2018/19. Investigative work and modelling by WSP. Now part stimulus funded.
Stormwater Drainage								
2019/20	Stormwater - Consent & Management Plan		\$30,000	\$117,103	70%			The draft stormwater management plan is all but complete and work is now complete on the assessment of environmental effects. This assessment is a core requirement of the consenting process. Staff are reviewing final documentation before lodgement for consent. ECan have provided an extension for Waimate and many other District Councils. Original budget \$140k
2019/20	Stormwater - Queen Street Upgrade		\$133,640	\$14,255	11%			Investigation into options. Remainder to fund capital works, stimulus funded

Financial Year	Project	Project Description	Budget	Spend to Date	% Complete	Status		Comments / Issues / Risks / Reasons
						Time	Budget	
No Major projects planned for 2020/21								
Parks and Reserves								
2019/20	Victoria Park - Pavilion Upgrade	Demolition of old pavilion and building of new covered area	\$130,000	\$131,148	100%			Complete
2018/19 (carry forward)	Waitaki Lakes - Chlorine Dosing UV	Increase water quality standard at Waitangi	\$48,000	\$48,340	100%			Complete
2019/20	Waitaki Lakes - Chlorine Dosing UV	Increase water quality standard at Te Aka	\$31,000	\$27,057	100%			Complete
Waste Management								
2020/21	Weighbridge	The installation of a weighbridge at the RRP so a weight based charging system can be introduced.	\$120,000		100%			Location confirmed with Envirowaste Services Limited
2019/20	Compactor	Compactor to be installed at the RRP to reduce transporation costs of waste.	\$119,000	\$151,005.45	0%			Completed
Property								
2018/19	Waimate Library extension		\$1,400,000	Nil	0%			Delayed due to investigation into Library / LGC redevelopment proposal
2016/17 (carry forward)	Public toilets (new) Waimate town and review of District toilets		\$200,000	Nil	0%			Investigation and option presentation delayed due to Library proiect options

**Status Key:**

	On track with time / budget for completion within the plan year
	High Risk (budget and/or timeframe)
	Some risk (budget and/or timeframe) - Highlight issues in comments
	Not started / External to Council

## PUBLIC EXCLUDED

## 7 EXCLUSION OF THE PUBLIC REPORT

## RESOLUTION TO EXCLUDE THE PUBLIC

**RECOMMENDATION**

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

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>7.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 8 September 2020</b>	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.2 - Outstanding Audit &amp; Risk Committee Actions Report - Public Excluded</b>	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.3 - Cyber Security - Public Excluded</b>	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.4 - Alpine Energy Limited Valuation - Public Excluded</b>	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information  s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7



**8 RE-ADMITTANCE OF THE PUBLIC REPORT  
MEETING CLOSURES**