



Our reference
F19/13/03-D21/26182

12 July 2023

Audit and Risk Committee

Notice is hereby given that the Audit and Risk Committee of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 18 July 2023** beginning at 1.00pm.

Timetable for 18 July 2023 as follows:

11.00am	Workshop - Risk Maturity
1.00pm	Audit and Risk Committee Meeting

Yours faithfully

Sven Hanne
Chief Executive

2023 - Agenda - Audit and Risk - July - Open

18 July 2023 01:00 PM



Agenda Topic	Page
Notice of Meeting	1
Agenda	4
1. Welcome	8
1.1 Opening Karakia	8
1.2 Health and Safety Message	9
2. Apologies	
3. Announcements	
4. Declarations of Members Interest	
5. Attendance Schedule	10
6. Programme of Works	11
7. Confirmation of Minutes	12
7.1 Audit and Risk Committee - 16 May 2023	12
8. Matters Outstanding	23
9. Information Report - Health and Safety	24
10. Information Report - Civil Defence Progress and Readiness - July 2023	28
11. Information Report - Capital Works Programme - Key Projects Update - July 2023	65
12. Information Report - Risk Management (Update)	79
13. Correspondence	91
14. General Business	
15. Questions	
16. Resolution to Exclude the Public	

17. Public Excluded Item
18. Publix Excluded Item
19. Closing Karakia

98

AGENDA

Audit and Risk Committee



F22/55/05 – D23/29210

Date: Tuesday 18 July 2023 at 1.00PM
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome
 - 1.1 **Opening Karakia**
D21/40748 Page 8
 - 1.2 **Health and Safety Message**
D21/26210 Page 9
2. Apologies
3. Announcements
4. **Declarations of members interest**
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. **Attendance Schedule**
Page 10

Attendance schedule for Audit and Risk Committee meetings.
6. **Programme of Works**
D21/42807 Page 11

Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to the end of 2023 be received.

/
Moved/Seconded

7. Confirmation of Minutes
 - 7.1 **Audit and Risk Committee – 16 May 2023**
D23/21284 Page 12

Recommendation

THAT the minutes of the Audit and Risk Meeting of Council held on Tuesday 16 May 2023 be confirmed as a true and accurate record.

/
Moved/Seconded

8. [Matters Outstanding](#)
D18/27474 Page 23

Recommendation

THAT the matters outstanding be received.

/
Moved/Seconded

9. [Information Report – Health and Safety](#)
D23/29203 Page 24

Recommendation

THAT the report be received.

/
Moved/Seconded

10. [Information Report – Civil Defence Progress and Readiness – July 2023](#)
D23/29424 Page 28

Recommendation

THAT the report be received.

Recommended Reason

It is a function of this committee to stay abreast of Council's readiness and ability to meet its requirements and obligations as laid out in the Taranaki Civil Defence Group's constituting agreement.

/
Moved/Seconded

11. [Information Report – Capital Works Programme – Key Projects Update – July 2023](#)
D23/28971 Page 65

Recommendation

THAT the report be received.

Recommended Reason

To present an update on the progress of our key capital projects in the 2022/23 financial year.

/
Moved/Seconded

12. [Information Report – Risk Management \(update\)](#)
D23/29421 Page 79

Recommendation

THAT the report be received.

Recommended Reason
To provide an update to the Audit and Risk Committee of any significant risks and any incidents or threats in relation to significant risks on Council's risk register from the previous quarter.

Moved/Seconded

13. [Correspondence](#)
13.1 Draft Audit Proposal Letter *Page 91*
14. [General Business](#)
15. [Questions](#)
16. [Resolution to Exclude the Public](#)

RECOMMENDATION

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

Agenda Item No: 17 and 18

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution to each matter	Grounds under section 48(1) for the passing of this resolution
Insurance Renewal 2023/24	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist, under section 6 and section 7 of the Act - specifically Section 7(2)(b)(ii). (Section 48(1)(a) Local Government Official Information and Meetings Act 1987.
Section 17a Review	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist, under section 6 and section 7 of the Act - specifically Section 7(2)(b)(ii). (Section 48(1)(a) Local Government Official Information and Meetings Act 1987.

Moved/Seconded

17. Public Excluded Item

18. Public Excluded Item

Recommendation

THAT the open meeting resume.

/
Moved/Seconded

19. Closing karakia
D21/40748 Page 98



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2022/23 Audit and Risk Committee meetings.

Date	14/03/23	16/05/23	18/7/23	19/09/23	21/11/23
Meeting	A	A	A	A	A
Neil Volzke	✓	✓			
Steve Beck	✓	✓			
Grant Boyde	✓	✓			
Annette Dudley	A				
Jono Erwood	✓	✓			
Ellen Hall	✓	✓			
Amanda Harris	✓				
Vaughan Jones	✓	✓			
Min McKay	✓	✓			
John Sandford	A				
Clive Tongaawhikau	S				
Mathew Watt					
Philip Jones (External Chair)	✓	✓			

Key	
A	Audit and Risk Meeting
D	Meeting deferred
	Non-committee member
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, Audio Visual Link

Audit and Risk Committee - Programme of Works (D21/42807)

	Jul-23	Sep-23	Dec-23	Mar-24	May-24	Jul-24	Sep-24	Nov-24	Mar-25	May-25
Standing Items	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Audit matters raised - Deloitte - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Financial Report -Audit matters raised - Deloitte - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Financial Report -Audit matters raised - Deloitte - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Financial Report -Audit matters raised - Deloitte - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Financial Report -Audit matters raised - Deloitte - LTP Capital Projects status update	-Auditor Correspondence Received -Health and Safety Report -Risk Management Review -Financial Report -Audit matters raised - Deloitte - LTP Capital Projects status update
Annual Items	- Insurance Renewal 2023/24 - Civil Defence readiness	-Internal Audit Report (outcomes) -Cyber Risk prevention update	-Committee Self-Review (workshop) - Annual Report 2022/23 (final draft for approval)	- Internal Audit (Plan for 2024, and status report on previous year audit) - Annual Plan 2023/24 update	- Internal Audit (Plan for 2024, and status report on previous year audit) - Annual Plan 2023/24 update	- Review of Insurances	Annual Report draft - 2023/24			
One-Off Items	- Risk Maturity and Emerging Risks (workshop) - Section 17a Reviews - final recommendations	- Treasury Policy (workshop) - Climate Change resilience, strategic risk - deep dive - Critical /significant assets nearing end of life, cost of replacement	- 3 Waters Reforms - update	- Risk 32 - Lone Worker - deep dive						

MINUTES

Audit and Risk Committee



F22/55/05 – D23/21284

Date: Tuesday 16 May 2023 at 2.00pm
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Mr P Jones (the Chair), the District Mayor N C Volzke, the Deputy Mayor M McKay, Councillors: G W Boyde, J M S Erwood and V R Jones

In attendance

Councillors: S J Beck, E E Hall

The Chief Executive – Mr Sven Hanne, the Director – Corporate Services – Mrs T Radich, the Acting Director – Community Services – Mr C Julie, the Director Assets – Mrs V Araba, the Director Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Health & Safety/Civil Defence Advisor – Mr M Bestall (*part meeting*), the Corporate Accountant – Mrs C Craig (*part meeting*), the Project Manager – Mr S Taylor, the Building Control Manager – Mr J Scrivens (*part meeting*), the Property Officer – Mrs S Flight (*part meeting*), and one member of the media (Stratford Press).

1. Welcome

The opening karakia was read.

The Chair welcomed the District Mayor, Councillors, staff and the media to the meeting.

The Chair reiterated the health and safety message and emergency procedures.

2. Apologies

There were no apologies.

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no declarations of interest relating to items on this agenda.

5. Attendance Schedule

The attendance schedule for Audit and Risk Committee meetings was attached.

6. Programme of Works
D21/42807 Page 11

Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to the end of 2023 be received.

VOLZKE/BOYDE
Carried
A&R/23/11

The Director – Corporate Services noted the following points:

- The Civil Defence Readiness report will be brought to the committee in July as officers are awaiting further information.
- The Critical Assets nearing the end of their life report will also be brought in July due to further information being sought.
- A workshop will be scheduled for the committee in July to discuss council's risk maturity.

Questions/Points of Clarification:

- The Chairman noted that the upcoming Long Term Plan was a major project for council which will also have significant risk in terms of the delivery of the document due to the huge uncertainty around the water reforms and the availability of audit to complete their process. He requested a report be added to the programme of works for July to highlight the key risks and risk mitigation.

