



Agenda

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

Tuesday 9 June 2020

Commencing at 9.30am

Function Room
Waimate Event Centre
Paul Street
Waimate

www.waimatedc.govt.nz

Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Function Room, Waimate Event Centre, Paul Street, Waimate, on Tuesday 9 June 2020, commencing at 9.30am.

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

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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 19 MARCH 2020**

Author: Karalyn Reid, Committee Secretary and PA to the Mayor

Authoriser: Tina Stevenson, Corporate Services Group Manager

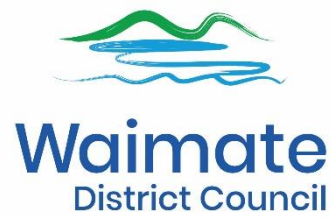
Attachments: 1. Minutes of the Audit and Risk Committee Meeting held on 19 March 2020

PURPOSE

To present the unconfirmed Minutes of the Audit and Risk Committee Meeting held on 19 March 2020 for confirmation.

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 19 March 2020 be adopted as a true and correct record.



MINUTES

Audit and Risk Committee Meeting

19 March 2020

**MINUTES OF WAIMATE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIMATE DISTRICT COUNCIL, 125 QUEEN STREET,
WAIMATE ON THURSDAY 19 MARCH 2020, COMMENCING AT 9.00AM**

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

APOLOGIES: Cr Miriam Morton (lateness), Cr Sheila Paul

IN ATTENDANCE: Sharyn Cain (Deputy Mayor), David Owen (Cr), Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Fiona Hester-Smith (Human Resources Manager), Carolyn Johns (Community and Strategy Group Manager), Dan Mitchell (Asset Group Manager), Tina Stevenson (Corporate Services Group Manager), Melissa Thomson (Accountant), Luci Swatton (Emergency Management and Health and Safety Officer), Helen Strachan (Committee Secretary)

OPENING

1 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION 2020/1

Moved: Cr Tom O'Connor

Seconded: Mayor Craig Rowley

That the apology received from Cr Sheila Paul be accepted.

CARRIED

2 VISITORS

Audit NZ will present at 11am.

3 CONFLICTS OF INTEREST

Nil

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

COVID-19

The emerging threat of the COVID-19 on the community and the council's operations was identified as a Major Item that required discussion at the meeting. Stuart Duncan talked about the potential impact on the District and advised that he had scheduled a meeting of key staff and service providers the following day to prepare an action and risk mitigation plan.

MINUTES

5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 26 NOVEMBER 2019**COMMITTEE RESOLUTION 2020/2**

Moved: Mayor Craig Rowley

Seconded: Cr Tom O'Connor

That the Minutes of the Audit and Risk Committee Meeting held on 26 November 2019 be adopted as a true and correct record.

CARRIED**REPORTS****6 GENERAL REPORTS****6.1 HUMAN RESOURCES MANAGERS REPORT****COMMITTEE RESOLUTION 2020/3**

Moved: Mayor Craig Rowley

Seconded: Cr Tom O'Connor

That the Human Resources Managers Report is accepted.

CARRIED

At 9:30 am, Cr Miriam Morton joined the meeting.

6.2 HEALTH AND SAFETY REPORT**COMMITTEE RESOLUTION 2020/4**

Moved: Cr Tom O'Connor

Seconded: Mayor Craig Rowley

1. That the Health and Safety Report is accepted; and
2. That 'coronavirus COVID-19 outbreak' is added to the Risk Register.

CARRIED**6.3 CORPORATE SERVICES GROUP MANAGER REPORT****COMMITTEE RESOLUTION 2020/5**

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

1. That the Corporate Services Group Manager Report is accepted; and
2. That the Audit and Risk Committee accepts the Terms of Reference with modifications to be adopted at the Council meeting of 31 March 2020.

CARRIED

COMMITTEE RESOLUTION 2020/6

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

That the Committee recommend that the Council consider measuring our carbon footprint.

CARRIED

6.4 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS UPDATE TO 11 MARCH 2020**COMMITTEE RESOLUTION 2020/7**

Moved: Cr Miriam Morton

Seconded: Mayor Craig Rowley

1. That the External Audit Recommendations Progress Update to 11 March 2020 report is accepted.
2. That management make recommendations of which items are to be marked as completed for the next meeting, and give further explanation of progress for those that are pending.

CARRIED

6.5 COUNCIL'S POLICY STATUS**COMMITTEE RESOLUTION 2020/8**

Moved: Cr Tom O'Connor

Seconded: Cr Miriam Morton

That the Council's Policy Status report is accepted.

CARRIED

6.6 NEW ZEALAND TRANSPORT AUTHORITY AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2019**COMMITTEE RESOLUTION 2020/9**

Moved: Cr Miriam Morton

Seconded: Cr Tom O'Connor

That the NZ Transport Agency Investment Audit Report on the audit of Council for the three year period ended 30 June 2019 is accepted.

CARRIED

6.7 2019/20 MAJOR PROJECT UPDATE**COMMITTEE RESOLUTION 2020/10**

Moved: Mayor Craig Rowley

Seconded: Cr Tom O'Connor

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

CARRIED

The Committee adjourned at 10.44am for morning tea.

The Committee reconvened at 11.00am.

6.8 PRESENTATION: AUDIT NZ - AUDIT UPDATE

Council's newly appointed Audit Director Rudie Tomlinson was introduced by outgoing Director Dereck Ollsson and current Audit Manager Debbie Bradfield.

The Audit team discussed focus areas of the 2020 Audit which will include a continuation of the theme of Ethics and Integrity, Bribery and Corruption, Sensitive Expenditure, Procurement and Conflicts of Interest. The introduction of the 4 Well-beings will be another area of focus. The team highlighted the requirement for a formalised agreement to clearly record the structure and ownership of the Downlands Water Scheme in order that the appropriate accounting standard can then be applied.

The Long Term Plan will need to include commentary and conclusions regarding our Council's position on the impact of Climate Change in our District. The new 3 year Audit Plan will be presented by Audit for consideration shortly.

The Interim Audit is set to commence the week of 30 March 2020, with asset revaluation work the week of 22 June 2020.

PUBLIC EXCLUDED**7 EXCLUSION OF THE PUBLIC REPORT****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2020/11**

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
7.1 - Public Excluded minutes of the Audit and Risk Committee Meeting held on 26 November 2019	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
7.2 - Corporate Services Group Manager Report - Public Excluded	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest 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

CARRIED**8 RE-ADMITTANCE OF THE PUBLIC REPORT****COMMITTEE RESOLUTION 2020/12**

Moved: Mayor Craig Rowley

Seconded: Cr Tom O'Connor

That Council moves out of Closed Council into Open Council.

CARRIED

MEETING CLOSURE

There being no further business, the Chair closed the meeting at 12.12pm.

The Minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on 9 June 2020.

.....
CHAIRPERSON

REPORTS

6 GENERAL REPORTS

6.1 HUMAN RESOURCES MANAGERS REPORT

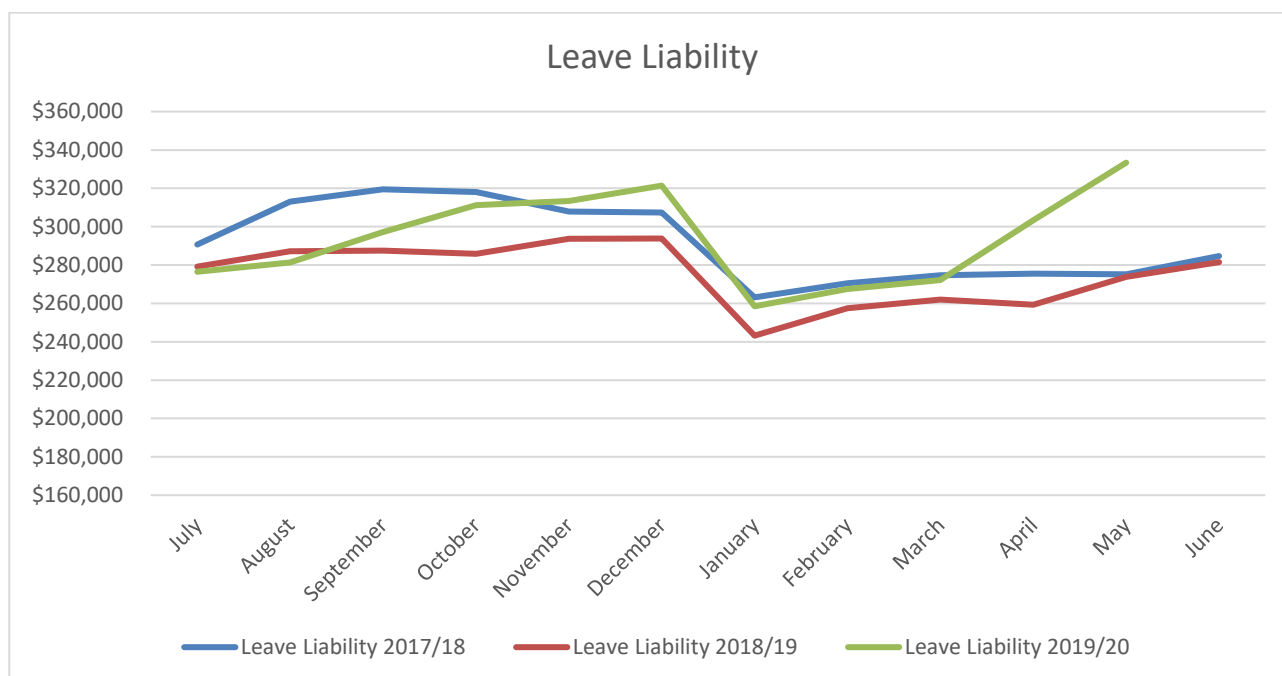
Author: Karalyn Reid, Committee Secretary and PA to the Mayor

Authoriser: Fiona Hester-Smith, Human Resources Manager

Attachments: Nil

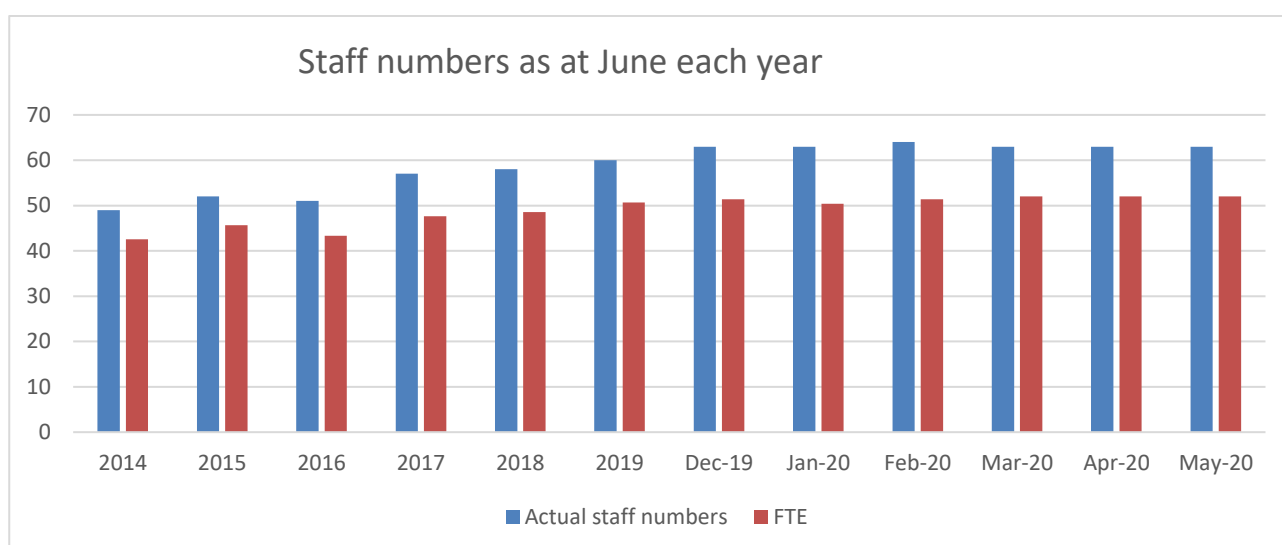
PURPOSE

1. The Human Resources Report is submitted for the information of the Audit and Risk Committee.
2. Leave Liability Graph – the below graph shows a rise in leave liability, due to COVID-19 lockdown. During this time staff were unable to take leave. Managers are working with their staff to start to reduce the leave liability as operational requirements will allow.



3. The below graph indicates that the current leave liability is less than the position we were in at December 2018 when we had 5 less staff than we currently do now. Staff entitlements are between 4 and 5 weeks per year depending on the length of service. Currently the average amount of leave per person sits at 3.77 weeks. *(Note: Based on total leave owing divided by average weekly hours divided by number of staff)*
4. We currently have 16 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.)*


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



RECOMMENDATION

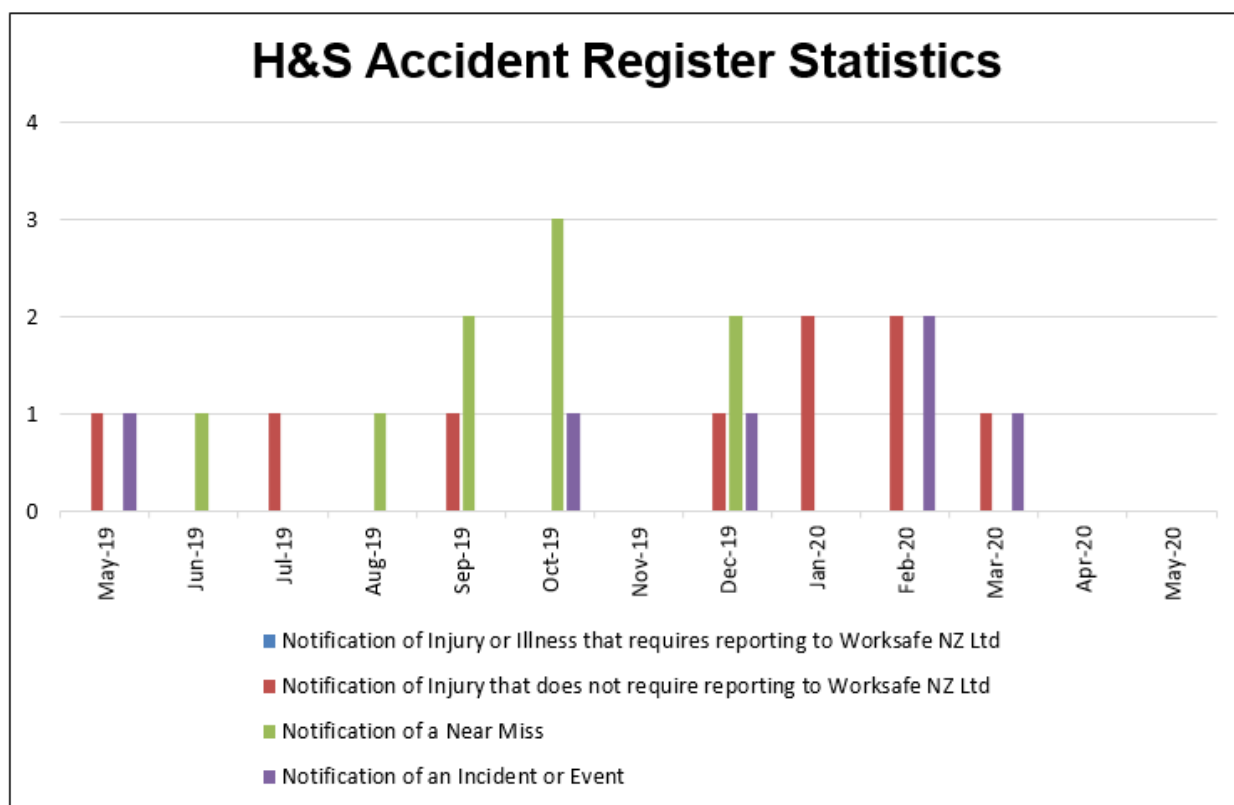
That the Human Resources Manager's report is accepted.

6.2 HEALTH AND SAFETY REPORT

Author: Luci Swatton, Emergency Management and Health and Safety Officer
Authoriser: Paul Cooper, Regulatory and Compliance Group Manager
Attachments: 1. COVID-19 Return to Work Safety Plan [↓](#) 

PURPOSE

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

Health and Safety Statistics

2. Since March 2020 there has been one incident where no injury occurred, and one incident resulting in an injury (not requiring reporting to WorkSafe NZ). The incident where an injury occurred was a lifting injury, straining an elbow and the incident where no injury occurred was a mower hitting a concealed branch breaking the top right hand indicator on the mower. There were no patterns identified when these incidents were assessed, and each was isolated and different in terms of circumstances. There have been no incidents or near misses reported during April 2020 and May 2020, this may be due to the Covid-19 lockdown at Alert Level 4 and 3 with most staff either working from home or with limited hours able to work and all Council facilities being closed.

3. During the Covid-19 pandemic lockdown the majority of Council staff were not able to work in their normal workplace due to all facilities having to close at Alert Level 4 and 3. With the transition to Alert Level 2 on Thursday 14 May the decision was made to bring staff back to work from Monday 18 May. A part of this transition back to the workplace was the development of the Return to Work Safety Plan written by Paul Cooper. The plan specified how staff would return to their workplace in a safe manner and gave guidance on:
- A staggered return of staff over 5 days;
 - The health of staff before returning to their workplace;
 - Mental wellbeing of staff after the lockdown;
 - Contact tracing procedures;
 - Physical distancing in office spaces and outside;
 - Cleaning and hygiene;
 - Seating arrangement changes in the Local Government Centre;
 - Staff travel to meetings outside of the District.
4. The Covid-19 Return to Work Safety Plan is attached.

RECOMMENDATION

That the Health and Safety update report is accepted.

Return to Work Safety Plan

COVID-19



INTRODUCTION

The purpose of this document is to provide a guide for the safe return to work for all staff at Waimate District Council as we transition from Alert Level 3 to Alert Level 2.

We should remember however that health and safety is a mindset that requires continuous evaluation and improvement. We are all in this together, so as you return to your workspace if you do think of practical and effective additions to the measures outlined in this document, please bring it to the attention of your manager, Dare to Care Team representative or our Health & Safety Advisor.

As we transition down the alert levels coming out of the lockdown period, it is important to remember that we have not been in a shared workspace for several weeks. In addition to this, the workspace we knew and were comfortable with before COVID-19 arrived on our shores, is no longer the same. It has the additional risk of a pandemic to be managed, so it is of the utmost importance that we factor in to our thinking risk minimization specific to COVID-19.

STAGGERED RETURN

After many weeks at home we want to return to work in an organized way, in order to give each work group time to adjust to the new protocols and the new work environment. In doing this we also minimize the impact of the return to work on particular internal services, such as IT. The return to work will be planned as follows:

- Day 1 – IT, Building unit, event centre, customer service team and library staff
- Day 2 – Michelle Jones' team, roading team, and GIS
- Day 3 – Animal control, compliance officer, finance & rates staff, and water/waste staff
- Day 4 – HR manager, planner, EMO and Mayors PA
- Day 5 – remaining LT, senior administration support, policy analyst and all other staff

STAFF HEALTH

As people return to work during a pandemic response, the state of their health at that time becomes a critical factor in our thinking. A vulnerable person for COVID-19 according to the Ministry of Health is anyone over 70 years of age or who has a condition that might compound and complicate their condition further were they to become ill with the disease. If you have any symptoms such as an elevated temperature (38C or more), coughing or shortness of breath, you must not return to work. If you do have any of these symptoms, instead phone your GP or Health line on 0800 3585453 immediately to discuss what should happen next.

For your information, pre-existing conditions that could make a person vulnerable to COVID-19 include the following:

- Serious respiratory disease such as chronic lung disease or moderate to severe asthma
- Serious heart conditions
- Immunocompromised conditions
- Severe obesity – BMI of 40 or higher
- Diabetes
- Chronic kidney disease
- People undergoing dialysis
- Liver disease
- Cancer treatment
- Smoking related illness
- Bone marrow or organ transplantation
- Haematologic neoplasms
- Immune deficiencies
- Poorly controlled HIV or AIDS
- Prolonged use of corticosteroids and other immune weakening medications

Everyone returning to work will be asked to sign a declaration that they have read this return to work safety plan and that they are symptom free and fit to return to work. That declaration is attached as *Appendix 1* for your information and completion. See *Appendix 2* to which is a flow diagram describing actions to be considered in relation to personal health and returning to work.

MENTAL WELL-BEING

Several weeks of restriction of movement and isolation, whether working from home or being at home, will have impacted all of us in different ways. It is entirely possible that many of us are carrying heightened levels of anxiety or stress, some of which we may not recognise in ourselves. For this reason, more than ever, we need to be mindful of how we interact with each other. If you feel like you are struggling, please talk to someone – your spouse, a friend, a workmate, your manager – whoever you are comfortable speaking to.

Remember that we also have a workplace counselling service available should you be more comfortable talking to someone outside of the organization. As we return to work in these exceptional times let's remember to be kind, be patient and look out for each other.

CONTACT TRACING

Alert Level 2 still requires the ability to contact trace who has been where at what time for public services such as ours. This will mean that staff must sign in and out daily so that the health investigators can track people's movement should it become necessary. This can be done by completing the sign-in sheets at the main entrance to the Local Government Centre, Library or Gorge Road site each time you enter or leave the building. The sign-in sheet currently in place at the door to the Local Government Building meal room will also remain.

This measure will also be a necessary task for customers who enter the buildings, elected members or any invited guests of staff for as long as we remain at Alert Level 2. An example of the sign-in sheet has been attached as *Appendix 3* for your information.

PHYSICAL DISTANCING

Physical distancing of 2m has been the required distance between people outside of their bubbles at alert levels 4 and 3. At Alert Level 2 we must maintain a physical distance in the workplace of a minimum of 1m and 2m if possible.

Wherever practical, it is WDC preference that the 2m distance be maintained, but there will be occasions when this isn't possible as we navigate the buildings that we work in.

It is good practice under these conditions to refrain from walking around the office or building to talk to colleagues face to face unless it is absolutely necessary. If you need a walk to momentarily get a break from your desk, consider walking around the outside of the building or around the block.

At meal times we must also maintain a preferred physical of 2m if possible. To enable this to be more achievable staff are encouraged to take their breaks off-site, at their desks or in the meal room at a rostered time slot. The staggered nature for meal breaks and tea breaks will be defined in consultation with your supervisor or manager.

Customers who enter the foyer of the Local Government Building will be asked to maintain a physical distance of 2m. This will be encouraged to happen by placing markings on the floor to ensure customers can easily identify the appropriate distance. In addition, customer interface areas will have a Perspex cough shield to give further protection to staff who have regular face to face interactions with customers.

Where a cough shield is not appropriate, it may be that we create physical distancing by environmental design by moving furniture or using rope between stations to manage distance. These measures will be considered on a case by case basis as we add more detail to how we can more safely operate at Alert Level 2.

CLEANING AND HYGIENE

A deep clean of workplaces by our cleaning team will take place prior to staff returning to the office. Tactile surfaces within the workplace will be regularly wiped with an appropriate cleaning agent on a more frequent basis than that which occurred prior to COVID-19. In addition to the work done by the cleaning team, it is recommended that everyone has access to disposable towels, wipes and hand sanitizer if possible.

Hand sanitizer stations throughout our buildings have been replaced with a product that has an appropriate level of alcohol in order to deal with the disease. Everyone is encouraged to use good practice in relation to both hand hygiene and cough etiquette. *Appendix 4* provides guidance but in summary we need to wash our hands regularly with soap for at least 20 seconds and if we need to cough, cough in to the crook of our elbow.

Those staff who handle cash, mail or other items that can potentially harbor the disease on their surface will be provided guidance by their supervisor or manager on how to manage any potential risk.

Those staff who have cause to use a shared vehicle for work will use appropriate wipes or a disposable cloth and cleaning agent to wipe down tactile surfaces in or on the car before and after use. Surfaces to be wiped clean include door handles, steering wheel, hand brake, gear selection stick and any other commonly touched surface you may touch during use. Before leaving the vehicle at your destination, please either use hand sanitizer or wash your hands with soap and water (a 20 litre container and soap can be provided to some roles).

SEATING ARRANGEMENT

In order to maximise the distance between people at their work stations in the Local Government Building a new seating plan has been devised. This measure will remain in place at Alert Level 2 and will be re-assessed when we move to Alert Level 1. Please refer to *Appendix 5* for the new temporary seating plan. Staff working in other buildings are required to move their workstations to ensure the preferred 2 metre physical distance is maintained.

STAFF TRAVEL

Everyone should remain in district for work related matters and not share a vehicle unless physical distance can be maintained in the vehicle (sitting diagonally opposed in the front and rear for example). For meetings outside the district, consider the use of Zoom or a teleconference. If travel outside the district is essential for work, you will require the Chief Executive's permission.

Document Version	Date	Approved by Manager	Worker Representative
Version 1	10.05.2020	Stuart Duncan Chief Executive	Karalyn Reid Chair of Dare to Care Team

Appendix 1

Waimate District Council Staff Health Declaration Form

I declare that I have read and understand the Return to Work Safety Plan, that I am free of COVID-19 symptoms and I am in good health and fit to return to work.

I also declare that if I become unwell I will notify my supervisor and or manager and leave work immediately.

Name _____

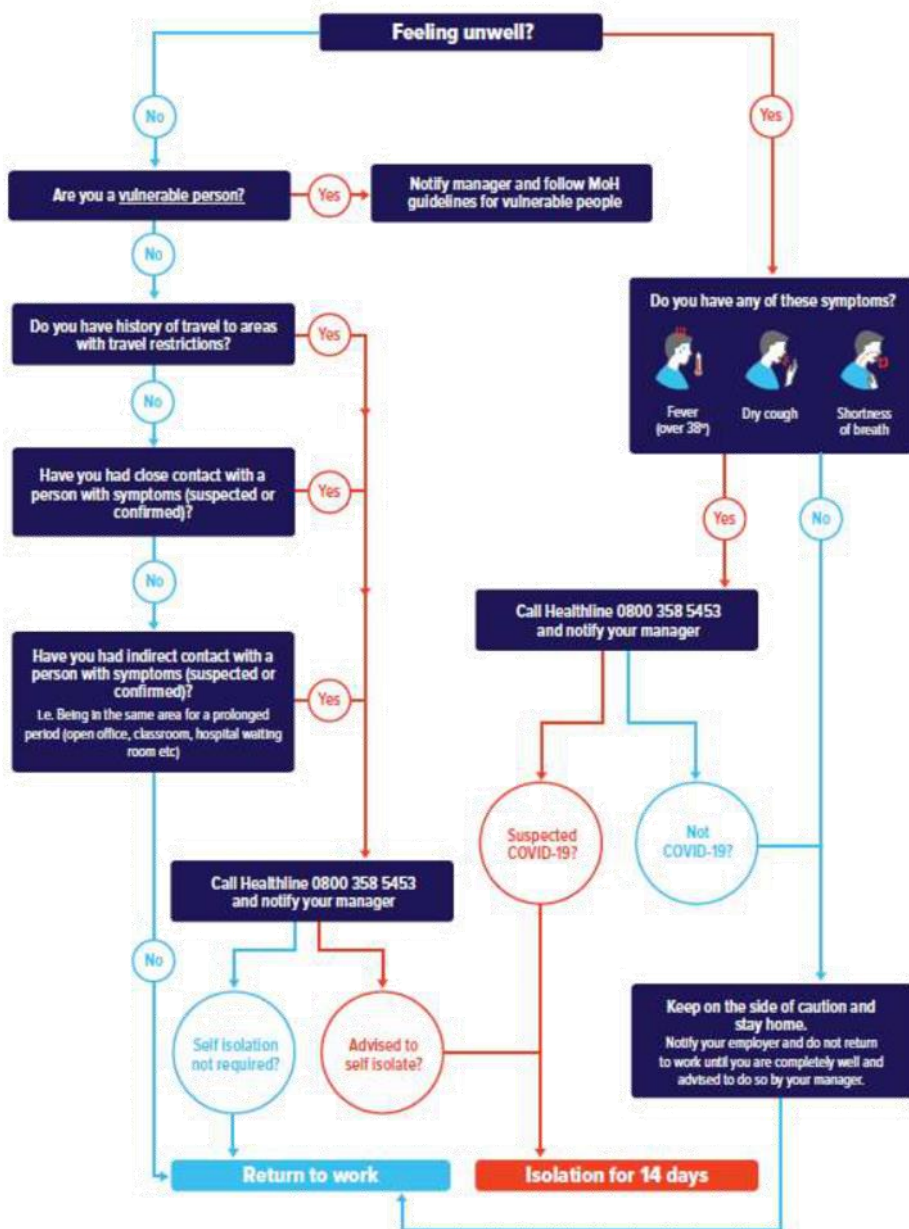
Signed _____

Date _____

(This form is to be completed and returned to the Human Resources Manager for filing on the Personnel Files.)

Appendix 2

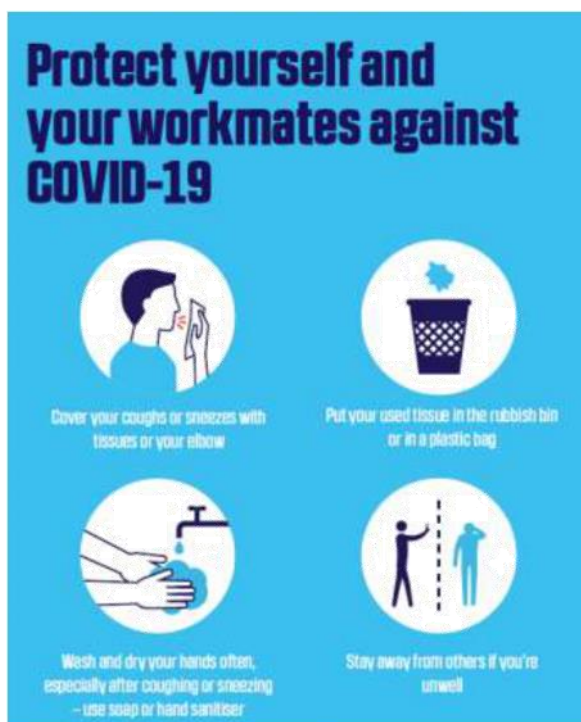
Personal Health Flowchart




Appendix 3

Full name	Phone	Date	Time in/out	Signature
Steven Example	03 123456	20.05.20	0830/1630	<i>Sp</i>

Appendix 4



6.3 COVID-19 RISK

Author: Luci Swatton, Emergency Management and Health and Safety Officer
Authoriser: Paul Cooper, Regulatory and Compliance Group Manager
Attachments: 1. CDEM Pandemic Plan - May 2020 [↓](#) 

PURPOSE

1. To give Audit and Risk Committee an update on the Covid-19 response.

EOC ACTIVATION

2. The Emergency Operations Centre (EOC) was partially activated at 12:00pm on Tuesday 24 March 2020. The EOC was activated to support the Ministry of Health led response to the Covid-19 pandemic, through Civil Defence Emergency Management (CDEM) to support the community of the Waimate District.
3. Due to the nature of the pandemic event and the imminent onset of Alert Level 4 restrictions, EOC staffing was limited to key functions compared to other emergency events. Whilst some EOC functions worked from home a core team were isolated in the library in their own "bubble". The EOC staff were, Paul Cooper - Controller, Carolyn Johns - Alternate Controller, Luci Swatton - Response Manager, Jonts McKerrow - Alternate Response Manager & Operations, Jill Wilson - Welfare Manager, Kevin Tiffen - Planning and Intelligence, Lara Welsh - PIM, Helen Strachan - PA to Controller & Logistics and Mike Downes - Liaison with Community Link and Welfare.

RESPONSE ACTIVITIES

4. The main activities of the EOC were:
 - a. Delivery of welfare needs to the community, primarily for household goods and services.
 - b. Medical transport system for pick-ups and drop offs to hospital and GP appointments.
 - c. Public information management (PIM) updating the community through Council Website, Council Facebook, Radio (The Breeze and Golden Sounds), The Trader, Noticeboard posters and mail drops across the district.
 - d. Planning - action plans, contingency planning for EOC staff sickness, a secondary event, and New World/Lister Home staff sickness and transition planning between alert levels.
 - e. Reporting with daily situation reports to our partner agencies and national reporting to NEMA on welfare metrics.
 - f. Coordination with South Canterbury partner agencies particularly the SCDHB on planning for mobile swabbing clinics, community based assessment centres (CBACS) if required and welfare (psychosocial) needs across the community.
5. There were many Council staff and one volunteer who supported the EOC with key tasks. These included delivery drivers for groceries (Donette Fargher, Nicky Caird, Di Lowry and Tracey Tiffen), medical transport drivers (Tony Stevenson (volunteer) and Jake Blades), and the 0800 number welfare support call takers (Diane Robertson, Linda Shefford, Peter Vendetti and Tony Morton).
6. Due to the restrictions in place from Alert Level 4 it was important to reduce the number of staff physically working in the EOC (the Library). With the semi-virtual nature of the EOC, communications were limited to Zoom meetings, phone and email. There were multiple Zoom meetings daily (Controller and Response Manager and EOC Tasking meeting), some of which reduced down over time to twice weekly. These meetings allowed the EOC team to determine progress, discuss problems, develop solutions and ascertain how

outcomes were delivered. There were also a number of Canterbury wide teleconferences several times a week to discuss progress and problems across the CDEM Canterbury Group and all Canterbury councils.

RESPONSE TIMELINE

7. The Covid-19 response evolved over time as the requirements altered, the EOC team remained flexible and adjusted to the changing restrictions, regulations and needs of the community. The first two weeks of the response were around developing systems and processes which allowed the response to efficiently support the community through welfare delivery and PIM.
8. Week 3 and 4 allowed time for the EOC to refine processes and protocols and record everything that had been organised. Contingency planning was also undertaken which highlighted the requirement for everything to be recorded and finalised in the event cases of Covid-19 got into the EOC team or another event occurred during the Covid-19 response.
9. Week 5 and 6 the EOC planned for the transition from Alert Level 3 to 2 or potentially back up to Alert Level 4 if required in the future. Whilst the protocols for the Covid-19 response were well developed and documented there were new concerns arising each day.
10. Week 7 and 8 the EOC transitioned away from response mode to monitoring the situation. Part of this included transitioning the clients being assisted at Level 4 and 3 to either looking after themselves or being passed onto Community Link for further assistance if required.

WELFARE DELIVERY STATISTICS

11. The Civil Defence team completed 214 food deliveries to over 60 households across the Waimate District. There were also nine food deliveries completed on behalf of the Waihao Marae and four for the Salvation Army foodbank. The medical transport system transported four people to and from Timaru hospital six times. The 0800 number call centre received 107 calls since the call centre was established on Wednesday 1 April.

FINANCIAL

12. The main costs associated with the Covid-19 response was the purchase of groceries for those clients who have no way of paying for their orders during lockdown (no access to internet banking or credit card, only cash or eftpos). To ensure that those clients could still get groceries during lockdown a system was set up with an account for the Council at New World, each order was put on a purchase order and the Council is now invoicing the clients. The estimated amount on this account is \$4,300.00 at this stage. If any clients cannot afford to pay when they are invoiced we will be able to recover the costs through NEMA with systems in place for reclaiming of welfare expenses.