7. Confirmation of Minutes

7.1 Audit and Risk Committee – 14 March 2023
D23/9922 Page 12

Recommendation

THAT the minutes of the Audit and Risk Meeting of Council held on Tuesday 14 March 2023 be confirmed as a true and accurate record.

ERWOOD/V JONES
Carried
A&R/23/12

8. Matters Outstanding
D18/27474 Page 18

Recommendation

THAT the matters outstanding be received.

P JONES/McKAY
Carried
A&R/23/13

The Chief Executive noted the following points:

- The Health and Safety Manual has now been fully reviewed with final changes having been made. This action is now complete.
- The Treasury Policy will be discussed in a workshop in September.

9. Information Report – Health and Safety
D23/19263 Page 19

Recommendation

THAT the report be received.

ERWOOD/BOYDE
Carried
A&R/23/14

Questions/Points of Clarification:

- Councillor Boyde questioned how the incident numbers compared to similar sized councils? The Health & Safety Advisor noted the figures had reduced and were very similar to previous quarters with the majority of incidents occurring at the pool. He noted the seriousness of events was not concerning. The Chairman noted he saw similar numbers at other councils where there is a pool facility. It was requested that the pool figures be separated out in the table for clarity.
- Councillor Boyde noted his concern regarding the aggressive behaviour from customers towards staff and asked what actions were being looked at? Mr Bestall noted that this type of behaviour was increasing. Staff have been trained, and will receive further training, in de-escalation as well as looking at the placement of the AA counter to ensure safe exits. The testing with the emergency button resulted in no issues and he is confident it will work in an emergency situation. He had also requested that the Chief Executive discuss a potential regional message from the councils to say this behaviour will not be tolerated. Officers are also reviewing if the Library and Visitor Information Centre should be opening on a Saturday, however it was noted this behaviour is not happening on a Saturday.
- Councillor Boyde requested that it be considered to include councillors in the de-escalation training as there is a genuine frustration with ratepayers who can turn very abusive at the moment. Mr Bestall would discuss this with the Chief Executive.
- It was noted the number of trained civil defence members on staff had risen to 58. There has been a really good uptake and managers are releasing their staff for training. The foundation course last month was held in Stratford and there is already a good number interested in the intermediate course scheduled in Stratford for July. Mr Hanne noted that the Central Taranaki Safe Trust volunteers are also trained in Civil Defence so can increase that number further if required. These volunteers have been used previously in the welfare space which has freed up council officers to deal with operational requirements.

10. Decision Report – Internal Audit Plan 2022/2023
D23/18291 Page 22

Recommendations

1. THAT the report be received.
2. THAT Internal Audit Plan 2022/23 be approved.

McKAY/ERWOOD
Carried
A&R/23/15

Recommended Reason

The Audit and Risk Committee is tasked with reviewing and monitoring the internal audit activities of Council on behalf of elected members.

Questions/Points of Clarification:

- It was clarified the risks are chosen by looking through the full risk register and seeing what is topical at the moment and what hasn't been reviewed in the past few cycles.
- The Chairman asked how unconscious bias is handled with staff performing the audit? The Corporate Accountant noted that the audit team begins with a team of 10 people who are told what it is about,

what is expected of them and the rules being not to make assumptions, keeping an open mind and looking at what is happening. Both Mrs Craig and Mrs Radich are available for questions and guidance through the process. There is a form which guides the staff through the process and what they are looking for, these forms are then reviewed. A final review is presented to the Senior Leadership Team to provide any further feedback and then the final audit results are presented to this committee.

- The Chairman asked if using internal resources poses a risk for the organisation when asking staff to do another task on top of their ordinary schedule? The Chief Executive noted this did not reach a high level of risk. Officers try to allocate tasks where there is availability to fit this in, if a staff member was fundamentally unable to perform these duties then either Mrs Craig or Mrs Radich could take over. It is important to give enough warning and enough guidance to complete the task. He noted that there was a reduction of workload at the moment for some departments.
- Councillor Hall questioned if *risk 31 aggressive customer behaviour* had been considered due to how topical this was at the moment? It was clarified that this had been audited recently. Councillor Boyde questioned if this risk was still fit for purpose given the change in the climate, particularly around massive rate increases throughout the country.
- The Chairman noted that it was important that the Health and Safety Advisor ensure staff understand the process for an aggressive customer. Councillor Erwood noted that this would be beneficial for councillors to be given this guidance as well, especially if they are in the building when an incident occurs. The Chairman agreed it was important that everyone knows the protocols so a situation is not further exacerbated.

11. Decision Report – Risk Appetite for Earthquake-prone buildings
D23/7802 Page 31

Recommendations	
1. <u>THAT</u> the report be received;	BOYDE/ERWOOD <u>Carried</u> <u>A&R/23/16</u>
2. THAT the Committee recommends Option 1,2,3 or 4 for the Wall Memorial Centre;	
3. THAT the Committee recommends Option 1,2,3 or 4 for the TET Stadium;	
4. THAT the Committee recommends Option 1,2 or 3 for the Clock Tower; and	
5. THAT the Committee recommends Option 1,2,3 or 4 for the TSB Pool Building.	
Recommended Reason	
For the Committee to understand the risk associated with the earthquake-prone buildings and make the necessary decision that will minimise Council's exposure to the risk of injury or death from partial or total collapse of these buildings.	

The Chief Executive noted the following points:

- The resolutions in this report will be changed as the facility is discussed due to the current resolution jumping ahead to a conclusion.
- The general public will be receiving the same information for their buildings shortly.
- The report notes that there is up to 25 years that council could chose to do nothing, however as a public organisation he felt it was important that officers get a clear steer from elected members on what their appetite for risk was and what the subsequent actions were required to allow council to make a decision in the future. He suggested that the recommendations be amended to request the additional information required to enable a decision to be made in the future and to incorporate this information into the Long Term Plan.

The Director – Assets noted that Section 4.1.7 and 4.2.1 should both have a 25 year timeframe.

The Building Control Manager joined the table to answer technical questions relating to the Earthquake Prone ratings.

Questions/Points of Clarification:

- Mr Scrivens noted that the Earthquake Prone Building amendment act came into force in 2017 as a simplified version to define priority buildings. Priority buildings are required post disaster such as schools, hospitals, police stations and civil defence buildings. There was also a requirement to classify buildings to allow a thoroughfare for emergency services for which an assessment was completed and found that as there are a couple of arterial routes to allow emergency services through the township there was no mandate to look at the centre of town as priority buildings. Last year buildings were assessed and found that the Civil Defence building required assessment, the St John's building was up to current standard and that central government were doing a lot of the schools and education facilities themselves. He noted that legislatively the minimum requirement was to demolish or strengthen.
- Mr Scrivens clarified that there were different zones for New Zealand being High, Medium and Low Risk which determines the timeframes for work to be completed. Taranaki is in the medium risk zone which means priority buildings have 12.5 years and non priority buildings have 25 years to complete work. High risk zones have just over 6.5 years for priority buildings and non priority buildings have 12.5 years. Low risk zones everything is non priority and has 25 years.
- It was clarified that 34% level is earthquake prone and 67% takes into account consideration for risk and other implications. These ratings can affect insurance and mortgages. Everything is set by the Ministry of Business Innovation and Employment (MBIE) who has very strict guidelines. The initial seismic assessments and detailed assessments have to be provided in accordance with the MBIE guidelines to ensure they meet their requirements. It was clarified getting a second person to look at a rating may provide small variations but not enough to change the grade.
- Councillor Boyde noted that the Civil Defence building in New Plymouth had assessed its biggest risk as an eruption had had to install extra layers on the roof for ash protection, he asked if every building should have this? Mr Scrivens noted he could not answer this without further information. Councillor Boyde questioned how much weight should be put on the mountain being the biggest risk in this area.
- It was noted the table on page 35, section 4.10 provided a risk rating for buildings including life-safety risk. This is from MBIE and experts that assess everything for risk.
- Mr Hanne noted that a building that did not meet earthquake standards could not be used following an earthquake, the building might still be standing but officers would not be able to make sure it is safe to operate out of it until a professional engineer had assessed it.