COMMUNITY PARTNERS

13. During the Covid-19 Civil Defence response strong partnerships were developed with community organisations and businesses. These include, Community Link, Community Vehicle Trust, New World, Waimate Police Sergeant, Lister Home, Waimate Pharmacy, Oak House Medical Centre, Waimate Medical Centre, Waihao Marae, and the Salvation Army Foodbank.

RECOMMENDATION

That the Covid-19 risk report is accepted

CDEM PANDEMIC PLAN

MAY 2020



Waimate District Council
Emergency Management



Waimate
District Council

WDC CDEM Pandemic Plan

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WDC CDEM Pandemic Plan

Introduction

What is a pandemic?

A pandemic is the worldwide spread of a new disease. An influenza pandemic occurs when a new influenza virus emerges and spreads around the world, and most people do not have immunity. Viruses that have caused past pandemics typically originated from animal influenza viruses.

(https://www.who.int/csr/disease/swineflu/frequently_asked_questions/pandemic/en/, March 2020)

Overview

A major pandemic will have significant consequences for the Waimate District, and New Zealand. It will overload existing health systems, emergency services, lifelines, and business-as-usual functions within government.

All sectors of the community will be impacted. A large-scale pandemic will have major social and economic implications and require a whole of government and whole of community response. A pandemic is also likely to be a longer and more drawn out event than most emergency events.

Ministry of Health will lead the response, however Civil Defence Emergency Management (CDEM) may offer significant support especially in the welfare function.

This plan regularly refers to the Ministry of Health's New Zealand Influenza Pandemic Plan: A framework for action (NZIPAP 2017), which outlines responsibilities of CDEM groups and local authorities.

Purpose

The purpose of this plan is to outline how Waimate Civil Defence Emergency Management (Waimate CDEM) may support a pandemic response.

Scope

This plan refers largely to an influenza pandemic as this is the most likely event to cause a large-scale health emergency, however, this plan could be applied to other types of pandemics.

This plan covers how Waimate CDEM may support the health response. This plan is not a business continuity plan for Waimate District Council.

Waimate CDEM is not the lead agency.

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Planning for Pandemic

NZIPAP 2017 uses a model that assumes a severe pandemic wave in which 40 percent of the New Zealand population (more than 1.9 million people) become ill over an eight-week period. The peak occurrence in the model occurs in weeks three to five, when about 1.5 million people – a third of New Zealand's population – would be ill, convalescing or just recovered.

The standard planning model assumes a total case fatality rate of 2 percent, within which about 38,000 deaths would occur over the eight-week period, peaking at about 23,500 in week four. It is important to note that this is not a prediction – it is not possible to make any such forecast before a pandemic develops.

The NZIPAP 2017 outlines three overarching objectives in pandemic planning and preparation:

To protect New Zealand's people, society and economy during and after a pandemic.

New Zealand pandemic planning is based around a six-phase strategy:

1. **Plan for it**
2. **Keep it out**
3. **Stamp it out**
4. **Manage it**
5. **Manage it: Post-peak**
6. **Recover from it**

The table below gives a brief summary of phase, task and the situation in New Zealand at each level. Some of the phases have several sub-phases within them as part of the NZIPAP 2017.

NZIPAP Phase	Task	NZ Situation & Triggers
1. Plan for it	Planning and preparedness	No human cases in NZ
2. Keep it out	Border management (containment)	No human cases in NZ
3. Stamp it out	Cluster control (containment)	First case identified in NZ or clusters of cases in NZ.
4. Manage it	Pandemic management	Increased and substantial transmission in the general population.
5. Manage it: Post-peak	Pandemic management	Wave decreasing; possibility of a resurgence or new wave.
6. Recover from it	Recovery	Pandemic over and/or population protected by vaccine.

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Response Structure

In a pandemic, the Ministry of Health (MOH) is the national lead agency, and South Canterbury District Health Board (SCDHB) is the lead agency at a local level. The Canterbury CDEM Group and each local authority will support the health response if asked to do so.

A local or national state of emergency could be declared in a pandemic, subject to certain thresholds being met. Those thresholds are concerned with the need for resources beyond an agency's usual capability or capacity, or the need to invoke extraordinary powers to manage an emergency.

Lead Agency vs Support Agency

It is critical that the EOC staff understand support role vs lead agency.

In practice, the Government expects the local health coordinator, local medical officer of health and CDEM Controller to 'sit around the same table' with the following accountabilities and responsibilities.

- The **Local Health Coordinator** is accountable for the local pandemic response and for providing the command and control necessary to deliver health response measures under the NZIPAP.
- The **Local Medical Officer** of health has statutory powers and is accountable for the exercise of those powers to the Director-General of Health.
- The **Local CDEM Controller** is accountable for coordinating and directing community and civil defence responses, resources and functions under CDEM plans.

In terms of health requirements, the decisions of the Health Coordinator will prevail because the Coordinator is the representative of the lead agency MOH, which has overall accountability for implementing the NZIPAP 2017.

If a pandemic occurs, a state of local or national emergency will only be declared under the CDEM Act in certain circumstances. However, a declaration is not necessary for CDEM to support a pandemic response.

Potential Impacts

Impact on Society

A severe pandemic will lead to a high level of absence in the workforce, as people fall ill or stay at home to care for sick relatives and friends. Health systems, emergency services, lifelines, and business-as-usual functions within government will be overwhelmed.

Schools may be closed, and public health measures such as intensified surveillance and restriction of public gatherings may be introduced. Some businesses may decide to close or set up working from home procedures and public events postponed or cancelled.

This could have a significant impact on communities and individual wellbeing especially if self-isolation or quarantine is enforced.

Care of the Deceased

The NZIPAP 2017 planning model for a severe pandemic assumes about 38,000 deaths over an eight-week pandemic wave, with approximately 10,000 in the peak week. New Zealand averages about 599 deaths from any cause per week in normal times.

A severe pandemic will put strain on resources and have implications for funeral directors, territorial authorities and managers of burial grounds, including pressure on space.

There will also need considerations to be made around gatherings, tangihanga and funerals whilst trying to reduce the risk to people attending but still allowing family and friends to grieve.

Welfare Needs

Significant numbers of people may suffer bereavement and/or severe illness. People may lose their jobs and income, along with support networks from social isolation.

People may need assistance with food and household deliveries, support to care for themselves (including children or people with disabilities whose caregivers are ill). As well as financial assistance and psychosocial support.

NZIPAP 2017 acknowledges an inevitable tension between promoting social distancing and promoting community support.

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Waimate CDEM Response

Waimate CDEM is able to offer support by responding to and managing the non-health related effects of a pandemic, including but not limited to:

- Welfare support
- Providing intelligence
- Coordination
- Public information management

Other ways Waimate CDEM could support the pandemic response include offering the use of facilities, staff, and resources. Agreements would need to be made beforehand to ensure that if another disaster occurred (e.g. an earthquake) Waimate CDEM would have access to facilities, resources, and staff.

Note that the response will largely be determined by the scale of the pandemic and the support requested by health authorities. Some of the following information may not be applicable to all events.

Levels of Action

Based on the MOH indicative health sector alert code as discussed in the NZIPAP 2017, there are CDEM action point which should be undertaken at each level. These are described in the table below.

MOH Alert Code	Description	Local CDEM Actions
White (information advisory)	Confirmation of an emerging infectious disease-related incident outside New Zealand.	Review local pandemic response plans.
		Review business continuity plans for the Council
		Keep Local Controllers and South Canterbury Welfare Committee members informed.
Yellow (standby/'contain it')	Possible emerging infectious disease-related emergency in New Zealand - imported cases without local transmission.	Work with PIM to maintain consistent public messaging.
		Work with Canterbury Group ECC and provide any information required.
		SCCDEMCC to meet if required.
		Work with SCDHB to respond to any welfare issues.
		Consider setting up EOC in consultation with ECC and SCDHB.

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MOH Alert Code	Description	Local CDEM Actions
Red (activation/'manage it')	Emerging infectious disease- related emergency in New Zealand - many imported cases and/or local transmission, outbreak or epidemic.	Liaise with health EOC (MOH/SCDHB)
		Establish local EOC (If social distancing is required, staffing at the EOC will be managed by phone and computer as far as possible).
		Local Welfare Manager to lead welfare response with support from Controller and Response Manager.
		Logistics, Operations and PIM support will be set up as required.
Green (stand-down/recovery)	End of outbreak, epidemic or emergency - services returning to normal	Deactivate the EOC
		Transition to Recovery alongside other support agencies.
		Support needs of MOH transition to recovery.

Facilities

There are several facilities across the district that could be used in a response, with coordination from Waimate CDEM. Public gathering is likely to be discouraged but there may be a need for additional facilities, for example for health providers, storing equipment, or EOC set-up.

Staff

Waimate CDEM has approximately 25 trained Emergency Operations Centre (EOC) staff who could support a response in a variety of roles. There is also potential that staff who may not be performing their business as usual role would be able to assist with some CDEM tasks.

Public Information

Waimate CDEM manages public alerting as a part of the Public Information Management (PIM) function. During a pandemic the usual council channels would be used such as Facebook pages and the Waimate District Council website. Other forms of communication including radio, local newspapers, mail drops and posters could be used to spread messages throughout the community. All health related messages will be directly shared from either the MOH or SCDHB or stated, 'as advised by MoH/SCDHB'.

If CDEM is taking on a significant coordination role then some messages may come directly from CDEM (such as non-health related information). Joint statements and consistent messaging will contribute to credibility and trust in the response.

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Welfare

Delivering welfare support in a pandemic will require a different approach to other emergencies due to the risk of infection. Civil Defence Centers (CDC) will not be established as public congregating in one place needs to be avoided.

Options for welfare support include:

- Remote welfare support via telephone, email, skype, Facebook, and online messaging platforms.
- Food, medication, or other essential items could be delivered to household front doors through several different methods with the correct PPE and procedures in place (see attached examples from Covid-19 response in Appendix A).
- Transportation of people to medical appointments or procedures. Community volunteer programs could be impacted due to the age of volunteers (e.g. Community Vehicle Trust).
- Temporary accommodation for people who have nowhere to self-isolate or for those whose circumstances change throughout the pandemic.
- Determine the needs of the community with assistance from welfare support agencies like Community Link.
- Psychosocial support (social contact particularly for isolated people via telephone, and sharing accurate information, to comfort people and reduce anxiety of the unknown).
- Pamphlets and posters with information about how to get support could be delivered to household front doors, particularly for elderly or vulnerable people who may not have access to the internet.

The ability of CDEM to support a response may be affected by the pandemic, with low numbers of available staff and volunteers. All operational staff (i.e. those having direct contact with members of the public) will need to have access to appropriate PPE and knowledge of the correct procedures, developed with advice from the DHB and based on resources such as that provided by WorkSafe New Zealand.

The table below lists the welfare sub-functions, the service required and the agencies who are responsible to deliver those services.

Welfare Sub-function	Welfare Service required	Responsible Agencies
Household goods and services	Coordinating the delivery of household goods and services to people isolated by the pandemic.	CDEM
Animal welfare	Arranging for the care of animals where owners are unable to do so as a result of the pandemic.	MPI, Animal Control, SPCA
Financial assistance	Providing advice about financial support to people who have lost income or family members.	MSD IRD

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Welfare Sub-function	Welfare Service required	Responsible Agencies
Children and young people	Arranging for the care of children and young people whose usual caregivers are unable to care for them. Ensuring arrangements are in place for children and young people who are temporarily unable to attend school (quarantine, school closures).	Oranga Tamariki Ministry of Education
Psychosocial support	Providing support to people who are affected, ranging from consistent and supportive information to counselling for people who are bereaved.	Ministry of Health/ SCDHB Red Cross Victim Support PIM
Other	Arranging for the care of people whose usual caregivers are ill and unable to care for them (some people with disabilities, some older people, people convalescing).	SCDHB, Public Health, PHO and contracted providers. Red Cross

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Considerations

The considerations discussed below are generic in nature. In the early stages of planning for a specific event concerns and vulnerabilities will need to be considered for the district and worked through with external agencies and organisations.

Working Remotely

If large gatherings of people is discouraged, it is possible that some EOC functions can be supported remotely. It is important that all IT devices which can be used for remote work are set up with VPN for access to internal documents and systems. A remote EOC will require a significant amount of IT support as well as flexibility from staff. Depending on the situation it may work to have a semi virtual EOC, meaning that a small team will work in an isolated EOC location whilst the rest of the EOC team work from home.

Teleconference, phone and video meetings (Zoom) will enable meetings to take place, alongside SharePoint for document management.

Initiatives can be developed to allow less formal communication within a group (EOC staff) if working remotely. Something like a closed Facebook group can be set up which allows a space for staff to communicate, ask questions to the group and feel more connected to each other.

Staffing Levels

There is likely to be a significant impact on both Waimate District Council staff, as well EOC staff. The Controller, Response Manager and Logistics Manager will need to consider how to run an EOC with fewer staff in a safe manner. Some staff may need to care for their families during the pandemic and therefore be self-isolated for some time.

Staff should be advised of pandemic symptoms and appropriate actions to take throughout the response including hygiene best practice.

Coordination and Communication

As relationships between health and CDEM are held largely at a regional level, e.g. through the Canterbury CDEM Group and South Canterbury District Health Board, Waimate CDEM will work with whatever arrangements best suit the lead agency.

It is anticipated that coordination between health authorities and CDEM would largely happen at a regional level, but a local health liaison, if available, would be welcome into the Waimate EOC. Alternatively, Waimate CDEM could send its own liaison officer into a health EOC.

Waimate CDEM also welcomes direct relationships with local medical centers, pharmacies and other health organisations and their staff, but acknowledges some organisations are stretched.

Disaster Response during a Pandemic

It is possible that another emergency could happen during a pandemic. This will have a significant impact upon both responses and will require a significant change in the pandemic response based on the needs from the second emergency.

An example contingency plan from the Covid-19 response can be found in Appendix B. This shows planning for a secondary event occurring during a pandemic response.

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In this instance CDEM will, as usual, follow the objectives prescribed by the Ministry of Civil Defence and Emergency Management in the Guide to the National CDEM Plan 2015, section 24.3.

The response objectives, in order or priority, are:

1. The preservation of life; and
2. The prevention of escalation of the emergency; and
3. The maintenance of law and order; and
4. The provision of safety and security measures for people and property; and
5. The care of sick, injured and dependent people; and
6. The provision of essential services; and
7. The preservation of governance; and
8. The protection of assets (including buildings and their contents and cultural and historic heritage assets); and
9. The protection of natural and physical resources and the provision of animal welfare (to the extent reasonably possible in the circumstances); and
10. The continuation or restoration of economic activity; and
11. The putting in place of effective arrangements for the transition to recovery.

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Recovering from a Pandemic

Recovery is defined in the national CDEM plan as 'the coordinated efforts and processes to effect the immediate, medium-term and long-term holistic regeneration of a community after an emergency'.

A mild to moderate pandemic is unlikely to result in the need for significant recovery effort, as it will result in a low death rate and little social or economic impact. However, recovery is likely to be prolonged in a severe pandemic that has had widespread community impact.

In recovery from a severe pandemic, a wide range of organisations need to be part of the process and planning for recovery will be informed by existing recovery plans, in the unique context of a pandemic. Recovery from a severe pandemic will require guidance from National Emergency Management Agency (NEMA) and the Ministry of Health (MOH).

Appendix A – Procedures for Welfare Delivery

Covid-19 - Welfare Needs Assessment Process

The Waimate District currently has two official channels for the public to receive assistance with essential needs and household goods.

1. Community Link

Website - <https://www.communitylinkwaimate.org/home>

Ph. 03 689 6226

2. COVID-19 Call Centre Support Line – via Waimate District Council

Ph. 0800 24 24 11

The Community Link phone line is monitored 0800 to 1700 Monday to Friday, whilst the COVID-19 Call Centre operates between 0700 and 1900, 7 days a week. The call centre is manned by Waimate District Council staff who have volunteered, they are utilising the information below to assist them with the calls.

Covid-19 Call Centre (0800 24 24 11)

The Covid-19 call centre process is as follows:

1. There is a Canterbury wide 0800-number (0800 24 24 11) for the public to call when they have a welfare need.
2. An automated message asks the person to select the number for the district they are living in which then directs them to the appropriate Council call centre.
3. The call centre staff will hold an initial discussion with the caller about their needs and work with them to identify existing strategies or support (e.g. friends, family, neighbours) to help themselves find solutions to their issue. (Information about support services are listed in this document to help the caller).
4. The call centre staff member should aim to triage and complete the problem in the first instance.
5. If the issue cannot be resolved in the first instance, or is complex, then a referral to the Waimate CDEM Emergency Operation Centre can be made.
6. This referral needs to be made by email to Civil.defence@waimatedc.govt.nz and contain the following:
 - Full name
 - Contact phone number and email
 - Short description of the potential welfare need/s
 - Request consent from the caller for their details be share with Waimate CDEM so that a follow-up can be arranged (privacy of the caller is a priority in every single interaction).

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Call Centre Staff Tips

Before undertaking a shift for the call centre, staff should read through this document and familiarise yourself with the information on the Covid-19 website (<https://covid19.govt.nz/>), particularly the information in the resources tab.

It is important you keep a record of all calls coming through and report this to Waimate CDEM EOC team daily. The EOC will then report to the National Emergency Management Agency (NEMA) on the types of need in the community and inform future planning and resourcing.

Principals whilst taking calls:

- Be compassionate and kind, this is a stressful situation for all involved.
- We use a strength-based approach, meaning we help people to solve their own problems, rather than solving it for them. However, if people need help, we get them help.
- Only collect information that an agency requires in order to deliver on the welfare need (or registration).
- Privacy is the top priority on all calls.
- Be familiar and respectful with people's privacy rights (Privacy Act) and only collect, use and share their information in accordance with these rights.
- Please do not collect specific medical information (e.g. an insulin prescription is required), instead note down a 'generic requirement' (medical prescription).
- Please make sure to remind people of the need to stay at home, unless for essential needs.

We have found that many people are looking for information and sometimes only need to be pointed to the source of the information.

For all key contacts and useful websites see the Call Centre Protocol document attached.

Referral of clients

Once a client makes contact through either Community Link or the Waimate COVID-19 Call Centre they will undergo a screening (triage) process to determine their needs. Their details will be recorded including a summary of the issue. The process for referral is:

1. The Waimate COVID-19 Call Centre staff will record the client details in the Call Centre Call Log located in the L drive – [L:\Civil Defence\Covid-19 Pandemic\Welfare\0800 call centre](#)
2. The screening process will determine whether the person requires either advice, referral to another agency or ultimately if they require assistance from Civil Defence.
3. The affected person will be referred to the Civil Defence Welfare Team should they not have their own support structure (friends/family/neighbours) and require assistance in obtaining essential needs (such as things as Groceries or Pharmaceuticals).
4. Community Link and the Waimate COVID-19 Call Centre will email all the relevant details of the client to Civil.defence@waimatedc.govt.nz. During the weekends also email the on-call EOC team members so that they can easily access the information being sent through.

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Welfare Needs Request Received into EOC

The Welfare Team will routinely monitor the incoming emails, through both civil.defence@waimatedc.govt.nz and personal accounts. Once an email is received the process is:

- An email is received and reviewed by the Welfare Team a member will contact the client and triage their needs further.
- The details of the conversation will be recorded into the Welfare Screening Log located in the L drive – L:\Civil Defence\Covid-19 Pandemic\Welfare

Welfare Team Needs Request Process

If the affected person requires delivery of essential items (groceries) the process below should be followed:

1. Add the relevant details of the client into the Delivery Tasking Log spreadsheet located in the L drive – L:\Civil Defence\Covid-19 Pandemic\Welfare. The details required are:
 - Date Received
 - Client name
 - Address
 - Phone
 - Email
 - Need
 - Advised New World
 - Comments/Payment
 - Delivery date
 - Delivery instructions
2. The Welfare Team will email New World (waimate@newworld-si.co.nz) with the client details and the requested delivery day.
 - If an urgent request is sent to New World follow up the email with a call (03 689 8107 ext 1) to confirm whether this delivery is possible.
3. If the client has internet banking or credit card facilities, their contact details will be emailed to New World and New World will directly contact the client to discuss their shopping list and payment options.
4. If the client has no payment options (only works with cash or eftpos):
 - We can pay for their groceries using the Waimate District Council Account #802 at New World under the purchase order #105893, ref Client Surname.
 - The client will then be invoiced for their groceries by Council once the lockdown period is over and they will be able to pay their invoice with their normal payment methods.
 - Once the payment method has been discussed with the client the Welfare team will organise the clients shopping list and forward all the details onto New World including the delivery date and the p/o number.
 - The client cannot order their own groceries if it is being charged back to the Council.
5. If the client would like to order alcohol as part of their shopping list please determine if they are over 18 years old. You can request a copy of their driver's license to be emailed through to confirm their age if you have any doubts.

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6. Make sure all details in the Delivery Tasking Log are current as the Operations Team will take the lead on delivery from this point forward and will rely on the information present in the log.

Operations Team Needs Delivery Process

Once the contact details and/or order has gone through to New World from the Welfare team the Operations team pick up the responsibility for delivery of essential items to the client.

This process involves:

1. Organising a delivery driver for the day. Depending on the number and location of deliveries more than one driver may be required.
2. Be in communication with New World via email (waimate@newworld-si.co.nz) advising them who the nominated delivery driver is for the day (including contact details).
3. Once the items are ready to be delivered New World will contact the nominated delivery driver to advise them the order/s are ready.
4. Operations are responsible for ensuring the collection and delivery of the essential needs are met, and will follow up with New World and the Welfare Team on any outstanding orders.
5. At the end of each delivery day Operations will follow up with the driver to check all deliveries are completed, get a copy of the driver's delivery log and update the Delivery Tasking Log spreadsheet [L:\Civil Defence\Covid-19 Pandemic\Welfare](#).

Supermarket order limitations

- Delivery services will preferably occur once a day between 0800-1600hrs Tuesday and Thursday. NOTE: New World will be closed to the public between 1300-1500 hrs each day.
- A minimum of 24 hours' notice on orders is required by New World.
- Same day orders and deliveries will be avoided where possible.
- If New World is unable to process same day or urgent deliveries the Operations Team will organise a delivery driver to do the shopping for the client and deliver the items.

Delivery Driver Process

Once the order is completed by New World and ready to be picked up for delivery the delivery driver will assume their role. The complete instructions for the delivery driver are attached. The overall process includes:

1. Each day the Operations Team will provide the days delivery details to the delivery person as per the Delivery Tasking Log spreadsheet.
2. Once the order is confirmed by New World and available for collection they will notify the Operations Team who will then advise the delivery person via cell phone.
3. Once an order is ready for delivery go to New World to collect (further details within Delivery Driver instruction sheet).
4. Once at the clients property deliver the order following the instructions detailed in the Delivery Driver instruction sheet.
5. Record all details of the deliveries on the delivery log once complete and send through to the Operations team (civil.defence@waimatedc.govt.nz).

IMPORTANT

- Be friendly and provide the person positive reassurance BUT
- Do not enter the address and maintain at least a 2m distance between you and all other people at all times.

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0800 Call Centre Protocol

A Canterbury wide 0800-number for the public to call when they have a welfare need has been initiated. An automated response will ask which district they live in and direct them to the appropriate council call centre.

For our district the Waimate contact centre staff will hold an initial discussion with the caller about their needs and work with them to identify the correct agency to help with their issue. Information about external support services included in this document will assist you in making the correct agency referral.

If the need is not able to be referred to an external agency, then strategies to help them should be explored. Examples:

- They are over 70 and don't want to go to the supermarket.
- They normally use the community link vehicle to take them to the Doctor. Now the community link vehicle service has been suspended.
- They have compromised health conditions and don't want to visit the pharmacy to collect their medication.

In cases like this first explore alternative options such as friends/family/neighbours assisting them with their needs. What support structure do they have that they can call on?

If the issue cannot be resolved in the first instance, or is complex, then a referral to the Waimate CDEM Emergency Operation Centre (EOC) can be made. This referral needs to be made by email to Civil.defence@waimatedc.govt.nz and should contain the following:

- Full name
- Contact details
- Short description of the potential welfare need/s and the urgency
- Request consent from the caller for their details be share with the Waimate CDEM EOC so that a follow-up can be arranged. Privacy of the caller is a priority in every single interaction.

Example:

Name: Joe Bloggs

Address: 5 Pothole Road, Waimate

Phone: 021 234 5678

Email: JBloggs@yerboy.co.nz

Request Summary: Joe would like contact re grocery delivery, he is 85 and is one of our residents who must remain in lockdown that has no one else to collect groceries. He has enough supplies to last three days.

A call log spreadsheet has been emailed to you. You must record **all call** details in this spreadsheet and at the end of each shift please forward a copy to Civil.defence@waimatedc.govt.nz

NOTE: The Civil Defence EOC will be operating between 8:00am – 5:00pm Monday to Friday although emails will continue to be screened outside of these hours. This is important information to pass onto the caller as it may be that the email will not be reviewed until the following morning. The urgency needs to be specified in the email.

If it is urgent then a staff member from the EOC will contact the person outside of normal hours.

If you have any issues or the matter requires urgent attendance, then contact:

- Jonts 027 780 4874
- Luci 027 307 2660

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At each shift change it is advisable to contact the incoming shift worker and formally handover. The handover should include any perceivable issues i.e. expected repeat callers or information deemed necessary to pass onto the next shift.

Before you start:

Read through this document and familiarise yourself with the information on the Covid-19 [website](#), particularly the information in the resources tab.

You may also want to identify any council-specific information relevant to welfare in your district, this can be found in the Covid-19 FAQ document.

It is important you keep a tally of the types of requests coming through and report this to the EOC. This is so we can report to Government the types of need in the community and inform future planning and resourcing.

On the phone principles:

- Be compassionate and kind, this is a stressful situation for all involved.
- We use a strength-based approach, meaning we help people to solve their own problems, rather than solving it for them. However, if people need help, we get them help.
- Only collect information that an agency requires in order to deliver on the welfare need (or registration). Privacy is the top priority on all calls.
- Be familiar and respectful with people's privacy rights (Privacy Act) and only collect, use and share their information in accordance with these rights.
- Please do not collect specific medical information (e.g. an insulin prescription is required). Instead just note down a 'generic requirement' (medical prescription).
- Please make sure to remind people of the need to stay at home, unless for essential needs.

We have found thus far that many people are looking for information and sometimes need only to be pointed to the source of the information.

Key contacts and websites to have on hand

The primary public channel for information regarding Covid-19 and the Government response is www.covid19.govt.nz

Information on this site includes:

- Current Alert Level and what that means for the public
- What is an 'Essential Business'
- Financial support
- Events and gatherings
- Staying at home and self-isolation
- General health and hygiene advice
- Advice for travellers
- Translated and Sign Language resources
- [Welfare fact sheet](#)

For those unable to access website, there is also a Government Helpline:

- 0800 779 997 | 8am–1am, 7 days a week
- Please limit refers to this hotline as much as possible

FAQs - <https://covid19.govt.nz/#faqs>

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Health Related Inquiries

The primary public channel for general health related COVID-19 inquiries is:

<https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus>

Information on this site includes:

- Health advice for:
 - The public
 - Health professionals
 - Age care providers
 - Cleaning services
 - Vulnerable, disabled and CALD communities
- Health resources and posters
- Latest Ministry of Health updates

If caller has health concerns, including:

- Symptoms such as a cough, fever, and shortness of breath
- Has been overseas in the last 14 days
- Has been in contact with a person confirmed to have had COVID-19, they should call:
 - Healthline 0800 358 5453 (free, 24/7) or
 - Call their local GP

General Key Contacts

Emergency – 111

Healthline – 0800 358 5453 International sims: +64 9 358 5453

Government Helpline – 0800 779 997 - 8am-1pm 7 days, www.covid19.govt.nz

Health and Wellbeing

If you need a prescription, please call your GP or local pharmacy.

Mental wellbeing – Call 1737 24hr 7 days

Plunket line – 0800 933 922 24hr 7 days

General health www.health.govt.nz/coronavirus

All Right? www.allright.org.nz

Financial Support

Work and Income – 0800 559 009 www.workandincome.govt.nz

Employer Subsidy and Leave Payments Line – 0800 40 80 40

Christchurch Budget Service – enquiries@chchbudget.org.nz

Accommodation

MBIE Temporary Accommodation Service – 0508 754 163

Tenancy Information - 0800 TENANCY (0800 836 262) www.tenancy.govt.nz

Schools and Early Childhood

In the first instance call your school

Save the Children: www.savethechildren.org.nz

Oranga Tamariki – 0508 326 459 - 24hr 7 days - contact@ot.govt.nz

Animal Welfare

Council or SPCA

Ministry for Primary Industries – 0800 008 333

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Local vets: www.nzva.org.nz

International Visitors

www.i-site.org to find a local I-Site

Immigration New Zealand – 0508 558 855 - www.immigration.govt.nz/new-zealand-visas

Consular assistance via embassy. Contact details available at www.mfat.govt.nz

Essential Services

0800 22 66 57 (9am to 5pm) or email essential@mbie.govt.nz.

Reporting isolation breaches:

If you have concerns about a gathering of people, a non-essential shop or service that is open, anyone who is not self-isolating as required, or an event that breaches the criteria, you can report it to Police online at www.105.police.govt.nz. Do not ring 105. Reports will be prioritised based on risk.

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Essential Needs Delivery Service

Deliveries will be made on weekdays between 0800-1600 hrs

NOTE: New World will be closed to the public between 1300-1500 hrs each day.

The delivery person will be assigned a vehicle for their use during the lock down period. This will be secured at their home. The appropriate PPE of hand sanitiser, sanitiser wipes, gloves and work sheet will be provided and stored in the vehicle.

The delivery processes is as follows:


- Operations will pass on delivery details/instructions to the designated delivery person for that day.
- This is completed by copying the relevant section of the delivery tasking spreadsheet and it being emailed.
- New World waimate@newworld-si.co.nz and the Welfare team Civil.defence@waimatedc.govt.nz will be CC'd into the email.
- The delivery person's details will be passed to New World as a direct point of contact.
- Once the order is confirmed by New World and available for collection, A New World staff member will notify the delivery person via cell phone.
- All delivery details are to be recorded in the work sheet, including start/finish time.
- Once an order is ready for delivery:
 - Drive to the service entrance of New World.
 - A New World staff member will greet you. If not call the New World point of contact number 03 689 8107 ext 1.
 - Using gloves uplift the orders which will be in individual trays.
 - Each order will have the delivery name, address and phone number visible.
 - At the address, remove the relevant order and lock the vehicle.
 - Follow the previously provided delivery instruction for that address.
 - Place the bagged goods at the designated area.
 - Advise the home owner they have arrived. First by a door-knock and stepping at least 5 metres back. If no response to the door-knock then call the owners phone number.
 - Once the person arrives confirm that they are the correct recipient and ensure they physically accept the order.
 - You may return to the vehicle with the tray (NOTE: If no one can be contacted return the order to the vehicle and continue onto the next delivery, try again later and if still no contact return the order to New World).
 - Once back in the vehicle record the relevant details in the work sheet.
 - Once the deliveries are complete return to New World and drop off the trays.
 - Remove and dispose of the PPE thoroughly apply hand sanitiser.
 - Return home, wash hands and forward a copy (photo/scan) of the work sheet to the Operations Team.

IMPORTANT:

Be friendly and provide the person positive reassurance **BUT** do not enter the address and maintain at least a 2m distance between you and all other people at all times.

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Appendix B – Secondary Event Contingency Plan Example

 Waimate District Council Emergency Management	Contingency Plan	CP002
	Secondary Event	22.04.20
EVENT NAME	Covid-19 pandemic	
DECLARATION	National Declaration – 1221, 25 March 2020	

EMERGENCY OPERATIONS CENTRE / DATE AND TIME**PLAN PREPARED**

Contingency Plan – Secondary Event

PREPARED BY

Kevin Tiffen (Intelligence Manager)

PLAN APPROVED AS AT:

Date 20.04.20

Time 1200

APPROVED BY

Paul Cooper (Controller)


SCENARIO/s

A secondary emergency event or natural hazard (e.g. flood, earthquake, snow) occurring during the Covid-19 response which requires coordination or response from the Emergency Operations Centre (EOC).

SITUATION

NZ has declared a National State of Emergency in response to the COVID-19 Pandemic. The Waimate EOC was activated 25 March 2020, staffed by a reduced number of EOC functions. It is anticipated that the COVID-19 response will be long-running, utilising a number of key staff.

In response to the COVID-19 pandemic, a national lockdown (Alert Level 4) commenced at 2359 25 March 2020 which is anticipated to remain effective for a minimum of 4 weeks. Even after this period has past, it is likely some form of alert level will be maintained for a period of time.

Staffing of the EOC is limited by the availability of local staff. A secondary emergency event may impact upon the ability of the EOC to respond to both the Covid-19 response as well as a second emergency.

COVID-19 Level 4 controls (or any reduced alert level) will need to be maintained to the extent possible while also meeting requirements to respond to the consequences of a second event or natural hazard. No matter what the second emergency is there will be impacts on the coordination and delivery of services at the regional and local levels, concurrent to Level 4 COVID-19 controls imposed.

A localised second event occurring within a national health emergency response will likely require management between CDEM and DHB, including coordination and clarification of actions with emergency services. Emergency services may be required to undertake immediate response

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actions in response to the natural hazard, while also needing to meet requirements of the current Level 4 COVID controls.

Depending on the precise nature and impact of the secondary emergency event, it could result in:

- Damaged houses/buildings requiring evacuations.
- Displaced residents needing shelter, food, medications and clothing.
- Short and long term disruption to transport routes/links carrying supply of goods and travelling by essential workers and services.
- Some essential services, such as electricity and water supplies, not working (in the short and long term).
- Shutting down of essential industries (milking sheds, processing works).
- Increased need from support agencies.
- Financial assistance?
- Requirement for psychosocial support and wider health needs.
- Animal welfare needs.

MISSION

To be prepared to respond to an additional emergency event during the EOC response to the COVID-19 pandemic.

CRITICAL FACTORS

1. Planning and running two EOC responses side by side - one response requiring residents to stay at home in their isolated bubbles, the second response requiring welfare for displaced residents while trying to maintain physical distancing and isolation.
2. Staff resourcing issues – need a stand-by second EOC response team with clear instruction and processes in place. It is considered too difficult for one EOC to respond to both events.
3. The second EOC response team may require more staff to be physically present in the EOC which would increase the risk of transmission.
4. Some EOC key roles such as welfare are already fully committed with the COVID-19 response. If the number of infected cases currently hospitalized as a result of COVID-19 increases significantly, then this would have a corresponding impact on welfare facilities available for a second event.
5. Some first responders (emergency services) probably already have some staffing issues due to COVID-19 (e.g. older or vulnerable workers at risk) and so a second event could add to this complication. A second event (natural hazard) could have a big impact on capacity, as many emergency workers would be required to be mobilised.
6. Some other services usually available in emergencies may not be able to respond immediately to requests for assistance due to the effect of Level 4 restrictions on business capacity and capability (for example: helicopter companies, roading contractors, supermarket deliveries).
7. People may have to move or combine their bubbles therefore increasing risk of transmission. For example: if homes are damaged and people are displaced, people may have to move to either temporary accommodation or stay with family or friends. Minimising mixing of bubbles and ensuring isolation rules are complied with, will be required.