Civil Defence clarification

- Mr Hanne noted that the war memorial centre needed to be looked at with a civil defence lense, and without. Engineers who have assessed this building have said not to bother trying to retrofit this to civil defence standards as it will be too complicated. For this discussion the committee needs to consider the War Memorial Centre for day to day use.
- It was clarified that all the information required following these discussions will form part of the Long Term Plan discussions.
- Mr Hanne noted that there are two facilities in close proximity to each other that lend themselves as a Civil Defence Space. He noted he had not had to activate either yet. He had discussed using the TET Multi Sports Stadium as a welfare space with the restaurant owners when the last big storm was approaching. This is a perfect welfare centre space because there is food, changing rooms, showers and space for camp beds. The EOC space is where the controller sits and all the decisions and logistics are provided around an event. This is currently the Function Facility at the War Memorial Centre which has been set up for Civil Defence purposes with screens, projectors and IT equipment in the room ready to go. Separating the two functions is the ideal scenario, however it could be run from the same building if required.
- It was clarified there wasn't a specific legislative requirement that a territorial authority have an operational building to use to respond to a civil defence emergency but that it would be hard to meet council's civil defence responsibilities without one. The District Mayor noted that the control centre in Auckland is in central Auckland, therefore he felt that there were people further away from this in Auckland than Stratford was to New Plymouth.
- It was agreed to discuss the civil defence elements as a separate discussion.
- It was clarified that the administration building did not fall into the requirements of the legislation to be assessed, however the administration building would be required to allow the political body to function at the same time as a civil defence operation was underway.

War Memorial Centre

- The District Mayor noted his support for Option 3. The War Memorial Centre is the primary hall in the district and is used for sporting events, social gatherings and meetings of all sorts. It is large enough to accommodate a crowd size appropriate for the area but also remains functional for small groups. He thought it should be kept in use and if it requires strengthening then so be it. He would like to see it taken to a level 3 minimum standard to provide a place to meet the needs of the community. He noted he would be interested in seeing the costs to get it up to 67% to provide a comparison.
- Mr Hanne clarified that the recommendation will be to investigate an option further to provide additional information to council.
- The District Mayor noted consideration would need to be given to a timeline for all the buildings identified. The Chairman noted the decision today was to identify a preferred option but that work could be re-prioritised dependent on costs and affordability.
- Councillor Boyde supported the District Mayors points and noted that information is required before a decision can be made on how that pans out in the future.

Recommendations

2. THAT the Committee recommends to investigate the cost to upgrade the War Memorial Centre to a minimum of 34% with further information to be provided on the costs to achieve the higher level.

VOLZKE/BOYDE
Carried
A&R/23/17

- It was clarified that there was no government funding available for this work.
- Councillor Erwood requested that a condition assessment be done at the same time to ensure internal items such as showers are not needing to be done. It was confirmed that the building will be looked at as a whole

TET Stadium

- Councillor Boyde supported the same investigation as the War Memorial Centre be undertaken.
- The Deputy Mayor noted that with the Civil Defence aspect the committee needed to consider taking it to a higher level.
- The Chairman noted the recommendation requested the cost implications for a minimum of 34% but it could include taking it to a IL4 (100%) level.
- The District Mayor noted he saw the TET Stadium in a different light as its primary use is a sporting venue which did not have the same volume of use the War Memorial Centre has. If a recommendation was to upgrade it to 100% earthquake standards then council was saying that is the preferred option for Civil Defence. He noted he would like to see the Stratford High School stadium investigated as a possible Civil Defence centre as this has not been discussed as an option before. He supported the recommendation being the same as the War Memorial Centre and separate consideration for Civil Defence.

Recommendations

3. THAT the Committee recommends to investigate the cost to upgrade the TET Stadium to a minimum of 34% with further information to be provided on the costs to achieve the higher level.

BOYDE/VOLZKE
Carried
A&R/23/18

Clocktower

- It was clarified that if there is a substantial earthquake that activates the EOC then that would be the point an engineer would have to assess if a building could be re-entered. Mr Scrivens noted that the Christchurch aftershocks had done so much damage because of the substantial impact on the integrity of the buildings.
- Councillor Boyde noted he partly supported Option2, however the option of moving the clocktower should be considered. If it was to be pulled down it could just be moved to a different location.
- It was clarified that this building had had an initial assessment rather than a detailed one.
- The District Mayor noted information was needed to know what is wrong and then how much it will cost to fix it to the minimum standard of 34% and felt Option 2 best reflected that.
- Mr Scrivens clarified that this was currently rated as it is due to people having to access it for occasional maintenance and upgrades, however he would look into what was required to have it identified as a monument as there are exemptions around monuments. He noted he did not think it would qualify though due to its height.

The Health and Safety/Civil Defence Advisor left the meeting at 3.26pm.

- Mrs Araba noted that since this report was received all tours of the clocktower have stopped and will not commence again until officers are sure it is safe to do so.

Recommendations

4. THAT the Committee recommends officers complete a detailed seismic assessment to identify all potential cost implications.

BOYDE/McKAY
Carried
A&R/23/19

- Mrs Araba confirmed that a DSA (detailed seismic assessment) would include a full investigation.

TSB Pool Building

- Councillor Boyde noted his support for Option 2 (demolish the building and reinstate the land to ground level).
- Councillor Erwood noted his support for Option 3 (strengthen the building to above minimum threshold being 34%). He felt sports such as rugby, cricket, hockey, tennis and bowls could be using this facility and asked if they had been approached to be involved as they could undertake fundraising for the building instead of just knocking it down. This could be a multi-sports indoor facility and needed more investigation. Mrs Araba clarified at a DSA would cost at least \$30,000 to be undertaken.
- The District Mayor noted his support for Option 1 (do nothing). The building is currently not posing a great risk to anyone as it is not used. He suggested that canvassing the community with regard to this building could be done before the Long Term Plan process. If there was the need for potential use then Option 3 had merit, however if there was no desire for use then option 2 has merit. Until the community feedback is sought then there is not enough information to make an informed decision. He noted he was opposed to strengthening it to 67%.
- The Deputy Mayor noted that consultation would be required with enough time to take that into consideration when setting budgets in the Long Term Plan.
- It was clarified that this building was a standing item in the Policy and Services Committee's matters outstanding in order to ensure it remains on the radar. However receiving this report starts this discussion.
- It was clarified that the land the old pool is on cannot be sold as it is on reserve land and Mr Hanne noted he would fundamentally caution against selling the above ground asset. He noted, at a minimum, the front part of the building will require demolition or replacement.
- The District Mayor noted that the TET Stadium is a multi-sports facility and that it would cost a lot of money to convert the TSB Pool complex.
- Mr Scrivens noted that a change in the use of the facility could trigger different requirements in terms of the Earthquake Prone regulations and this would need to be considered if it was to be converted for a different use. The specific requirements could not be obtained until the exact use was known.

- Councillor Boyde acknowledged the Chief Executive's comments on the state of the front of the building and the cost of obtaining a report. He noted the district was blessed with sporting facilities and felt spending more on this building was a bad idea when the building is stuffed.
- Mr Hanne noted the condition assessment had been completed as part of the decision making process for the new pool complex.
- The Deputy Mayor noted she would like to see the comparison of demolition costs versus assessment costs.
- The District Mayor noted the bit missing for him was the potential other usage. He reiterated that he felt the community needed to be asked, or the elected members needed to come up with a use for it. He noted that council had not asked the community if council should develop the facilities there and he felt that if the building was made available for use then it would be on the sporting codes to develop it. The Chairman noted this would be shifting the risk to another organisation.
- The Chairman noted that an estimation of demolition costs was needed and then other potential practical options for alternative use with high level costings to develop them.
- Councillor Beck noted that the building is not fit for purpose and needed to be demolished. If it could have been strengthened then why wasn't this done instead of the new pool.

Recommendations

5. THAT the Committee recommends officers provide further information on the costs to demolish the TSB Pool Complex building including options to reinstate the land back to ground level.

McKAY/BOYDE
Division
For 5
Against 1
A&R/23/20

A division was called.

Those voting for the motion: the Chairman – Mr P Jones, Councillors: Boyde and Jones, the Deputy Mayor and the District Mayor.

Those voting against the motion: Councillor Erwood

- The Chairman clarified it was for council to decide on options for alternative uses and not this committee.