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8. The ability to provide multiple separate emergency accommodation is very limited within the district's capacity. Displaced people may have to be housed in neighbouring districts. Accordingly, some regional assistance may be required.
9. Tracking of people will be especially important. Evacuating and accommodating people may have local implications for testing for COVID-19. Group testing of evacuees and responders may assist this.
10. Transporting essential goods such as food into and out of the district could be compromised by second event.
11. Workers travelling to and from essential industries or providing essential services could be seriously affected by second event.
12. There may be a need to loosen temporary travel restrictions in some circumstances.
13. The resilience / vulnerability of the affected communities must be considered, noting that all communities are more fragile in the current COVID-19 situation.
14. If a second event such as a major earthquake did occur, this could have catastrophic consequences nationally, one being the disruption of communications across the country, where the use of satellite phones would become essential. Other essential infrastructure such as water, power, roading and waste-water could suffer failures at a critical time as we approach the winter season.
15. The ability to gather critical 'situation awareness' information may be compromised by the severity of a second event. A stock-take of damage to key infrastructure is an important activity in the time of an emergency event.
16. Because of the COVID-19 isolation requirements, the majority of people are likely to be at their dwellings at the time of a second event. With the exception of a flooding event, dwelling tends to be more resilient to the effects of most natural hazards than larger commercial buildings. Therefore, in any second event, the need for essential food supplies is likely to be the critical factor to most people.
17. The welfare of farm animals and pets is important, including the need to carry on the milking of dairy cows.

EXECUTION/ACTIONS

1. Set up a second independent functioning EOC response team, possibly within another part of the Council offices (Chambers) or remotely. It is likely the Event Centre will be required solely for welfare purposes for a second event.
2. Provide adequate staffing of EOCs. Local staff availability is limited, particularly if allowing for rotation of alternative staff. Consider calling in staff from other districts or using the Canterbury EEC to assist with staffing who may be able to act remotely depending on the scale and type of emergency with the second event.
3. Prepare clear instruction and have processes in place that enable both events to be responded to concurrently.
4. Maintain connectivity and continuity for each event. The nature of the Covid-19 event is such that isolation and physical distancing must occur and so it is the main focus. With a second emergency event or a natural hazard, there is the potential risk of connectivity issues for staff working on a long term event. It may be that any second EOC should be fully manned with the present EOC COVID-19 response staff as a priority. The processes currently in place should ensure that alternative staff can carry with the continuity of the response to the COVID-19 event.
5. Set up a process of co-ordination pathway in the operation and functioning between the two EOCs in order to avoid conflicting actions or duplications.
6. Ensure all responders to any type of incident / activity have protocols in place to maintain good hygiene and physical distancing.

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7. Consider the likelihood that the district's welfare assistance capacity will be overwhelmed and that resourcing assistance may have to be sought from the neighbouring districts depending on the scale and type of second event.
8. Co-ordinate the means to meeting the demands for needing shelter, food, medications and clothing for all vulnerable and affected people in both events.
9. Consider the likelihood of evacuations of displaced residents to other districts or regions.
10. Consider the likelihood of needing outside resourcing for transportation and delivery of goods.
11. Consider the requirement for psychosocial support and wider health needs for residents.
12. Provide assistance to DHB to record/track people who have been displaced.

ADMINISTRATION AND LOGISTICS

Consideration should be given to developing individual contingency plans for the above hazards, available resources and protection of those in light of national lockdown and physical distancing.

REVIEW

This contingency plan is to be reviewed monthly throughout the duration of this response.

6.4 CORPORATE SERVICES GROUP MANAGER REPORT

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. Key Risk Register - June 2020  

PURPOSE

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

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. At the March 2020 Audit & Risk Committee Meeting it was decided to report the Key Risk Register in the Public section of the meeting to increase transparency, with an exception for risks of a sensitive nature which would be required to be reported in the Public Excluded section of the meeting.
4. Council staff have reviewed the risks and decided it is appropriate to report all identified risks in the Public section of the meeting, at this time. The Risk Register for Committee review is attached accordingly.
5. The addition of a 'Pandemic' Risk has been completed as requested by the Committee at the March 2020 meeting.

Security Camera Footage Requests

6. 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.
7. Since the last report in August 2019, there have been no requests and therefore no detail to share. This is largely due to the Police monitoring their own cameras.
8. Given the lack of requests, Council staff will consider if this reporting is still required and make a recommendation to Council as part of the Policy review, required by August 2021.

Carbon Footprint

9. At the March 2020 Audit and Risk Committee meeting the committee resolved "That the Committee recommend that the Council consider measuring our carbon footprint."
10. By way of an update, we can advise that Council are planning to measure our carbon footprint in advance of the 2021-31 Long Term Plan and are considering how to achieve this efficiently.

RECOMMENDATION

That the Corporate Services Group Manager's Report is accepted.

PUBLIC KEY RISK REGISTER – JUNE 2020

RISK IMPACTS

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

RISK LIKELIHOOD

Likelihood	Likelihood Description	Scoring	Probability % (to assist assessment)
Frequent	Will almost certainly occur, and at least once in a month	5	91-100
Often	Will probably occur 6-12 times per year	4	71-90
Likely	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
Possible	May occur at least once in the next year. Little chance of occurrence in foreseeable future	2	21-50
Rare	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)
Frequent (5)	5	10	15	20	25
Often (4)	4	8	12	16	20
Likely (3)	3	6	9	12	15
Possible (2)	2	4	6	8	10
Rare (1)	1	2	3	4	5

Risk Score	Level of risk	Action Required	Attention of / assigned to
15-25	Extreme risk	Requires immediate assessment of actions	Audit and Risk Committee / Council / Chief Executive (as required), statutory bodies
8-12	Significant risk	Requires remedial assessment and action via the annual planning process	Chief Executive / Leadership Team
4-6	Moderate risk	Address via new procedures and/or modification of existing practices and training	Group Manager, programme manager, work stream leaders
1-3	Low risk	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"> • Policies • Asset Management Plans • Civil Defence • Phone-In Facilities • Insurance Cover 	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"> • Workshop topics • Publications (Auditor General) • Email to Councillors via Council network • Education • Professional Advice • LGNZ Advice • Members handbook • Legal opinions • Identify conflicts of interest • Use of Council facilities • Leadership 	<ul style="list-style-type: none"> • Continuation of Formal and Informal training • Being transparent / information sharing 	Moderate		Individuality will always come in to play
R0003	Strategic	Reputation	Councillors	Councillors	Non-functional Council	1	4	4	Moderate		<ul style="list-style-type: none"> • Government intervention • General Elections 	Moderate		
R0004	Strategic	Reputation	All	Chief Executive	<ul style="list-style-type: none"> • Neglecting to act at correct or prescribed time • Tending towards Customer Service issue predominantly • We do not react when we should 	2	5	10	Significant	<ul style="list-style-type: none"> • Appropriate relationship maintained between Mayor and CE • Regular timeline reviews • Open communication between Leadership Team and Elected Members • Evidence based reporting to Council 	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"> • IT Information recovery (off-site back-ups) Insurance coverage • Impact on staff from injury, lack of workplace • Business Continuity plan 	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"> • Constant monitoring of IANZ assessments. To be reviewed by CE and Audit Committee 		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"> • Good procedures and systems in place • Better understanding of measures 	Audit Team monitoring	Low		
R0008	Strategic	Legislation and compliance	All	Chief Executive	<ul style="list-style-type: none"> • Compliance with all Statutes • Government's 3 waters review may result in new regulation and aggregation 	2	3	6	Moderate	<ul style="list-style-type: none"> • Archive mechanisms in place • CE Review • Audit and Risk Committee • Legislation/LGNZ newsletters regularly • Published timelines • Working to due process and prescribed timelines • Liaise with Audit NZ 	<ul style="list-style-type: none"> • Distribute Anderson Lloyd newsletters to Councillors • Internal Audit projects 	Low		Revisit pending Aon Insurance conversation
R0009	Strategic	Market Forces	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> • Insurance cost and changes in nature of the cost • Other standard costs on the increase • Changes in property Valuations (QV) 	2	3	6	Moderate	<ul style="list-style-type: none"> • LAPP • Use of Insurance Broker • All of Government Contracts availability 	<ul style="list-style-type: none"> • Review insurance cover required. Review what needs to be fully insured, have limited cover, have fire cover only, or be self-insured. • Other Shared Services/All of Government contracts that may become available 	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"> Incurrence of Legal costs Minimise the cost of Legal Opinions, mitigate conflicting opinions and monitor New Legislation Breach of Public Liability creating exposure and cost 	3	4	12	Significant	<ul style="list-style-type: none"> Up to date Policies, specifically Procurement, HR and Delegations Policy Standard Conditions of contract File of Legal opinions maintained. legal activity to be approved by CE (re delegations Policy) Annual report of legal matters discussed with Council (confidential) 	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"> Theft of assets, portable & attractive items or cash Acceptance of bribes Acceptance of Gifts 	3	3	9	Significant	<ul style="list-style-type: none"> Review Councils Fraud Policy and training for the nominated fraud officers Maintain accurate asset registers and asset owners Staff awareness and training Whistle blower policy 		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"> SCADA monitoring and reporting Testing for bacterial compliance Monitoring adverse weather events Monitoring and regulating catchment activities (Regional and District Plans) Maintenance of approved Water Safety Plans alongside regular implementation reviews Inclusion of "Critical Control Points" and associated procedures Residual chlorination 	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).
R0013	Strategic / Operational	Financial	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> Unaffordable rates Not operate within budget Unable to maintain agreed levels of service Increased borrowing / debt limits Alpine Energy share revaluation 	4	3	12	Significant	<ul style="list-style-type: none"> Report income and expenditure against budget monthly and annually Performance reporting quarterly and annually 	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"> Cyber threats Compromised availability of systems Sensitive information exposed 	2	3	6	Moderate	<ul style="list-style-type: none"> Commissioning of Cyber Security Review Report Cyber Security Project Preventative operational processes 	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 identified priorities are presently being considered.
R0015	Operational	Roading Quality Assurance	Assets	Asset Group Manager	<ul style="list-style-type: none"> Contracts not being performed to the standard required Unsafe bridges 	3	2	6	Moderate	<ul style="list-style-type: none"> Audits carried out Inspections completed Failures identified 	<ul style="list-style-type: none"> Increased audit numbers Increased work inspections 	Low		
R0016	Operational	Management of Closed Landfill Sites	Assets	Asset Group Manager	<ul style="list-style-type: none"> Illegal dumping at closed sites Exposure of legacy materials Leachate causing contamination 	2	3	6	Moderate	<ul style="list-style-type: none"> Sites are visually monitored by staff Some sites groundwater monitored Identify contingent liability associated with sites 	Increase monitoring frequency	Moderate	Hook landfill where erosion exposed old material. River realigned to protect edge of closed landfill.	
R0017	Operational and reputational	Compliance & Enforcement	Regulatory & Compliance	Regulatory & Compliance Group Manager	<ul style="list-style-type: none"> Conduct a regulatory function subsequently found in proceedings to be in error or ultra vires. 	3	3	9	Significant	<ul style="list-style-type: none"> Follow enforcement policy guidance Provide appropriate and current training to staff Liaise closely with manager around work being conducted so assess risk to organisation Seek legal advice where appropriate 	<ul style="list-style-type: none"> Provide training for staff and managers Continued vigilance to ensure current best practice is followed Monitor current case law Ensure regular meetings occur between manager and regulatory practitioners to ensure on going risk assessment is undertaken 	Moderate		Council has experienced the consequences of this in the past and is acutely aware of the potential for legal costs to run in to the hundreds of thousands of dollars when proceedings are undertaken on a poor foundation.

				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
R0018	Strategic / Operational	Investments	Finance	Corporate Services Group Manager	<ul style="list-style-type: none"> • Lesser return on investment compared to that anticipated, resulting in reduced income to use to potentially offset against rates • Loss on value of investment • Volatility of market prices i.e. forestry 	3	3	9	Significant	<ul style="list-style-type: none"> • Follow our Investment Policy • Monitoring returns on investments • Participation in Shareholder, company and board represented meetings for Alpine Energy Limited to ensure District's wishes are heard • Engaged Forestry Consultants to provide advice 	<ul style="list-style-type: none"> • Consider alternative investment opportunities • Ensure active participation in Shareholder, company and board represented meetings for Alpine Energy Limited • Reduce reliance on investment returns used to offset rates 	Moderate	<ul style="list-style-type: none"> • Present economic climate is exhibiting low returns on investments due to low interest rates • Anticipated reduction in Alpine Energy Dividend to take effect in 2020/21 financial year 	The 2020/21 Annual Plan budgets will be incorporating 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"> • Higher proportion of extreme weather events • Financial (from disaster mitigation and recovery and transitioning to low carbon economy) • Legal - Planning provisions need to recognise for the management of significant risks from natural hazards. 	3	4	12	Significant	<ul style="list-style-type: none"> • Update planning and GIS provisions including possible prohibition of building in certain areas or restricted designs. • Liaise with Ecan, LGNZ and other TA's • Show leadership through action 	<ul style="list-style-type: none"> • Flood erosion protection • Infrastructure relocation • Map carbon footprint and identify opportunities to reduce emissions 	Significant	<p>We are experiencing a change in climatic conditions.</p> <p>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</p>	<p>Council is about to review its District Plan.</p> <p>Climate mitigation and adaptation requires global investment and is a long-game.</p> <p>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)</p> <p>WDC as a minor player in the overall ability to reduce this risk, therefore the risk is assessed at remaining Significant.</p>
R0020	Operational	Pandemic		Chief Executive	<ul style="list-style-type: none"> • Part or all of community locked down for extended periods, including Council. • Inability to deliver statutory functions. • Loss of revenue. • Potential high levels of sickness/mortality across all of staff, leadership and governance. • Significant impacts on corporate planning cycle (A/P's & LTP's) • Council heavily relied on to provide for welfare needs in the community (food, shelter and access to medical services). 	1 to 2	4 to 5	8 to 10	Significant	<ul style="list-style-type: none"> • Completed a Pandemic Plan that aligns with the National Pandemic Plan and has incorporated local learnings from the COVID-19 response. 	<ul style="list-style-type: none"> • Consider developing some generic business continuity planning to provide a high level framework across a number of scenarios. 	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.

6.5 AUDIT NEW ZEALAND ENGAGEMENT & AUDIT PLAN

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. WDC Audit Engagement Letter 2020-2022  
2. Audit Plan 2020  

PURPOSE

1. That the Audit and Risk Committee reviews the Audit Engagement Letter 2020-2022 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 2020 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.

Audit Engagement Letter 2020-2022

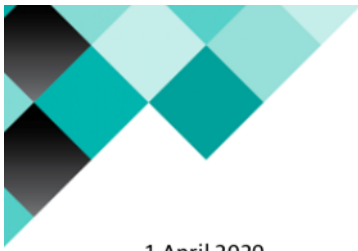
4. Audit New Zealand have prepared the Audit Engagement Letter to outline the terms of the annual audits for the 2020, 2021 and 2022 years.
5. Audit New Zealand seek acknowledgement of receipt of this letter and the terms of the audit engagement by signing and returning the letter.
6. The Audit and Risk Committee is asked to review the Audit Engagement Letter 2020-2022 and make a recommendation as to whether the Mayor may sign to accept the terms of the engagement.

Audit Plan 2020

7. Audit New Zealand have prepared the audit plan for the year ending 30 June 2020 and this is attached for the Committee's consideration.
8. The Audit Plan details risks and issues, the audit process, reporting protocols, logistics and expectations.
9. While the Audit Plan refers to an Audit Opinion being available by the statutory deadline of 31 October 2020, Council are working to an Annual Report adoption date of 13 October 2020.

RECOMMENDATION

1. That the 'Audit New Zealand Engagement & Audit Plan' report is accepted; and
2. That the Audit and Risk Committee recommends that the Mayor be authorised to sign the Audit Engagement Letter 2020-2022 and return to Audit New Zealand; and
3. That the Audit and Risk Committee confirms the terms of Audit New Zealand's Audit Plan for the audit for the year ending 30 June 2020.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

1 April 2020

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

Craig Rowley
Mayor
Waimate District Council
PO Box 122
Waimate 7960

Dear Craig

Audit Engagement Letter

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 District Council), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audits of the District Council’s financial statements and performance information. We will be carrying out these annual audits on the Auditor-General’s behalf, for the three years ending 30 June 2020 to 30 June 2022.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the governing body (the council) and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the District Council’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the District Council’s financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

A business unit of the Controller and Auditor-General | www.auditnz.parliament.nz

The Council's responsibilities

Our audit will be carried out on the basis that the Council, as the governing body, acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - additional information that we may request from the District Council for the purpose of the audit;
 - unrestricted access to council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible for:

- the preparation of the summary financial statements and summary performance information;
- making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;

- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of the District Council:

- present fairly, in all material respects:
 - its financial position; and
 - its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

We are also responsible for forming an independent opinion on whether the performance information of the District Council:

- presents fairly, in all material respects, the performance for the financial year, including:
 - its performance achievements as compared with the intended levels of service for the financial year; and
 - its actual revenue and expenses as compared with the forecasts included in the Long-Term Plan and Annual Plan for the financial year;
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including

our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the council and the District Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the council obtained and applied the resources of the District Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the council and the District Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the District Council; including being independent of management personnel and members of 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 the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the District Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the District Council. Typically, those matters will relate to issues of financial management and accountability. We may also provide other management letters to the District Council from time to time. We will inform the council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If, after contacting me, you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully



Rudie Tomlinson
Director
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the council.