Civil Defence

- Mr Hanne suggested a sixth resolution be added to articulate the future provision of Civil Defence facilities. This could be to obtain costs for bringing both buildings up to 100% IL4 to meet the requirements and could be paired with investigations on other potential buildings available in the district that could provide a similar function. He did not think a facility outside of the district would be acceptable to the community.
- The Chairman asked if the same conditions apply to an operations centre and if an EOC could be managed if it was outside of the district as there may be suitable locations just outside of the borders? Mr Hanne noted the EOC could be left at TEMO with welfare being provided locally, however if impact was localised or there were many events happening in the region then it would need to be brought to a local level. If council could not provide that then it would be depriving its community.
- The District Mayor supported looking at the two facilities that clearly lend themselves to being Civil Defence locations being the TET Stadium and War Memorial Centre. This should look to either of those being upgraded to the necessary standards as a welfare centre and consideration given to either of them being brought up to the standards of a control centre. He noted that possible alternatives needed to be looked into as well.
- It was clarified that both New Plymouth and South Taranaki had centres throughout their districts to be able to respond locally.

Recommendations

6. THAT the assessment on the War Memorial Centre and TET Stadium be upgraded to consider meeting IL4 level (100%).
7. THAT a report should be presented to council of alternative existing, or new, facilities that might lend themselves to being used in a Civil Defence emergency and include the practicalities of their use.

VOLZKE/P JONES
Carried
A&R/23/21

The meeting was adjourned at 4.07pm.

The Corporate Accountant and Property Officer left the meeting at 4.07pm.

The meeting reconvened at 4.15pm.

12. [Information Report – Capital Works Programme – Key Projects Update – April 2023](#)
D23/18610 Page 43

Recommendation

THAT the report be received.

ERWOOD/V JONES
Carried
A&R/23/22

Recommended Reason

To present an update on the progress of our key capital projects in the 2022/23 financial year.

Questions/Points of Clarification:

- Councillor Erwood congratulated officers on the work down at Victoria Park but noted how disappointing it was that the project was not finished. This is impacting the rugby club in terms of bar takings, sponsorship and older people not being able to watch the games as there is nowhere to sit.
- Councillor Hall asked how often contractors provide progress reports to allow early identification if a project is going south? The Project Manager noted that this was a short contract that was supposed to be over a period of three weeks followed by time for the grass to grow. He noted the Parks and Reserves Officer had been talking to the contractors daily and confirming they were on target and had been assured that they would until the 12 April when they said it would not be available to play on.
- It was clarified that the budget for the Civic Amenities of \$554,000 was over a ten year period.
- It was clarified that the exercise equipment for Victoria Park had been removed but as it was still in the original Long Term Plan it remained on the list, however no work was being undertaken on this.
- Mr Taylor clarified that the entranceway work at Kopuatama Cemetery was due to start work in the next week or so and there would be no conflict between this work and the work being undertaken on the bridge realignment as all the entranceway improvements were being undertaken inside the gates and not on road reserve. This also meant the new road layout did not impact the design at all.
- It was clarified that an overall group had been formed to discuss the town centre projects which included the Mayor and Chief Executive. The next step is to identify where the Stratford 2035 projects sit and then subcommittees will be formed.
- Mr Taylor noted that a key risk that had become apparent was the low number of tenders that are being presented for projects. Seven suppliers were invited to tender for the cemetery upgrade and only one was received back. He noted that these tenders have still met the requirements of the procurement policy as the number invited is above what is required.
- The District Mayor suggested that there might be enough local builders that have the capabilities to do these jobs and questioned if council's pre-qualification process needed a review to allow these smaller firms to have a go at tenders? Mr Taylor noted that the fencing tender for the waste water

ponds had been sent to every local fencer identified in the region. This tender closes next week so it will be interesting to see the numbers received.

13. Information Report – Audit Matters Outstanding

D23/18928 Page 65

Recommendation

THAT the report be received.

P JONES/BOYDE
Carried
A&R/23/23

Recommended Reason

This report informs the Committee of the issues identified in the final Deloitte Audit Management Report for the 2021/22 Annual Report and, summarising the actions that have or intend to be taken by Council officers to respond to audit recommendations with respect to each issue raised.

Questions/Points of Clarification:

- It was requested that the sensitive expenditure policy have a line in it that says where practical a GST invoice is obtained. Mrs Radich noted this policy was currently under review and this could be included.

14. Information Report – Risk Management

D23/19261 Page 58

Recommendation

THAT the report be received.

BOYDE/P JONES
Carried
A&R/23/24

Recommended Reason

To provide an update to the Audit and Risk Committee of any significant risks and any incidents or threats in relation to significant risks on Council's risk register from the previous quarter.

The Director – Corporate Services noted the following points:

- This report suggests a review of the Top 10 risk register and asks for feedback. The suggested changes were:
 - Removal of Risk 47 – Attracting and Retaining Staff and Risk 64 – Infectious Disease Outbreak/Pandemic.
 - Addition of two of the following:
 - Risk 9 – LTP/Annual Plan due to the water reforms and auditor availability
 - Risk 28 – Interest Costs – due to the costs associated with much higher debt
 - Risk 74 Inadequate financial provision to fund asset replacement – due to underfunding depreciation in the 2023/24 Annual Plan
 - Risk 37 – Staff under stress – due to the possibility of this impacting delivery of service
 - Risk 76 – Heavy/Extreme Rainfall incidents – this could be covered under extreme weather events.

Questions/Points of Clarification:

- Councillor Boyde questioned if the District Plan should be included in the Long Term Plan/Annual Plan risk or have its own risk on the register? Mr Hanne noted that council was currently able to start a District Plan process and it is budgeted for. Alternatively officers are in conversations with MFE and leading specialists on regional plan work and discussing if Taranaki could become an early adopter of embarking on a regional plan. As council is in the position of embarking on the District Plan process it would not fit in the same risk category as the suggested Long Term Plan/ Annual Plan risk. Councillor

Boyde questioned the risk that the plan was way out of touch with undesirable activity occurring because they are permitted within the current plan as well as the impact of legislative changes.

- The District Mayor noted the number one risk was the potential for change in government policy which has been shown with the three waters changes and noted this could still change further after the central government elections in October. He suggested the inclusion of Risk 9 – Long Term Plan/Annual Plan, Risk 28 – Interest Costs and Risk 74 – Inadequate financial provision to fund asset replacement. Councillor Erwood supported these additions making it a Top 11 risk register.
- It was clarified that there are portions of an asset that may have different depreciation rates but for the pool complex the overall level of depreciation funding was set at 55%. Mr Hanne clarified that different elements of an asset have different life spans such as plant equipment that may last five years or a roof that may last 30 years.
- It was clarified that Risk 32, Lone Worker, the raw risk score was calculated on the impact and the likelihood. This could be extreme in terms of impact but it is less for the likelihood of it occurring.

15. Correspondence

15.1	Capitalising of Staff Time <i>Page 76</i>
15.2	Annual Audit Cost and administration <i>Page 79</i>
15.3	Asset Revaluation <i>Page 83</i>

The Director – Corporate Services noted the following points:

- There is still no update on the audit costs for the next financial year but it will be significantly higher.
- The dates for the annual interim audit have been set for June and will focus on internal controls. The interim audit for the Annual Report is booked for August.
- There has been no formal letter of engagement received yet.

16. General Business

There was no general business.

17. Questions

There were no questions.

18. Closing karakia

D21/40748 Page 86

The closing karakia was read.

The meeting closed at 4.48pm.

P Jones
Chairman

Confirmed this 18^h day of July 2023.

N C Volzke
District Mayor

**Audit and Risk Committee
Matters Outstanding Index**

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE
Risk Maturity Workshop	14 March 2023	Tiffany Radich	Complete	Workshop scheduled 18 July 2023
Report - critical assets nearing end of life	14 March 2023	Victoria Araba		September Audit and Risk Meeting
Treasury Policy review (review term deposit limit of \$6 million).	28 March 2023	Tiffany Radich		Workshop to be scheduled in September 2023.

INFORMATION REPORT



F22/55/04 – D23/29203

To: Audit and Risk Committee
 From: Health and Safety/Emergency Management Advisor
 Date: 18 July 2023
 Subject: Health and Safety Report

Recommendation

THAT the report be received.

/_____
 Moved/Seconded

1. Purpose of Report

- 1.1 This report presents a summary of two-monthly progress and any highlights for the main areas of activity within for the period to 30 June 2023.