Signed _____ Date _____
Craig Rowley
Mayor
Waimate District Council

Appendix 1: Respective specific responsibilities of the council (the governing body) and the Appointed Auditor

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for the financial statements and performance information	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> • present fairly, in all material respects: <ul style="list-style-type: none"> ◦ the financial position; and ◦ the financial performance and cash flows for the financial year; • comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime. <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> • presents fairly, in all material respects, the performance for the financial year, including: <ul style="list-style-type: none"> ◦ the performance achievements as compared with the intended levels of service for the financial year; and ◦ the actual revenue and expenses as compared with the forecasts included in the Long-Term Plan and Annual Plan for the financial year; • complies with generally accepted accounting practice in New Zealand. <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p>

Responsibilities of the council	Responsibility of the Appointed Auditor
	<p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information 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 the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance; • the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information;

Responsibilities of the council	Responsibility of the Appointed Auditor
	<ul style="list-style-type: none"> all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> correctly record and explain the transactions of the District Council; enable you to monitor the resources, activities, and entities under your control; enable the District Council's financial position to be determined with reasonable accuracy at any time; enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for accounting and internal control systems	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the District Council), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
Responsibilities for preventing and detecting fraud and error	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the District Council) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the District Council with delegated authority have a reasonable basis that suspected fraud has occurred – regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities of the council	Responsibility of the Appointed Auditor
Responsibilities for compliance with laws and regulations	
<p>You are responsible for ensuring that the District Council has systems, policies, and procedures (appropriate to the size of the District Council) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the District Council are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> • the relevance of the law or regulation to the audit; • our assessment of the risk of non-compliance; and • the impact of non-compliance for the addressee of the audit report. <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the District Council may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p>

Responsibilities of the council	Responsibility of the Appointed Auditor
	<p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
Responsibilities for conflicts of interest and related parties	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>
Responsibilities for publishing the audited financial statements on a website	
<p>You are responsible for the electronic presentation of the financial statements and performance information on the District Council's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Appendix 2: 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.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit plan

Waimate District Council

For the year ending 30 June 2020

Audit plan

I am pleased to present our audit plan for the audit of Waimate District Council (the Council) for the year ending 30 June 2020. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Our audit process	6
Reporting protocols	9
Audit logistics	10
Expectations	12

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Rudie Tomlinson
Appointed Auditor
1 April 2020

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>The risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it results in a risk of material misstatement due to fraud.</p> <p>The Council has a key role in mitigating this risk through the control environment in place at the Council. The control environment includes the governance and management functions and the attitudes, awareness, and actions of the Council and management concerning the entity's internal control and its importance in the entity. The control environment sets the tone of an organisation, influencing the control consciousness of its people.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • reviewing the control environment; • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; • evaluating any unusual or one-off transactions, including those with related parties; • evaluating significant transactions that are outside the normal course of business or those that appear to be unusual given our understanding of the entity and its environment; and • review of any changes in accounting policies.
Valuation of property, plant and equipment	
<p>Fair values</p> <p>The Council periodically re-values its land, buildings and various infrastructure asset classes.</p> <p>PBE IPSAS 17 <i>Property, Plant and Equipment</i> requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>Roading, sanitation and three waters assets will be revalued as at 30 June 2020. Management will be</p>	<p>In reviewing the Council's revaluations of infrastructural assets, we will:</p> <ul style="list-style-type: none"> • assess the processes and procedures supporting the integrity of the underlying data; • test the inputs into the valuations, such as assets to be valued and key assumptions applied;

Audit risk/issue	Our audit response
<p>using this information to update the fixed asset register and underlying asset records. These revaluations have a significant impact on the overall carrying value of the Council's infrastructural assets, future depreciation charges, and rates set, this indicates that the valuations should be considered by the Council before acceptance.</p> <p>Where a class of assets is not subject to a revaluation in the current year, a formally documented assessment is required to confirm that its carrying value is not materially different from its fair value. It is important that the Council makes this assessment at an early stage to avoid the risk of this becoming a significant issue later in the audit.</p> <p>Impairment</p> <p>PBE IPSAS 21 <i>Impairment of Non-Cash-Generating Assets</i> and PBE IPSAS 26 <i>Impairment of Cash-Generating Assets</i> respectively require that an entity assess, at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset must be estimated.</p> <p>The Council needs to prepare a formally documented impairment assessment to confirm whether any material impairment is required to be recognised in the financial statements.</p>	<ul style="list-style-type: none"> • assess compliance with accounting standards; and • ensure the valuations are appropriately presented in the financial statements. <p>For asset classes that are not proposed to be revalued this year, we will review the Council's assessment of whether there is any significant difference between the carrying amount and fair value of these assets.</p> <p>For assets recorded at cost rather than fair value, we will review the Council's assessment of whether there are any indications of impairment, and the resulting accounting treatment if applicable.</p>
Alpine Energy share valuation	
<p>The Council has 7.54% shareholding in Alpine Energy Limited (AEL). This investment is measured at fair value with gains/losses recognised in other comprehensive revenue and expense in accordance with the requirements of PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>We expect the Council to complete a valuation of their share of the investment to determine its fair value as at 30 June 2020.</p>	<p>We will:</p> <ul style="list-style-type: none"> • meet with management to update our understanding of how the Council intends to value its shareholding as at 30 June 2020; • review the methodology of the valuation, and assumptions used, for reasonableness, and compliance with accounting standards; • confirm valuation movements have been correctly accounted for, and that appropriate disclosures have been made; and • assess the valuer's expertise for the work and their objectivity, including reading their

Audit risk/issue	Our audit response
	terms of engagement and considering the existence of other engagements or relationships with the Council.
Accounting for the interest in Downlands Water Scheme	
<p>The Council has a 14% interest in the Downlands Water Scheme (DWS) which is jointly governed and administered with Timaru District Council (82% interest) and Mackenzie District Council (4% interest) under a joint standing committee agreement.</p> <p>In prior years, this interest has been accounted for using the proportionate consolidation method under PBE IPSAS 8 <i>Interests in Joint Ventures</i>. However, for 2019/20, the interest needs to be accounted for in accordance with the following new accounting standards:</p> <ul style="list-style-type: none"> • PBE IPSAS 36 Investments in Associates and Joint Ventures; • PBE IPSAS 37 Joint Arrangements; and • PBE IPSAS 38 Disclosure of Interests in Other Entities. <p>PBE IPSAS 36 redefines joint control, so it is important that the Council assesses whether its interest in the DWS meets the definition of a joint arrangement (the sub-categories of which are joint ventures and joint operations), or whether it constitutes an associate.</p> <p>This assessment should be performed in conjunction with a cross-Council review of the joint standing committee's terms of reference to confirm that they remain appropriate.</p> <p>It is important that the Council substantially completes this work prior to balance date to minimise the risk of disruption to the annual report timetable.</p>	<p>We will review the Council's transition work regarding the implementation of the new accounting standards. This includes:</p> <ul style="list-style-type: none"> • reviewing written impact assessments prepared by management which identify the changes required (preferably prior to final audit); • reviewing updates to accounting policies; • confirming that quantitative adjustments in the financial statements comply with the accounting standards; and • confirming that all required disclosures have been incorporated into the financial statements.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does the Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the Council? Has appropriate action been taken on any lessons learned?

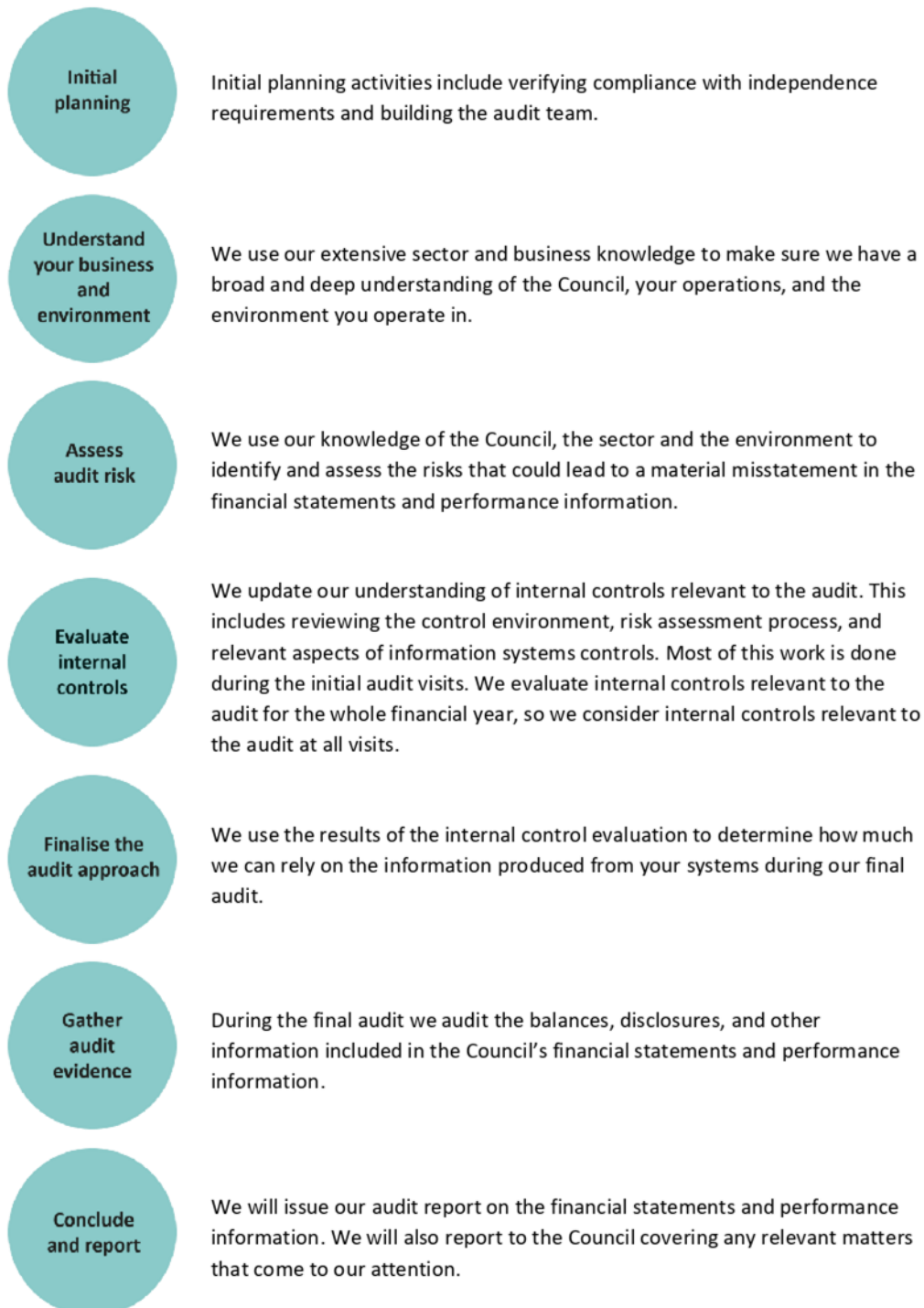
Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.govt.nz/reports/fraud-reports.

Our audit process



Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Council and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Council that specify the reasons why the corrections will not be made.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to the Council



We will provide a draft of all reports to the Council and management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the Council.

As part of our final reporting to the Council we set out non-trivial unadjusted misstatements, along with reasons that the adjustments have not been made. As part of our continued focus on improving the efficiency of the annual reporting and audit process, this year we will also report adjusted misstatements in the report to the Council. The adjusted misstatements will be any made to the draft annual report received at the start of the audit.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Rudie Tomlinson	Appointed Auditor
Debbie Bradfield	Audit Manager
Stephanie Tancredi	Audit Supervisor

Timetable

The proposed dates are provisional and subject to change, as all audit dates will be reassessed after the COVID-19 lockdown period.



Our proposed timetable is:

Interim audit begins	30 March 2020
Draft report to Council issued	By 30 April 2020
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	26 August 2020
Final audit begins	31 August 2020
Final financial statements available, incorporating all the amendments agreed to between us	14 September 2020
Annual report available, including any Mayor's and Chief Executive's overview or reports	14 September 2020
Summary audit report	14 September 2020
Verbal audit clearance given	By 31 October 2020

Audit opinion issued

By 31 October 2020

Draft report to Council issued

By 31 October 2020

Expectations



For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.



Health and safety



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 management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management 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.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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6.6 AUDIT NEW ZEALAND PROPOSAL TO CONDUCT AUDIT 2020-2022

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. **Audit New Zealand Proposal to Conduct Audit 2020-2022** [↓](#) 

PURPOSE

1. That the Audit and Risk Committee reviews the Audit New Zealand Proposal to Conduct Audit 2020-2022 and makes a recommendation as to whether the Mayor may sign to accept the audit fees for the audit of the 2020 financial year.

BACKGROUND

2. 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.
3. Audit New Zealand has provided the proposal to conduct the audit of Waimate District Council on behalf of the Auditor General for the 2020, 2021 and 2022 financial years.
4. The Proposal provides information on:
 - the statutory basis for the audit and how audit fees are set;
 - the entities covered by this proposal;
 - key members of the audit team;
 - the hours Audit NZ plan to spend on the audit and reasons for any change in hours;
 - Audit NZ's proposed fees for the audit for the financial year ending 30 June 2020 and reasons for any change. Fees for the financial years ending 30 June 2021 and 30 June 2022 are to be agreed at a future date;
 - assumptions relating to the proposed audit fees, including expectations of our organisation;
 - what the OAG Audit Standards and Quality Support fee (previously OAG Overhead charge) provides;
 - certification required by the Auditor-General; and
 - Audit NZ's commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.
5. The Auditor-General has decided that for those entities without a contract in place, the 30 June 2020 audit, audit fees are to be held to a 1.5% increase over the agreed fee for the 30 June 2019 audit, in recognition of the cost pressures that Council and his Office currently face.
6. The Auditor-General also noted that he expects that there will be a range of effects of the COVID-19 pandemic that may require additional audit work, and that auditors will need to discuss recovery of costs for that with Councils in due course, once these costs are known.
7. The Auditor-General advised that for a number of years there has been a significant and growing under recovery of audit fees across much of the local government sector, for a range of reasons.
8. The proposal signals that Audit fees will, in the future, need to be increased to reflect these real costs.
9. The 2021 and 2022 fees will therefore be agreed in due course.

10. Audit NZ has estimated that it will take 581 hours to complete the 2020 Audit.
11. This includes an additional 49 hours from that budgeted for the 2019 Audit with the reasons for the increases including:
 - Increased focus on Sensitive Expenditure
 - Additional testing and engagement with valuers for Asset Valuations
 - Increased Rates Information Database and Rates Process testing
 - Increased responses to Significant Estimations and Judgements
 - Increased testing of Non-financial reporting (Performance Measures)
12. The proposed 2020 audit fee is \$92,461 excluding disbursements and GST. This represents a 1.5% increase on the net audit fee from 2019.
13. It has been advised that our audit fees are close to a full recovery basis for Audit NZ and it has been indicated that other than a small adjustment over the next one or two years, Audit NZ expect that fee increases, other than for cost inflation, will only be necessary for changes or growth in our Council, or in audit requirements.

PROPOSAL

14. That the Audit and Risk Committee review the Audit New Zealand Proposal to Conduct Audit 2020-2022 and make a recommendation for the Mayor to be authorised to sign and accept the proposed 2020 Audit fees.

RECOMMENDATION

1. That the Audit New Zealand Proposal to Conduct Audit 2020-2022 report is accepted; and
2. That the Audit and Risk Committee recommends that the Mayor be authorised to sign the Audit New Zealand Proposal to Conduct Audit 2020-2022 and return to Audit New Zealand to accept the audit fees for the audit of the 2020 financial year.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

4 May 2020

Level 1, 399 Moray Place
PO Box 232, Dunedin 9016

Craig Rowley
Mayor
Waimate District Council
PO Box 122
Waimate 7960

Ref: EN/LCA/03-0046
Copy: Director Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington 60140

Dear Craig

Proposal to conduct the audit of Waimate District Council on behalf of the Auditor-General for the 2020, 2021 and 2022 financial years

1 Introduction

The Auditor-General proposes to appoint me to carry out the audit of your organisation for the next three years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the three financial years ending 30 June 2020, 2021 and 2022. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial year ending 30 June 2020 and reasons for any change. We will agree the fees for the financial years ending 30 June 2021 and 30 June 2022 at a future date;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG Audit Standards and Quality Support fee (previously OAG Overhead charge) provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

2 Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under section 15 of the Public Audit Act 2001 (the Act), which states that “the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited”.

Fees for audits of public entities are set by the Auditor-General under section 42 of the Act. The Act requires the Auditor-General to make sure that audit fees are “reasonable” for both the auditors who complete the audits for the Auditor-General, and for each of the entities audited. The Auditor-General wrote to your Council recently letting you know that he has carefully considered the matter of annual audit fees for all Councils who do not currently have a contract in place. He has decided that for the 30 June 2020 audit, audit fees are to be held to a 1.5% increase over the agreed fee for the 30 June 2019 audit. This attempts to balance the very real cost pressures that your Council and his Office currently face. The Auditor-General also noted that he expects that there will be a range of effects of the COVID-19 pandemic that may require additional audit work, and that auditors will need to discuss recovery of costs for that with Councils in due course, once these costs are known.

The Auditor-General also advised that for a number of years there has been a significant and growing under recovery of audit fees across much of the local government sector, for a range of reasons. Because Parliament has indicated that it expects the cost of annual audits under the Act (including an OAG Audit Standards and Quality Support fee) to be funded by public entities, this is clearly not a sustainable position. It is also potentially creating a very real risk to maintaining consistent audit quality over time, which has been raised by audit regulatory bodies here and overseas.

Audit fees will, in the future, need to be increased to reflect the real costs. These increases will vary depending on the reasonableness of the current fee. So for the subsequent years of the contract, 2021 and 2022, your Council and I will in, due course, have the opportunity to discuss those real costs, and endeavour to reach agreement about reasonable fees that can be recommended to the Auditor-General for approval. The Auditor-General, with assistance from the OAG, will directly set audit fees, but only if we fail to reach agreement.

To ensure that the level of audit effort required (and the reasons for it) are visible to your Council, this proposal includes an estimate of the total hours and indicative cost required to complete an efficient and quality audit of your Council (this is set out in sections 5 and 6). We expect to incur these hours in 2020, although the constrained fees will clearly not reflect the full cost of them.

3 Entities covered by this proposal

This proposal covers the audit of Waimate District Council.

4 Key members of the audit team

Appointed Auditor	Rudie Tomlinson
Manager	Debbie Bradfield

5 Estimated audit hours

We estimate that the following hours will be required to carry out the 30 June 2020 audit (compared to the budgeted hours set out in your last audit proposal letter and actual data from the previous financial year):

Audit team member	2019 budget	2019 actual*	2020
Appointed Auditor	46	52	54
Audit Manager	70	107	81
Audit staff	400	601	430
Tax	1	1	1
Information Systems	10	10	10
Sector Specialist hours	5	5	5
Total audit hours	532	776	581

**Note – actual hours are all hours incurred. These hours have not been adjusted to eliminate any hours that were due to auditor inefficiencies.*

The increase in actual audit hours over the 2019 budget was in line with our expectation. The audit ran as expected and the team mix was similar to the previous years. The increase was mainly attributable to the additional audit work relating to sensitive expenditure and rates and the increased focus on quality.

5.1 Reasons for changes in audit hours

The major reasons for the changes in hours for your organisation's audit are:

Reasons for changes in audit hours compared to estimated audit hours set out in previous APL:	2020
<p>Sensitive expenditure: All Councils operate in an environment where ratepayers and other stakeholders expect high levels of ethical behaviour and want more transparency over how this is managed. This means they need robust policies and processes in areas such as fraud, bribery and corruption, and sensitive expenditure. They also need to demonstrate that they manage these areas effectively.</p> <p>The increased sensitivity and risk in these areas, which is also reflected in the OAG briefs to auditors, has flowed through to our audit and the work we do. In particular, we will now be undertaking additional testing of the Chief Executive and Chair/Mayor's expenses every year.</p>	6
<p>Asset valuations: funding challenges, combined with greater community awareness and expectations over the resilience and performance of core assets, have increased the importance of, and risks associated with, Council's asset related practices such as continually improving its asset condition information and developing more advanced management practices. These in turn increase the complexity of Council's asset revaluations and fair value assessments.</p> <p>We have increased the time required for this work because of the additional engaging with external experts and additional testing that needs to be performed due to the above.</p> <p>Our hours and fees are based on one revaluation for different class of assets on a rotational basis across a three year period and is incorporated into our overall hours.</p> <p>Any additional revaluations we are required to audit will be charged separately.</p>	12
<p>Rates: Recent court cases have highlighted the risks Council faces in relation to its rating processes. Seemingly minor procedural or documentation errors have the potential to undermine Council's major revenue stream. Council's increased risks have impacted on our approach to auditing Rates, and we now perform more testing on both individual rates and the information held in the RID.</p>	7
<p>Estimations and judgements: Significant accounting estimations, accruals and judgements, for example, Alpine Energy valuation, forestry valuation and employee entitlements, are significant to the Council's financial statements and present a risk of material misstatement. As Council's knowledge of the underlying issues improves, these estimations and judgements become more complex and present a higher risk, which increases our required audit response.</p>	17

Reasons for changes in audit hours compared to estimated audit hours set out in previous APL:	2020
<p>Non-financial reporting: In the light of recent events, including natural disasters, the results of the Havelock North water enquiry, and the impacts of climate change, ratepayers and other stakeholders focus on local authorities' core services has increased. This has increased our assessment of risk in these areas which in turn has increased both the number of measures we identify as material and the amount of testing we do on these.</p> <p>In addition, the mandatory performance measures present a heightened risk to Council's reporting due to the range of interpretation and non-compliance issues that have been identified across the sector in recent years. We have increased the time required for this work.</p>	7
Total change in audit hours	49

6 Proposed audit fees

Our proposed fees for the 2020 audit (compared to budgeted and actual data from the previous financial year) is:

Structure of audit fees	2019 budget fees	2019 actual fees charged (*)	2020
	\$	\$	\$
Net audit fee	83,495	83,495	84,747
OAG Audit Standards and Quality Support fee	7,600	7,600	7,714
Total audit fee (excluding disbursements)	91,095	91,095	92,461
Estimated disbursements	8,800	8,145	8,800
Total billable audit fees and charges	99,895	99,240	101,261
GST	14,984	14,886	15,189
Total (including GST)	114,879	114,126	116,450

** Note – 2019 actual audit fees charged were \$91,095, compared to our 2019 audit costs of \$113,465. These costs have not been adjusted to eliminate any matters arising from auditor inefficiencies.*

The estimated cost of an efficient audit (net audit fee cost) on a full recovery basis for your Council in 2020 is in the range of \$94,485 to \$104,485, and your audit fees are already close to that range. Other than a small adjustment over the next one or two years for that, we expect that fee increases, other than for cost inflation, will only be necessary for changes or growth in your Council, or in audit requirements.

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support fees. As set out in section 2, these fees have been held at a 1.5% increase over the agreed audit fee for 2019.

We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

7 Assumptions relating to our audit fee

You are responsible for the production of your financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- you will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit;
- your staff will provide us with an appropriate level of assistance;
- your organisation's annual report (including financial statements and statements of service performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit;
- your organisation's financial statements will include all relevant disclosures;
- we will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website);
- there are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us);
- there are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1);
- there are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above; and
- there are no significant changes to the agreed audit arrangements that change the scope of, timing of, or disbursements related to, this audit.

If the scope and/or amount of work changes significantly, including as a result of the effects of the COVID-19 pandemic, we will discuss the issues and potential recovery of costs with you and the OAG at the time. In order to minimise additional auditor time on the potential effects of COVID-19 on your financial statements and service performance information, the Council should ensure that it considers those potential effects as early as possible and discusses them with the appointed auditor to ensure "no surprises" to either party.

7.1 Exclusions

The proposed hours set out in section 5 and our fees do not include the potential impact of the following, which may affect your entity in 2020, 2021, and/or 2022, as we are unable to assess their impact at this time:

- The future impact of changes to accounting standards, including:
 - PBE IPSASs 34 to 38; and
 - PBE FRS 48.
- Changes to auditing standards including; NZ AS 1, ISA (NZ) 315 and ISA (NZ) 540.
- The government's three waters review, including its announcement of a Crown Entity to regulate drinking water.
- Any future impact on the Council's reporting due to the re-introduction of the four well-beings into the Local Government Act in May 2019.
- The Productivity Commission's review of local government funding and financing.
- The impacts of future growth within the Council's area.
- The impacts of any new initiatives or funding sources related to either the Provincial Growth Fund or the Housing Infrastructure Fund.

8 What the OAG Audit Standards and Quality Support fees cover

Parliament has indicated that it expects the cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support fees) to be funded by public entities.

The OAG Audit Standards and Quality Support fees partially fund a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support fees portion of the total audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely



Rudie Tomlinson
Appointed Auditor
Audit New Zealand

I accept the audit fees for the audit of the 2020 financial years as stated above.

Full name: Craig Rowley Position: Mayor

Authorised signature: _____ Date: _____

Entity name: Waimate District Council

Actions to take when agreement has been reached:

- 1 Make a copy of this signed proposal and keep it for your file.
- 2 Send the original to: Rudie Tomlinson
Audit New Zealand
PO Box 232
Dunedin 9016

6.7 AUDIT NEW ZEALAND INTERIM AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2020

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. Audit NZ Interim Audit Report for the Year Ended 30 June 2020  

PURPOSE

1. To provide the Audit and Risk Committee with the Audit NZ report on the interim audit of Council for the year ended 30 June 2020.

BACKGROUND

2. Audit New Zealand conducted their annual interim audit remotely from 30 March 2020. In the time leading up to this it became apparent there was potential that we may need to consider how the audit could be undertaken as the COVID-19 situation advanced, as an on-site audit would no longer be appropriate, or indeed allowed once lock-down commenced. We mutually agreed to complete as much interim audit work as reasonably practical.
3. In the week leading up to the audit, various requested information was provided and system notes were reviewed and updated and shared with the Audit team.
4. The Audit New Zealand team were accommodating of the lock-down situation through-out the audit process and Council staff did particularly well to manage the requirements through the infancy of lock-down as we all adjusted to working in our new home environments.
5. Some regular Interim Audit checks such as a number of process 'walk-throughs' were naturally unable to completed and will be incorporated into the final on-site Audit instead.
6. Council staff have provided management comments in response to the audit findings and these are incorporated into the attached report.
7. The Audit New Zealand team will complete the final audit of Council's Annual Report 2020 during September 2020, with adoption of the report scheduled for 13 October 2020.

PROPOSAL

8. That the Audit & Risk Committee receives the Audit New Zealand Interim Audit Report and provides feedback on any areas of note within the report and propose any related action items.

ASSESSMENT OF SIGNIFICANCE

9. This matter is not deemed significant under the Council's Significance and Engagement Policy.

FINANCIAL

10. There are no known budget considerations.

RECOMMENDATION

1. That the Audit New Zealand Interim Audit Report for the year ended 30 June 2020 report is accepted; and
2. That the Audit and Risk Committee provides feedback on any areas of note within the report and propose any related action items.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council on the interim audit of

Waimate District Council

For the year ending 30 June 2020

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Key messages

We have completed the majority of our interim audit for the year ending 30 June 2020 of Waimate District Council (the Council). This work was performed remotely during the COVID-19 lockdown period, hence some controls testing remains outstanding and will be completed during our next audit visit. This report sets out our findings from the interim audit work performed to date.

As part of the work completed, we updated our understanding of the control environment and internal controls, as well as issues facing the Council. We commend the Council for progressing recommendations raised in prior years, and have noted matters arising from our review of various policies.

Overall, the Council continues to have an effective control environment for audit purposes.

Thank you

We would like to thank management and staff for their understanding and co-operation with the audit process during an unusual and unsettling time for us all.

A handwritten signature in blue ink, appearing to read 'Rudie Tomlinson', with a horizontal line extending to the right.

Rudie Tomlinson
Appointed Auditor
5 May 2020

1 Recommendations



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

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

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Compliance with Investment Policy Ensure compliance with the Investment Policy.	2.3	Necessary
Enhancing sensitive expenditure policies Consider updating sensitive expenditure policies to fully comply with good practice guidelines.	2.4	Beneficial

1.2 Status of previous recommendations

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

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open recommendations	-	2		2
Implemented or closed recommendations	-	-	1	1
Matters that will be followed up during our final audit visit	-	4	1	5
Total	-	6	2	8

2 Assessment of internal control



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

2.1 Control environment

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

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

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

2.2 Internal controls

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

We updated our understanding of internal controls in your information systems and related business processes. This included the controls in place for your key financial and non-financial information systems. However, due to the COVID-19 lockdown period and limited accessibility to information stored in hard copy format, some of the controls testing has been deferred and will be completed at our final audit visit.

Subject to completion of our testing, we conclude that the controls in each system are mostly capable collectively of preventing or detecting and correcting material misstatements.

We have identified the following areas for improvement in regard to policies.

Additional areas for improvement are noted in Appendix 1 regarding the status of previous recommendations.

2.3 Compliance with Investment Policy

Findings

We noted an instance of non-compliance regarding 12 *Procedures to manage investments and report to Council* of the investment policy.

The policy states that cash management instruments are limited to:

- Call deposits and registered banks.
- Negotiable instruments issued by banks with a maturity less than three months.
- Term deposits with registered banks (less than three months). Not recommended if early break penalties are enforced.

However, we identified a \$500,000 term deposit initiated in December 2019 with a maturity term of 120 days, hence the three month limitation was exceeded.

Ensuring adherence to internal policies is an important facet of the control environment.

Recommendation

Ensure compliance with the Investment Policy.

Management comment

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.

2.4 Enhancing sensitive expenditure policies

Findings

We reviewed the Council's sensitive expenditure policies and procedures against the good practice guidelines published by the Office of the Auditor-General (OAG). We commend the Council for developing policies and procedures which are, for the most part, compliant with good practice. However, we have identified the following departures:

- There appears to be no guidance regarding cash advances to employees or elected members, other than the requirement that credit cards cannot be used for cash advances.
- There appears to be no coverage of the use of telecommunication equipment while travelling, including what costs are reimbursable for telephone calls and Wi-Fi usage.
- Travel policies and procedures should require a clearly explained rationale for instances where first class travel occurs.
- Policies on entertainment related expenditure should include clear guidance about what is an acceptable level of expenditure, if any, on seasonal occasions such as a Christmas event.
- There appears to be no guidance on loyalty reward schemes other than the requirement that Koru programme membership is only permissible for the Mayor. We note that such guidance was included in a previous version of the Staff Manual but has since been removed.
- Guidance regarding koha is very brief and does not convey the council's commitment to ensuring that koha reflects the occasion and are not confused with any other payments made.

Recommendation

Consider updating the sensitive expenditure policies to fully comply with the OAG's good practice guidelines, as applicable to the Council.

Management comment

When next reviewing the Sensitive Expenditure Policy we will incorporate Audit New Zealand's recommendations, that is, closer alignment to the OAG guidelines.

3 Other matters

3.1 Accounting for interest in Downlands Rural Water Scheme

We have continued to engage with management about the potential impact of a suite of new accounting standards. These standards will ultimately determine the accounting for Council's interest in the Downlands Water Rural Scheme (DWS). These new standards are:

- PBE IPSAS 36 Investments in Associates and Joint Ventures;
- PBE IPSAS 37 Joint Arrangements; and
- PBE IPSAS 38 Disclosure of Interests in Other Entities.

We reviewed the accounting advice obtained by Timaru District Council on behalf of the three DWS members. The advice was provided by Ernst & Young (EY). The conclusion reached by EY was that Waimate District Council, as well as Mackenzie District Council most likely have significant influence over the scheme, meaning that the interest would constitute that of an associate and be accounted for using the equity method. However, we note that the following queries raised by our technical team remain unanswered:

- Is there an actual entity (to then classify as an associate) or are we talking about ownership of an asset(s)?
- Do each of the councils have a legal right or ownership of the assets which are inside of their boundary lines, with the joint committee being an agreed decision making body on how those assets will be used, but the assets still belong to each council?
- Do each of the councils have a legal right or ownership of a percentage of the overall scheme and therefore it does not matter where the specific asset is located?
- Has legal ownership of the assets been transferred to the joint committee?
- The joint committee may only be a decision making body which enables the three councils to make operating decisions regarding the assets. What would have happened if after the last election one of the councils decided not to renew the joint committee?

We understand that Timaru District Council is in the process of obtaining legal advice regarding the ownership of the DWS assets, but locating historic files and agreements are proving to be a challenge.

Prior to placing reliance on the analysis performed by EY, it is important that each of the councils consider these matters, as the outcome will determine the appropriate accounting treatment in their individual financial statements.

Timely resolution of the above is important as any delay may impact on our ability to provide an audit opinion within statutory timeframes.

Management comment

Council acknowledge the queries raised by Audit's technical team and the series of questions noted which remain unanswered in relation to the structure and ownership of the Downlands Rural Water Scheme. We are looking to progress this through document searches, further discussions with Timaru District Council and potential for a formalised agreement to clearly record the structure and ownership of the scheme in order that the appropriate accounting standard may be applied. Independent legal advice may be obtained should this be deemed necessary.

3.2 Alpine Energy share valuation

The importance of arranging a fair value valuation of Council's investment in Alpine Energy Limited at 30 June 2020, was communicated to the Audit and Risk Committee meeting held on 19 March 2020 and subsequently discussed with management. We have also noted this issue in our Audit Plan.

Management comment

Council acknowledge the requirement of a fair value valuation of its investment in Alpine Energy Limited as at 30 June 2020. The engagement of EY to undertake this work is being arranged in conjunction with all company shareholders.

4 Useful publications



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

Description	Where to find it
Client updates	
<p>In March and April 2019, we hosted a series of client updates. The theme was "Improving trust and confidence in the public".</p> <p>These included speakers from both Audit New Zealand and external organisations.</p>	<p>On our website under publications and resources.</p> <p>Link: Client updates</p>
Model financial statements	
<p>Our model financial statements reflect best practice we have seen to improve financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	<p>On our website under publications and resources.</p> <p>Link: Model Financial Statements</p>
Client substantiation file	
<p>When you are fully prepared for an audit, it helps to minimise the disruption for your staff and make sure that we can complete the audit efficiently and effectively.</p> <p>We have put together a tool box called the Client Substantiation File to help you prepare the information you will need to provide to us so we can complete the audit work that needs to be done. This is essentially a tool box to help you collate documentation that the auditor will ask for.</p>	<p>On the OAG's website under publications and resources.</p> <p>Link: Client Substantiation File</p>

Description	Where to find it
Matters arising from the 2017/18 audits	
The OAG has published a report on the results of the 2017/18 audits for the sector.	On the OAG's website under publications. Links: Local Government
Good practice	
<p>The OAG's website has been updated to make it easier to find good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> • audit committees; • conflicts of interest; • discouraging fraud; • good governance; • service performance reporting; • procurement; • sensitive expenditure; and • severance payments. 	On the OAG's website under good practice. Link: Good practice
Reporting fraud	
The OAG have released data from 2012-2018 on fraud in public entities. This includes how the fraud was detected, the type of fraud and the methods and reasons for the fraud. The graphs show the high-level sector, and this can be broken down further into sub-sectors by opening the spreadsheets available.	On the OAG's website under data. Link: Reporting Fraud

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
Correctly recording incidents in Asset Finda		
To ensure that staff correctly enter information into Asset Finda, the Council should develop a handbook and educate staff on its use.	2018/19	<p>In progress – improvements noted</p> <p>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.</p> <p>Although some potential errors were identified, we commend the Council for the effectiveness of staff training.</p>
Payroll processing super users		
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	<p>In progress – improvements noted</p> <p>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.</p>

Implemented or closed recommendations

Recommendation	First raised	Status
Procurement policy		
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	Closed 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.