2. Executive Summary

- 2.1 This report provides an overview of Council's health and safety performance through statistical data reported and recorded in the health and safety software (Vault) for the two months ending 30 June 2023.
- 2.2 Results of data analysed since 1 May show that there has been a total of 30 events logged in Vault. This incorporates 21 pool events. There was 2 near miss reported and no positive observations noted.

3. Incidents

1 May 2023 30 June-2023

Events	Period 1 May 2023- 30 June 2023		Average amount of incidents per month	Average amount incidents last Quarter	Running YTD Balance (1 July2022 – 30 June 2023)	YTD average amount of incidents
	Pool/Admin,Lib					
Events	21	9	15	17.5	185	15.4
<i>Of which:</i>						
Injury(to our staff/ Contractor)	-				3	
ACC Claims	-				-	
Notifiable	-				-	
Near Miss	2				5	
Observations					-	
Other	28		14	16	174	14.5
Type of Incident						
Slips/Trips/Falls	4			6	19	
Sprains/Strains	-			4	11	
Cuts/Abrasions/ Bleeding nose	6			5	36	
Bruising	-			4	9	
Rescues	5			2	13	
Contamination incidents (Pool)	-			-	3	
Aggressive/Abusive Customer	5			5	22	
Trespass	-				-	
Vehicle Damage	1			2	4	
Non-compliance of process	2			1	5	
Plant/Building/Equipment	1			6	12	
Other	6			11	43	

	Period 1 May 2023- 30 June 2023	Running YTD Balance (1 July 2022 – 30 June 2023)
Level of Treatment		
First Aid /DR/ Medical Centre	9	65
Level of Investigation		
No Investigation	15	87
Minor Investigation	8	32
Formal Investigation	7	30
WorkSafe Investigation	-	-
Health and Wellbeing		
Workstation Assessments	2	9
EAP Referrals	1	8
Health Monitoring Assessments	-	25
Health and Safety Committee Meeting	1	4
Site Reviews	2	5

3. Events

- 3.1 The number of events reported was five less than for the last corresponding period. Abusive customers still continue to be an issue for Council staff and whilst mechanisms are in place to ensure their safety, they do not mitigate all situations. Council staff perform a variety of vital functions for the community they serve yet are subject to aggressive and threatening behaviour on a regular basis. De-escalation Training has been booked for Thursday 20 July for Customer Service, Library and Visitor Information and Wai o Rua staff, this will be structured specifically for these roles and the situations they experience. Alternative training is being investigated for other roles.

Incident 1

Incident type: Aggressive customer

Investigation & event details: Threatened staff member with violence in connection with proposed tenancy increases to the Housing for Elderly Policy.

Specific outcome: Staff member informed Director - Assets and Director - Corporate Services with a view to reconnecting with the member of the public after elected members adopt or make changes to proposal.

Organisation-wide implications: None. All staff dealing with public are open to verbal aggression.

Incident 2

Incident type: Near miss - Contractor

Investigation & event details: Undertaking site visit on watermain extension, Observation noted that contractor was cutting concrete without system to suppress dust or wearing required PPE for the task.

Specific outcome: Work was stopped whilst process of what was needed was reiterated to contractors and health effects of exposure to respirable crystalline silica outlined. Follow-up visits reinforced that procedures were being adhered.

Organisation-wide implications: Not a good look for Council or the contractors as this was on main arterial route south and visible to all to see.

Incident 3

Incident type: Near miss - Contractor

Investigation & event details: Contractor was seen doing an inspection at the War Memorial Hall roof wearing a harness but not attached.

Specific outcome: Work ceased whilst a new plan of how to reach affected area was worked through. Working at heights process was explained to contractor and reinforced as a process that must be followed by supervisor when he arrived back on site.

Organisation-wide implications: Refresh with contractors and staff on Councils duty of care towards contractors as overlapping duties in PCBU.

Incident 4

Incident type: Aggrieved customer

Investigation & event details: A member of public was unhappy with supervision given to their four-year-old child whilst at Wai O Rua.

Specific outcome: Camera footage showed that there was nothing untoward with the supervision given but also highlighted that the parent was not present either as was required due to the age of the child.

Organisation-wide implications : Lifeguards need to look professional and show empathy towards the public and the attitude customers have towards staff will be enhanced by their own conduct and appearance they receive from lifeguards.

4. Civil Defence

- 4.1 The annual EOC audit was conducted last month. It pleasing to see that even though we are now operating from an earthquake prone building (and marked down considerably) that our readiness for a response has increased incrementally from last year.

It is anticipated that council staff and volunteers will in conjunction with TEMO hold an exercise in system familiarity and capability later this year.

Operational readiness for trained staff members (trained to foundation minimum), remains healthy at 56 with excellent support given from the Central Taranaki Safe Community Trust and their recently trained members.

TEMO is working in with all the various advisory groups and there has been some excellent work completed recently on a risk assessment survey on the region and what this would look like and how it would affect various centres. Hazards assessed included Volcanic, Earthquake and roading, Severe weather etc. More granular community assessments are to be completed at local levels.

5. Contractors

- 5.1 There were two contractor incidents involving strikes with redundant services on the now completed water extension south. Investigations into both incidents showed that all necessary steps for detection had taken place and whilst they were not detected, they were also not marked.

6. Site reviews

- 6.1 A recent site visit to Achilles street brought up some pleasing results. A good TMP in place with contractor taking all necessary steps to ensure and safe and tidy workplace. Manager was notified to pass onto team.

7. EAP Referrals

- 7.1 There has been one EAP request reported in the portal for the period.

8. Health Checks

- 8.1 Yearly health checks for site sensitive positions within Council are booked to be undertaken next month. Tests include Blood pressure, Eyesight, Spirometry with fluoride tests also specific to the water treatment team.



M Bestall
Health and Safety/Civil Defence Advisor



[Approved by]
Sven Hanne
Chief Executive

Date: 10 July 2023

INFORMATION REPORT



F22/55/04 – D23/29424

To: Audit and Risk Committee
From: Chief Executive
Date: 18 July 2023
Subject: Civil Defence Progress and Readiness Report

Recommendation

THAT the report be received.

Recommended Reason

It is a function of this committee to stay abreast of Council's readiness and ability to meet its requirements and obligations as laid out in the Taranaki Civil Defence Group's constituting agreement.

/_____
Moved/Seconded

1. Purpose of Report

To update the Audit and Risk Committee on the current state of Stratford District Council's ("SDC") Civil Defence activity and any progress made or challenges faced by Council in the context of the Civil Defence activity.

2. Executive Summary

Longer Term Background – How did we get here:

- 2.1 Up until 2017, the three Taranaki Local Authorities ("TLA's") effectively operated an outsourced model for Civil Defence with the vast majority of related services provided by the Taranaki Regional Council ("TRC") via the Taranaki Emergency Management Office ("TEMO").
- 2.2 Following a review undertaken by Brendan Morris in 2017 (known as the 'Morris Report'), it was acknowledged that the operational model was not appropriately aligned with the Councils' responsibilities under the act and the recommendations of the report were adopted by the group.
- 2.3 The regional group office ("TEMO") as well as the TRC and the three TLA's have been working through the required changes since the adoption of the report in 2017/18.
- 2.4 Since the adoption of the Morris Report, SDC has undergone four external assessments, carried out by TEMO staff for regional consistency, regarding readiness under the new model.
- 2.5 Previous assessment scores were:

2018:	44.3
2019:	73.4
2022:	77.6

Current score:
2023: 77.8

Please note comment later in the report that while this score is out of 100, it is unlikely that we will ever achieve (or even target) 100 and questionable whether the benefits would be proportionate to the cost of fully closing the gap. This is not to say that we are not aiming for continuous improvement.

Past 12 months – recent achievements:

- 2.6 Civil Defence activity has now fully returned from the COVID mode it had been in to normal. Thankfully it also seems to have lost some of the COVID related burn-out of those staff members involved heavily in the original response and the allergic reaction the words Civil Defence evoked for a while after the lengthy response to COVID.
- 2.7 Civil Defence training is back on track and staff volunteer numbers are significantly on the rise. SDC’s current volunteer number is 56 made up of staff members trained to a foundation minimum standard. The Central Taranaki Safe Community Trust (CTSCT) makes up a large proportion of the community volunteers.
- 2.8 Seismic assessments for the two SDC facilities earmarked for Civil Defence use, being TET Stadium as well as the War Memorial Centre have been undertaken and shared with elected members in a separate report to Audit & Risk. The results were as follows:
 - War Memorial Centre: 15% IL3 (percentage IL4 stated as very low)
 - TET Multi-sports centre: 20% IL3 (14% IL4)

Facilities require a 100% IL4 rating to fully meet the criteria of a Civil Defence facility – although having a lower rating doesn’t necessarily mean that they cannot be used to respond to an event. The key concern is that in case of a significant earthquake, these buildings could not be utilised as part of a response until they were assessed and cleared for use by a suitably qualified engineer – which could take days or weeks and would effectively render the buildings useless to the early stages of a response.

Council has an obligation to deliver a civil defence activity which is generally interpreted as at least having a dedicated Emergency Operations Centre (EOC). A welfare facility would be desirable but can be identified post event.

- 2.9 A range of options, ranging from strengthening (one or both of) the existing facilities to utilising alternative facilities or even a joint, purpose built, new-build with other first responders are currently being explored and will be presented to council at a later date.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Yes, Civil Defence supports all 4 wellbeings to different levels depending on the nature of an event.	
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

4. Background

- 4.1 In Taranaki, Civil Defence responsibilities are split between the regional Group Office, TEMO, the TRC and the three TLA’s with the separation of responsibilities set out in the group’s constituting agreement.

Performance and ongoing improvements of the group and each TLA as well as the TRC are reported in the quarterly performance reports to the Taranaki CDEM Coordinating Executive Group. The most recent one is attached to this report for further information.

The following progress has been reported for SDC over the past 12 months. It is structured along the 4Rs of Civil Defence:

Reduction

- All advisory groups are up and running and attended by SDC staff
- SDC has participated in regional risk assessment workshops to highlight exposed communities and infrastructure within the region that will provide insight and will inform resilience and work planning to address the risk.
- SDC participated in high level regional lifelines assessments via regional coordination, although of limited benefit as community size by default limits significance assessment.
- Our own criticality assessments as per Asset Management Plans form the basis of understanding of vulnerability of our lifelines. Resilience and where appropriate redundancy are standard design criteria for council infrastructure, specifically for critical and lifelines assets.

Readiness

- Staff numbers in key Civil Defence positions have increased from 42 to 56. This is less than what would be required during even a medium sized event – but not a bad number given the size of the organisation. During an event, support would be provided out of TEMO, Civil Defence trained staff from neighbouring councils would also be readily available unless the event also affected them (in which case it may be run as a joint response out of TEMO).
- The Chief Executive holds the roles of Regional Controller and would therefore be the default Local Controller in a localised event. The CEO also chairs the regional Civil Defence Coordinating Executive Group (CEG).
- The Director Environmental Services is Council's alternative controller.
- The Director Assets chairs the Regional Risk Reduction Advisory Group.
- SDC is represented on all of the working groups and committees and is working well with the regional EMO and TEMO staff.
- The most recent EOC assessment has been completed following a successful trial activation. The current score is 77.8, up from 77.6 (measured out of 100 – but 100 is an unlikely target for SDC, it is more a theoretically achievable number). It is important to note that this is not simply a point-scoring exercise but needs to be focused on sensibly growing the operational capability of the EOC.
- Specific Training for CTSCT in Foundation training held in May to strengthen community resilience and allow for SDC to call on in EOC capacity when needed.

Response and recovery

- No current response/recovery activities although some capital project delivery from COVID stimulus funding packages still under way

Lifeline utility responsibilities

- In attendance of Lifelines meetings.
- SDC continues to incorporate resilience and maintainability principles into its infrastructure design and provision.
- SDC has made significant investment in duplicating its trunk main as well as installing additional valving in the water supply network to allow for smaller areas of the reticulation to be isolated in the event of failure and more opportunities for routing of water around problems, retaining supply to large parts of the population under most scenarios.

5. Information Summary

- 5.1 Council is recovering well from the post-pandemic low reported 12 months ago.
- 5.2 Council's biggest limitation to successfully respond to an event, specifically an earthquake, is the availability of a suitable facility to house the EOC. A range of options, from strengthening the existing facilities to utilising alternative facilities or even a joint purpose built new build with other first responders are currently being explored and will be presented to council at a later date.
- 5.3 Mutual support across the region is strong and would be required by any of the three councils in the event of a local event.

6. Strategic Alignment

6.1 Direction

Civil Defence meets the definition of a local public service.

6.2 Annual Plan and Long Term Plan

Civil Defence is reflected in Council's annual and long term plans and above mentioned local capability improvements and physical requirements of EOC and Welfare Centre will form part of the next LTP discussion.

6.3 District Plan

There is no direct link between the Civil Defence activity and the District Plan.

6.4 Legal Implications

Council has a statutory obligation to resource and undertake the Civil Defence activity.

There are a range of legal implications inherent within the Civil Defence activity, which are best mitigated through appropriate funding, resourcing and training of staff. Support provided by TEMO and MCDEM and insurance cover through the Taranaki Councils insurance scheme further help to mitigate these implications.

6.5 Policy Implications

There are no policy issues.

While not policy, the Morris Report (together with relevant legislation and other guidance provided by MCDEM) is the guiding document until the Taranaki Civil Defence group has completed the required transition identified in the Morris Report.

Attachment

Appendix 1 TEMO Performance Report



Sven Hanne
Chief Executive

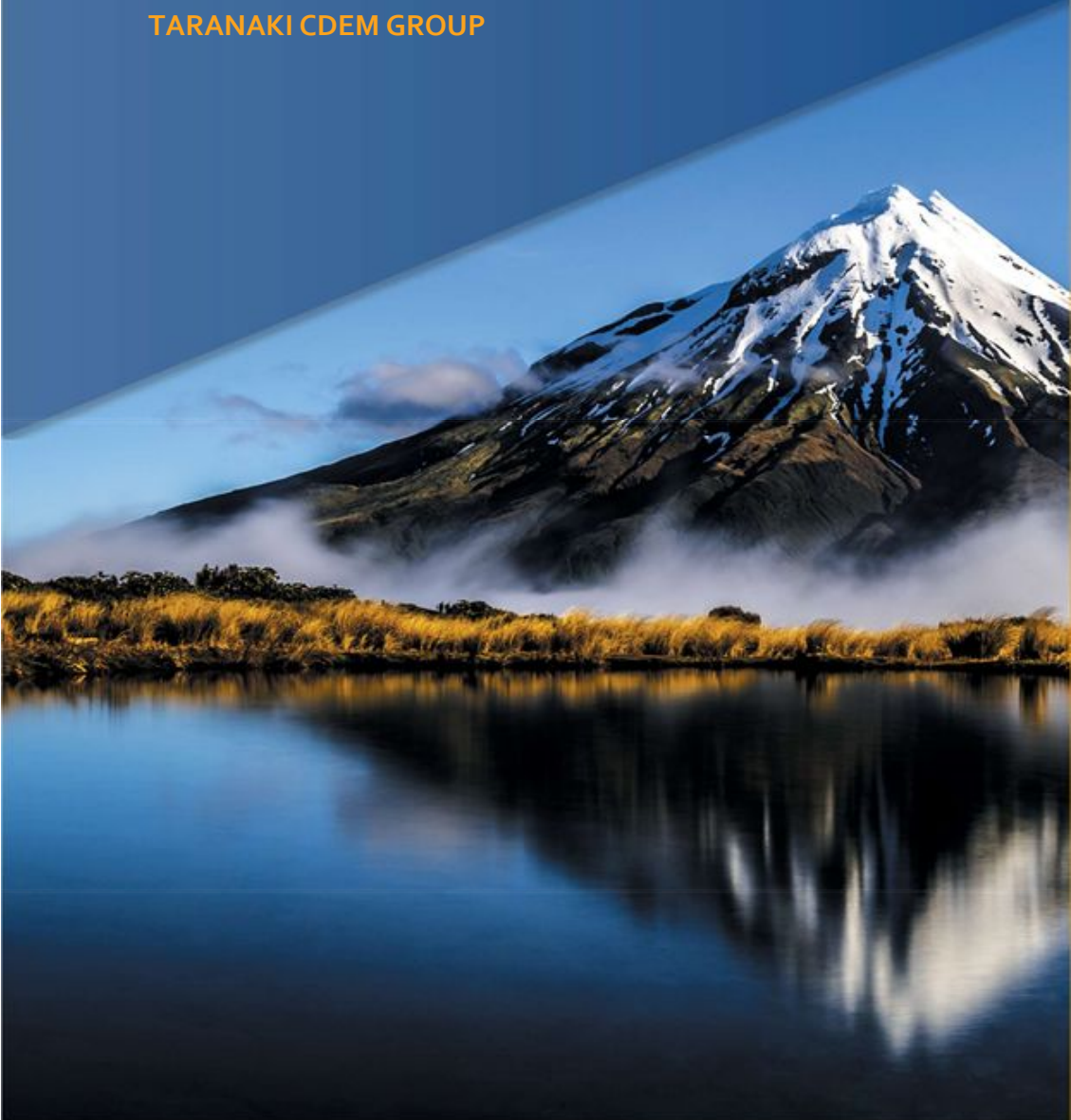
Date 10 July 2023



DRAFT Performance Report

Quarterly Report Q3
For Financial Year 2022/23

TARANAKI CDEM GROUP



Document management

Author Leadership Team comprising.
Todd Velvin – Group Manager
Chris Whiteherad – Operations Lead
Kaz Lawson – Community Resilience Lead