Matters that will be followed up during our final audit visit

Recommendation	First raised	Status
Necessary		
Interest in Downlands Rural Water Scheme (DWS)		
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. Design and perform steps to confirm that the value of the investment is accurate, including consideration of impairment indicators.	2018/19	Please refer to section 3.1 above This relates to year-end reporting. We will complete our review of the Council's assessment during the final audit.
Property, plant and equipment revaluations		
We recommended: <ul style="list-style-type: none"> The Council ensure all assets within an asset class are revalued when they perform revaluations. 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. 	2016/17	Pending 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.
Property, plant and equipment fair value and impairment assessments		
The Council needs to prepare a formally documented fair value assessment for each revalued asset class that is not subject to a	2013/14	Pending This relates to year-end reporting. We will assess implementation of

Recommendation	First raised	Status
<p>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>		the recommendation during the final audit.
Internal controls regarding property, plant and equipment		
<p>Strengthen internal controls around property plant and equipment:</p> <ul style="list-style-type: none"> 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. Implement a monitoring and write off process to account for the infrastructure assets that are replaced during the year. 	2013/14	<p>Pending</p> <p>We will assess implementation of the recommendations during the final audit.</p>
Beneficial		
Project and contract management		
<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"> have an overall policy outlining an organisationally consistent approach to contract management; implement more detailed reporting of contract monitoring to Council; ensure contract managers have sufficient skills and expertise to effectively manage contracts. This could be achieved by formal training and identification of training needs 	2013/14	<p>Pending</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>

Recommendation	First raised	Status
<p>(i.e. structured instead of ad hoc); and</p> <ul style="list-style-type: none"> complete a self-review to identify areas for improvement. <p>For project management, the Council's grading here could be improved through:</p> <ul style="list-style-type: none"> development of Council wide formal project management practices; conducting post implementation reviews on completed projects; consideration of independent quality assurance over projects; and more comprehensive reporting and monitoring of projects by management and Council as discrete projects – rather than as part of monthly reports. 		

Appendix 2: Disclosures

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



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

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PO Box 232
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6.8 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO JUNE 2020

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. **Audit NZ Recommendations - Progress Report to June 2020** [↓](#) 

PURPOSE

1. To provide the Audit and Risk Committee with a progress update on recommendations from Audit New Zealand and recommend items to be closed.

BACKGROUND

2. At the 19 March 2020 Audit and Risk Committee Meeting, staff were asked to identify any audit recommendations that are proposed to be closed, and update those that are pending.
3. Council staff have undertaken a review of the recommendations and has refreshed the report in order that it more closely aligns with the Audit New Zealand Recommendations Schedules available through their Interim and Final Audit Reports.
4. The report details audit recommendations which are classified as:
 - a. 'Open' by Audit NZ, as per 2020 Interim Audit
 - b. 'Implemented or Closed' by Audit NZ, as per 2020 Interim Audit
 - c. 'To be followed up during the final 2020 audit visit' by Audit NZ, as per 2020 Interim Audit
 - d. 'New Recommendations' by Audit NZ, as per 2020 Interim Audit
 - e. 'Other Recommendations' carried forward from March 2020 Audit & Risk Committee Meeting.

PROPOSAL

5. Council staff have updated progress on the External Audit Recommendations for the committee's information and any relevant feedback.
6. Council staff make a recommendation that the following identified matters are closed:
 - a. Alpine Energy Shares Valuation
 - b. Quality Assurance (QA) review of draft council activities performance reporting

RECOMMENDATION

1. That the External Audit Recommendations Progress Report to June 2020 report is accepted; and
2. That the Committee considers the updated progress on the External Audit Recommendations and provides any relevant feedback; and
3. That the following Audit recommendations are noted as 'closed':
 - a. Alpine Energy Shares Valuation
 - b. Quality Assurance (QA) review of draft council activities performance reporting

AUDIT NEW ZEALAND RECOMMENDATIONS – PROGRESS REPORT TO JUNE 2020

Open recommendations as per 2020 Interim Audit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
Necessary				
Correctly recording incidents in Asset Finda				
To ensure that staff correctly enter information into Asset Finda, the Council should develop a handbook and educate staff on its use.	2018/19	In progress – improvements noted 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.

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.		
Payroll processing super users				
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	In progress – improvements noted 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
Procurement policy				
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	Closed 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
Necessary				
Interest in Downlands Rural Water Scheme (DWS)				
<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>Please refer to section 3.1 of 2020 Interim Audit Report</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 EY to undertake a review in order to provide advice and accounting support in relation to adoption of new PBE standards on interests in other entities.</p> <p>The EY report concluded Waimate District Council's interest is that of an Associate. In order to address concerns from Audit NZ that fundamental questions regarding the status of the entity and ownership remain unanswered, the three Councils met and Timaru District Council are co-ordinating the</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				formulation of an agreement to clearly document the present situation.
Property, plant and equipment revaluations				
<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>Pending</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 has commenced and is progressing as anticipated.</p> <p>Council uses BERL adjustment factors (LGCI) and will need to monitor these and to whether an intermediate revaluation may be required.</p>
Property, plant and equipment fair value and impairment assessments				
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	2013/14	<p>Pending</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	This recommendation will be considered in conjunction with the preparation of the 2020 Annual Report and the fair

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<p>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>			reviews prior to the commencement of audit.	value assessments of assets as at balance date.
Internal controls regarding property, plant and equipment				
<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>Pending</p> <p>We will assess implementation of the recommendations during the final audit.</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>A stock-take of the IT equipment asset class was completed in 2018, and further classes of assets will be assessed as resourcing allows with priority given to asset classes of highest risk.</p> <p>Discussions are advancing with regards to a consistent and practical process which can be implemented.</p> <p>The Finance Team have obtained a better understanding of Asset Finda software in order to aid in the assessment of</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
				infrastructural assets for impairment as at 30 June each year. Further investigation into the RAMM software used for Rooding assets is required. The development of a mechanism to capture disposals of infrastructure assets replaced during the year is continuing.
Beneficial				
Project and contract management				
<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"> have an overall policy outlining an organisationally consistent approach to contract management; implement more detailed reporting of contract monitoring to Council; 	2013/14	<p>Pending</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</p>	<p>With the understanding at this time, the risk has been considered and was accepted by the Audit & Risk Committee.</p> <p>Council's contract for roading is the most significant and is governed by NZTA processes that result in independent</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
<p>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</p> <p>complete a self-review to identify areas for improvement.</p> <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>projects. Since tech projects represent a priority area for Council, we believe this represents a significant step in Project management maturity for Council.</p> <p>Independent QA (by Deloitte) was applied to the 2018-28 Performance Reporting & 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>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 Manger. Progress of major projects are reported to the Audit & 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.</p>

New recommendations as per 2020 Interim Audit

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
Necessary				
Compliance with Investment Policy				
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.

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Managements Initial Response to Recommendation	Progress
Beneficial				
Enhancing sensitive expenditure policies				
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, that is, closer alignment to the OAG guidelines.	Council's Sensitive Expenditure Policy is due for review by December 2021.

Other Recommendations carried forward from March 2020 Audit & Risk Committee Meeting

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Management's Proposed Response to Recommendation	Progress
Necessary				
Alpine Energy Shares Valuation				
<p>Ensure that Council engages an external expert to prepare a valuation of its shareholding in future years.</p> <p>Ensure that the valuation is reviewed, either internally or externally, so that it is appropriate to use in the annual report.</p>	2017/18	Audit has not identified this item as an open recommendation.	<p>Management will consider its options with regards to the engagement of an external expert.</p> <p>Management will consider a review of the valuation as appropriate, when there is sufficient cause or a significant movement in the valuation from the prior year.</p>	<p>The process for the 2020 valuation of Alpine Energy Shares has commenced with a draft Terms of Engagement received for Shareholders consideration. The engagement is for an independent valuation as at 30 June 2020.</p> <p>As this recommendation is being sufficiently managed and has not been included as an open recommendation by Audit NZ, management recommend this recommendation is closed.</p>

AUDIT NEW ZEALAND			WAIMATE DISTRICT COUNCIL	
Recommendation	First raised	Status	Management's Proposed Response to Recommendation	Progress
Quality Assurance (QA) review of draft council activities performance reporting				
Subject the draft council activities performance reporting to an effective review process before release to the auditors.	2018/19	Audit has not identified this item as an open recommendation.	Human resource shortages have adversely impacted data quality. Council has recently refilled two positions which has increased resource available to perform the necessary quality assurance checks in the future. Training is underway, and existing staff are being reminded that a high degree of precision is required when entering data in to AssetFinda.	<p>The refilling of positions has increased resourcing to increase quality assurance checks, along with training and reminders of expectations around precision.</p> <p>As this recommendation is being sufficiently managed and has not been included as an open recommendation by Audit NZ, management recommend this recommendation is closed.</p>

6.9 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.
2. During Covid-19 lockdown policy work continued and there were a number of new policies drafted.

Policy – up to 29 May 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	Policy	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 – General Council Policies					
301	Significance and Engagement Policy	Community and Strategy LTP (LGA sch 10)	To be included in the LTP	October 2020	
302	Bullying and Harassment Policy	Human Resources	Under development	Mid 2020	
303	Media Policy	Executive Support	Under development	Mid 2020	
304	Social Media Policy	Executive Support	Under development	Mid 2020	

Code	Policy	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
305	Gambling Venue Policy	Regulatory and Compliance		November 2021	
306	Dog Control Policy	Regulatory and Compliance (Dog Control Act)		December 2021	
307	Sustainability	Asset Group	Under development	TBD	
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 (LGA cl 6 sch 7)	As required by Remuneration Authority	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 (Building Act)		December 2022	
314	Local Approved Products Policy	Regulatory and Compliance (Psychoactive Substances Act)		December 2024	
315	Insanitary Buildings Policy	Regulatory and Compliance (Building Act)		December 2022	
316	Procurement Policy	Corporate Services		October 2022	
317	Unmanned Aircraft Policy	Asset Group (CAA Rules)		April 2022	
320	Vehicle Use and Monitoring Policy	Corporate Services		June 2020 June 2020	
321	Security Camera Policy	Corporate Services		August 2021	
323	Friends Organisations Policy	Community & Strategy		August 2021	
324	Community Housing Policy	Community & Strategy		March 2022	

Code	Policy	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
325	Enforcement Policy	Regulatory & Compliance		June 2022	
326	Protected Disclosures Policy	Human Resources		October 2022	
327	Freedom Camping Policy	Regulatory & Compliance	Council agreed to formulate a policy on 8 October 2019 A discussion is to be held in regard to merits of developing a Bylaw and Policy	Mid 2020	
328	Information Management Policy	Corporate Services	Currently under development	April 2020	
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	Start review	June 2024	
409	Statement of Accounting Policies	Corporate Services	Reviewed for each annual plan and annual report	October 2020	
410	Property and Land Sale, Purchase and Lease Policy	Asset Group		December 2021	

Code	Policy	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
411	Sensitive Expenditure Policy	Corporate Services		December 2021	
500 Series – Infrastructure Policies					
501	Dust Suppression Policy	Asset Group		August 2021	
502	Water Supply - Rural	Asset Group	Awaiting on review of 3 waters.	December 2014 Mid 2020	
	Asset Management Policy	Asset Group		March 2023	
600 Series – Staff and Internal Policies (signed off by CE)					
603	Building Security & Key Policy	Corporate Services		April 2022	
604	Subdivision Reserves Contributions Fund Policy	Corporate Services	Previously 318-rendered internal by the instruction of Council	July 2020	
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	

Manuals - Internal

605	Health and Safety Manual	Regulatory & Compliance		September 2022	
	Staff Manual	Human Resources	Last updated September 2019	September 2022	

RECOMMENDATION

That the Council's Policy Status report is accepted.

6.10 2019/20 MAJOR PROJECT UPDATE

Author: Dan Mitchell, Asset Group Manager

Authoriser: Dan Mitchell, Asset Group Manager

Attachments: 1. Major Projects Update 2019/20 [↓](#) 

PURPOSE

1. The 2019/20 Major Project list as at 3 June 2020 is submitted for the information of the Audit and Risk Committee.

QUEEN STREET SEWER MAIN RENEWAL

2. Hadlee and Brunton Limited worked through the lockdown to temporarily repair the Queen Street main (and some repairs on High Street). In June 2020, they will install a prefabricated manhole, which will enable further works to be tendered.
3. Contract documentation for the sewer rider mains and storm water renewal is complete.

RECOMMENDATION

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

2019/20 Major Project Report - as at 3 June 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. Placed on hold until the outcome of the shovel ready projects is known. These are currently being assessed for funding through the Provincial Growth Fund.
2019/20	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. Placed on hold until the outcome of the shovel ready projects is known. These are currently being assessed for funding through the Provincial Growth Fund.
2019/20	Lower Waihao - Drinking Water Intake/Plant Compliance Upgrade		\$800,200	\$23,578	3%			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. Placed on hold until the outcome of the shovel ready projects is known. These are currently being assessed for funding through the Provincial Growth Fund.
2019/20	Otaio / Makikihi - Tavistock Bore - Treatment Filter & UV		\$166,400	\$10,876	7%			Plan for a Medium Pressure UV to be put in for protozoal compliance.
2019/20	Waikakahi - Drinking Water Intake/Plant Compliance Upgrade		\$1,443,900	\$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. Consultant hired for design. Placed on hold until the outcome of the shovel ready projects is known. These are currently being assessed for funding through the Provincial Growth Fund.
2019/20	Urban Water - Rising Main Renewals		\$219,992	\$0	0%			To be used for Urban pipe renewal to support pressure management.
2019/20	Urban Water - Lateral Renewals		\$61,680	\$55,963	91%			Ongoing
2019/20	Urban Water - AC Water Main Renewals		\$223,080	\$227,754	100%			Contract 19/22 completed
2019/20	Urban Water - CI Water Main Renewals		\$336,780	\$292,484	100%			Contract 19/22 completed
2019/20	Urban Water - Manchester Road Bore Replacement		\$92,700	\$250,000	100%			Total combined budget allocation (with GL 5310760013) has been agreed up too \$780,000. Completion date 5 December 2019.
2019/20	Urban Water - Man Rd Plant - Treatment Filter & UV		\$99,400	\$751,031	100%			Total combined budget allocation (with GL 531076005) has been agreed up too \$780,000. Completion date 5 December 2019. Project complete.
2019/20	Urban Water - Tim Rd Plant - Treatment Filter & UV		\$278,588	\$26,635	10%			Plan for a Medium Pressure UV to be put in for protozoal compliance. UVT and Turbidity equipment purchased.
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. Offer of service received in relation to flow monitoring (circa \$75-\$80k). Looking at alternatives for catchment analysis.

Financial Year	Project	Project Description	Budget	Spend to Date	% Complete	Status		Comments / Issues / Risks / Reasons
						Time	Budget	
2019/20	Sewer - Waimate Urban Renewals		\$327,794	\$0	0%			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. Manhole installation programmed for June 2020. Contract documents complete and ready for tender. The renewal of a section of High Street has been tendered and awarded with work also programmed for June.
2018/19	Sewer - Edward Street Upgrade (Renewal)		\$551,000	\$22,405	4%			Carried over from 2018/19. Investigative work and modelling by WSP.

Financial Year	Project	Project Description	Budget	Spend to Date	% Complete	Status		Comments / Issues / Risks / Reasons
						Time	Budget	
Stormwater Drainage								
2019/20	Stormwater - Consent & Management Plan		\$30,000	\$110,024	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. Programmed for lodgement prior to 30 June 2020
2019/20	Stormwater - Queen Street Upgrade		\$133,640	\$14,255	11%			To be tendered concurrently with the programmed sewer works.
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	\$35,000	95%			Majority of project complete with scada link to be completed March 2020. Delayed due to Covid-19
2019/20	Waitaki Lakes - Chlorine Dosing UV	Increase water quality standard at Te Aka	\$31,000	\$11,160	5%			Equipment purchased and work to be undertaken at the end of the 2019/20 camping season.
Property								
2018/19	Waimate Library extension		\$1,400,000	Nil	0%			Delayed due to investigation into Library / LGC redevelopment proposal
2019/20	Asbestos Removal - Local Government Centre		\$0	\$48,235	100%			Work on both LGC and Gorge Roads sites completed by January 2020. Expenditure was unbudgeted.
2016/17 (carry forward)	Public toilets (new) Waimate town and review of District toilets		\$200,000	Nil	0%			Staff currently reviewing a proposal to develop a public toilets strateav

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
7.1 - Public Excluded minutes of the Audit and Risk Committee Meeting held on 19 March 2020	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
7.2 - Council Actions - Public Excluded Report	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
7.3 - Corporate Services Group Manager Report - Public Excluded	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons 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

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