Date April 2023

Reviewer Todd Velvin

Title CDEM Regional Manager

Date April 2023

Endorsed by Taranaki Coordinating Executive Group

Date May 2023

Authoriser Taranaki CDEM Group Joint Committee

Date May 2023

Version control

VERSION	CHANGES	DATE
vo.1	Original Draft, submitted to CEG for endorsement	April 2023

Table of contents

Document management.....	i
Table of contents	2
Executive Summary	4
Section 1 Budget Performance	6
1.1 YTD Budget performance	6
Section 2 Significant Projects	7
Section 3 Personnel	11
Section 4 Work Programme.....	12
Section 5 Risks.....	17
Risks.....	17
Section 6 Strategic Goals and Objectives.....	18
6.1 Governance	19
6.2 Disaster Risk Reduction	20
6.3 Organisational resilience (readiness)	21
6.4 Community resilience (readiness).....	22
6.5 Capability development (readiness, response, and recovery).....	23
6.6 Response and recovery	24
Section 7 Appendices	25
Appendix A: Group Plan Objectives.....	25
Appendix B: TEMO 2022/23 Financial Report.....	28
Profit and Loss Summary Report to 31 Decemeber 2023.....	28



Taranaki CDEM Group Vision 2025



Where we're going

Our Taranaki community shows resilience through periods of disaster, crisis and change



Why we exist

We deliver professional disaster risk and emergency management for Taranaki



What we stand for

Collective responsibility: Shared between National, Group and District level

Unified approach: CDEM partners work for the overall benefit of the Taranaki Community

Organisational resilience: Any part of the system can lend support seamlessly

Strong relationships: Strong effective coordination and integration

Strategic goals

The fulfilment of our vision is underpinned by delivering on our six strategic goals, under the leadership and accountability of the CDEM Joint Committee

Goal		Strategic measures	Responsibility
1 Governance	Our expectations from CDEM partners is clear and met through strong governance arrangements and accountability for delivery	Performance monitoring	CDEM Joint Committee Coordinating Executive Group
2 Disaster risk reduction	The risks from hazards, their likelihood and impacts, are understood and managed to reduce our risk exposure	Risk priorities and reduction activities	Group Office Local Councils
3 Organisational resilience <i>Readiness</i>	We build resilience into organisations and plan for the impacts from disaster and ensure our systems and arrangements are fit for purpose	Capability assessment	Group Office Local Councils CDEM Partners
4 Community resilience <i>Readiness</i>	Community resilience is strengthened so that the impacts from disasters are reduced	Community engagement	Group Office Local Councils Community
5 Capability development <i>Readiness, response and recovery</i>	We develop the capability of staff and volunteers to effectively carry out their roles in a disaster	Training completion	Group Office Local Councils
6 Response and recovery	We enable well managed effective responses, and we support the community's journey of moving on from the impacts of disasters	Activity performance	Group Office Local Councils Emergency Services Community

Note:

The vision of the Taranaki CDEM Group reflects the importance of integrated effort, partnership and cooperation within the CDEM sector agencies, so that we can work together with resilience and function at a high level during a disaster or emergency. The term 'resilience' means literally to 'spring back'. In the Civil Defence and Emergency Management sector resilience is described as the capacity to withstand and recover from the occurrence of a hazardous event

Executive Summary

This performance report is for the 2022-2023 financial year for the Taranaki Emergency Management Office (TEMO). Outlines the progress of the Annual Plan 2022-2023 for the Taranaki Emergency Management Group as outlined in the Group Plan 2018 – 2023.

Highlights for Quarter Three

Response to Cyclone Gabrielle – Taranaki was affected by strong winds causing power outages and damage to the environment and properties.

Taranaki delivered and supported other regions with personnel and systems in response to several weather events.

Budget Performance

Currently, TEMO is carrying a variance of (\$773) so tracking close to budget for this financial year.

Significant Projects

Response and Recovery Plans

The Tsunami Response and Recovery Plan was exercised in February and is now released from its draft status. The Flooding Response and Recovery Plan is to be exercised in late May.

Welfare Registration and Needs Assessment (RANA) - still waiting on support and solutions to progress this system from NPDC IT team. TEMO has engaged an external contractor to complete the upgrade with offline working capabilities for the product. This ensures data collection in any environment during response and real-time information back to ECC and EOC.

Volcanic Planning – In Feb 2023, TEMO applied to the NEMA Resilience Fund to fund a line of enquiry phase in support of Mt Taranaki volcanic response and recovery planning. This will be achieved through the application of an independently facilitated 'Investment Management Standards' (IMS) process. If unsuccessful in this bid for funding, TEMO will be unable to meet the costs associated with the planned IMS process and will therefore need to examine alternative funding options.

Personnel

TEMO currently holds one vacancy, a Planner. Replacement will be sorted on finalization of several significant work programs focused around the Group Plan and Volcanic project. We are also recruiting to replace Chris Whitehead as Operations Team Lead, who is returning to NZ Police.

Events

Cyclone Gabrielle.

Taranaki responded locally with the Regions ECC activating alongside South Taranaki District Councils EOC. The impacts of the cyclone were felt worse, mainly in North Taranaki.

Taranaki also supported the East Coast by way of surge staff. Including staff to the NCMC and remote working to provide key services.

Auckland Flood Event.

Taranaki supported the Auckland event by providing surge staff to support the Auckland ECC

Section 1 | Budget Performance

Operational and Capital budget performance is reported for TEMO, funded under apportionment arrangements by the four Taranaki Councils as follows:

Taranaki Council	Percentage
Taranaki Regional Council	34%
New Plymouth District Council	40%
South Taranaki District Council	18%
Stratford District Council	8%

1.1 YTD Budget performance

The quarter two financial report ending 31 December 2023 (attached in Appendix B) shows a variance of \$(773).

1.2 CDEM Reserve

The TEMO current CDEM reserve sits at \$105,000.

Section 2 | Significant Projects

A significant project is defined as one that, alone or in combination with other concurrent projects, is anticipated to cause sustained work impacts greater than what is considered tolerable for delivery within existing TEMO resources.

Welfare Registration and Need Assessment (Resilience Funding)

Contributes to: Response & Recovery

Status

Some Delays

RANA was created as an interim solution, during the initial COVID response, for the short term while NEMA was developing a National solution. The development of the system was to provide a consistent regional approach to collect, analyse and manage information in order to understand individuals, whanau, and communities affected by an emergency and their associated needs.

A National solution has not been realised, and therefore it is prudent that Taranaki continues to move forward in this space as Registration and needs assessment provides the basis for welfare service delivery. Needs assessment includes the provision of a system to assist with meeting the immediate and ongoing welfare needs, and coordinating the actions required to meet those needs, in an integrated and flexible way.

Needs assessment provides the means of identifying and coordinating welfare services during emergencies, and is therefore of direct benefit to people affected by emergencies and agencies with welfare service delivery responsibilities. The absence of a system within the region exposes us to real risks in being able to respond in emergency events and has been well documented during recent events in Auckland and Hawkes Bay.

To date TEMO has committed \$20,000 to resolve outstanding issues identified with the original iteration of RANA and the subsequent move, at NPDC BTG unit request, to a new platform to make the product functionally operational.

TEMO has in addition made an application to the National Resilience Fund (NEMA) for \$36,000 to upgrade and advance features into the product.

Several other CDEM Groups have expressed interest in supporting this product; with ongoing discussions being held at a National level involving all Group Managers.

The project is currently stalled due to NPDC BTG raising access concerns for the external contractor we have engaged to progress development.

Website Development

Contributes to: Community Resilience

Status

Stated

The Taranaki Emergency Management Office (TEMO) website project commenced on the week of 13 April. The project is being led by NPDC project manager supported by the marketing and communications advisor at TEMO. The website is being created by 'effect' and will be completed in two phases with projected delivery date on the 28 July.

- Design phase: 26 April - 19 May
- Development phase: 29 May - 28 July

The next steps are for branding information to be supplied by TEMO to effect and a full review of TEMO's web content will commence. The website URL will change from 'www.cdemtaranaki.govt.nz' to 'www.taranakiem.govt.nz'. A permanent redirect will be put in place accompanied by a marketing campaign increasing awareness and familiarity for our partners/community. The decision regarding the website URL has been made based on anticipated influence of the new emergency management legislation that is currently at parliament. The new legislation is aimed to modernise the emergency management system driving the move from dated 'Civil Defence' brand to 'Emergency Management'.

This is identified as a critical project for communication with our communities.

D4H Live

Contributes to: Organizational Resilience/Response Recovery

Status

On Track

TEMO is embedding D4H live as our response software to provide a common operating picture across all councils. This involves creating plays for all likely events, such as earthquakes, tsunamis, floods, etc.

Loading initial action plans and tasking into the system enables us to respond quickly to communities needs.

We migrated our system onto the Australian network for increased security measures this last quarter. This closely aligns to NZ security protocols.

Group Plan

Status

Started

A memorandum seeking endorsement to commence an interim review and update of the current Taranaki Civil Defence Emergency Management (CDEM) Group plan was approved by CEG/JC in February 2023.

With legislative change pending as part of the Trifecta programme, an interim review aims to extend the life of the current group plan past June 2023 with a focus on maintaining accuracy, practicality, coverage, and coordination in compliance with current legislative arrangements.

TEMO has engaged Toa Consulting Ltd to facilitate the risk assessment process which commenced in April and is ongoing.

Volcanic Plan

Contributes to: Disaster Risk Reduction

Status

Not Started

Investment Management Standards (IMS) NEMA resilience fund proposal.

A memorandum has been presented to the Taranaki Emergency Management Co-ordinating Executive Group (CEG) in February 2023, for TEMO to apply to the NEMA Resilience Fund for \$335,000 (excl GST). The funding will be used to support a line of enquiry phase delivered by an independent contractor in support of Mt Taranaki volcanic response and recovery planning. This will be achieved through the application of an 'Investment Management Standards' (IMS) process.

Mt Taranaki has a 50% chance of erupting in the next 50 years, with eruption activity likely to last for many years if not decades. The '*Transitioning Taranaki to a Volcanic Future*' (TTVF) or *He Mounga Puia research programme* (2019 – 2024) has created a wealth of information and awareness of the Taranaki volcanic hazard. Now in its final years, the research has exposed a scale and magnitude of cascading consequences for emergency response and recovery that are more complex than first anticipated.

The complexity and scale of response and recovery planning for Mt Taranaki underpins TEMO's view that a North Island wide coordinated programme of volcanic response and recovery planning is necessary to manage the likely interdependencies across the regions from what is anticipated to be a nationally significant volcanic event.

Collaborative and coordinated CDEM projects are relatively well understood and embedded in New Zealand with four currently in existence. These projects have proven to help strengthen stakeholder relations and improve outcomes.

Experience from the 'East Coast LAB' project identified the importance of ensuring clarity on the problem to be addressed - including assessing the scope, identifying stakeholders, resources required, articulating the benefits, identifying any risks/challenges, establishing roles and responsibilities, and importantly confirming stakeholder/community interest and engagement.

Given the complexity and potential impacts of the volcanic hazard presented by Mt Taranaki, it is important the scope and planning requirements for this hazard are identified and verified before solutions are recommended.

If the funding application is successful, the funds will be used to contract an independent facilitator and any technical experts they require to deliver a series of workshops as part of an 'Investment Management Standards' process. The workshops support a more in-depth discovery of volcanic response and recovery planning requirements. They do this by strengthening thinking and decision making around resource prioritisation and allocation and will help inform the development of a programme business case of which the contractor will deliver.

Full outsource of the IMS process is recommended. Contractual arrangements will be sought that allow TEMO to bring in technical expertise from partner agencies and research providers at their sole discretion to bring costs down where we can.

An in-depth discovery of Taranaki volcanic planning requirements upholds the intent of the National Disaster Resilience Strategy while also presenting an opportunity to align with the National CDEM plan including NEMA's catastrophic planning approach. It also provides an opportunity to enhance inter-regional CDEM relations.

Implementation of the Trifecta Programme

Status

Some Delays

In 2021 the EMSR program was replaced in 2021 by the NEMA led Regulatory Framework Review ("Trifecta") Programme to bring together three projects that have significant alignment. The projects are:

- Developing a new Emergency Management Act (the Act);
- Review the National Civil Defence Emergency Management Plan Order (the Plan Order) 2015 and the accompanying Guide to the National CDEM Plan (the Guide) 2015.
- Development of the National Disaster Resilience Strategy (NDRS) Roadmap.

Currently, the CDEM Act Bill missed its first opportunity to go through Parliament in November. However, NEMA has not updated when the bill will go to parliament.

The National Plan is currently on hold due focus on the Act changes and Bill for Parliament.

Section 3 | Personnel

The fixed-term contract for the TEMO GIS specialist is due to finish in 2024. Approval for a budget increase in 2024/25 to make this position full-time was approved at JC in February 2023.

General well-being is still a consideration for our employees and volunteers due to the past 3.5 - years of disruptions. These include the Covid response, other events CDEM we have responded to, and a changing economic landscape. Therefore, we continue to monitor and implement well-being measures to build an effective team.

Recruitment of the vacant Planning Advisor is Targeted to happen in May.

Section 4 | Work Programme

This report documents the progress of the Taranaki Emergency Management Office against the Annual Business Plan 2022/23

The current Annual Plan for CDEM Taranaki is under review due to the fast-moving pace of changes across the sector. As a result, a business plan will be presented to CEG and JC for a transitional period of 18 months while we review the Group Plan. With a goal to release a new Group Plan for the 2024/25 financial year.

TEMO is workshopping collaborative work programs alongside the three TA's to ensure a unified and structure approached to CDEM across Taranaki.

This proposed business plan will change how TEMO reports work programs within the quarterly report in the new financial year.

	Key Deliverable	Status
Capability Development	Deliver training as per the Capability and Development Plan 2020-2021	Courses delivered this quarter were <ul style="list-style-type: none"> • Foundation Courses • Intermediate • CIMS 4
	Deliver a continuous improvement of the CIMS Function Checklist	The All Functions Plan is now complete
	Deliver a continuous improvement of Standard Operating Procedures (SoP)	Document Control SOP has been completed
	Update and maintain the Duty Officer documentation	Duty Officer Manual is complete and signed off by Group Manager.
	Establish D4H Live as a means of creating a Common Operating Picture	D4H Live continues to be our incident management software of choice. D4h Live enhancements continue, and the development of a user guide and super user guide are in progress.
	Ensure ECC is operational	Monthly checks completed
Communications and Marketing	Upgrade the TEMO website	Project underway
	Deliver the 2020 Communications and Marketing Plan	Plan under review
	Increased engagement with communities	Ongoing support of the national campaigns, including Shakeout and COVID-19 response.
Contingency Planning	Develop and adopt the Earthquake Response and Recovery Plan	Exercise draft completed – awaiting exercising in Oct 2023
	Develop and adopt the Tsunami Response and Recovery Plan	Plan completed and exercised in Feb 2023
	Develop and adopt the Flooding Response and Recovery Plan	Exercise draft completed - awaiting exercising in May 2023.
	Support the Transitioning Taranaki to a Volcanic Future – He Mouna Puia project	Ongoing support provided; Development of the Volcanic Infographic Information poster series is complete.

Key Deliverable		Status
	Implement the GIS Strategy 2021-26	<p>Geospatial Innovation Adviosry Group (GIAG) established and terms of reference developed.</p> <p>A stakeholder analysis workshop and associated engagement plan developed.</p> <p>Engagement with stakeholders to research current geospatial systems and capability across CDEM group is underway.</p> <p>A data improvement plan is being considered with agreement still required for which datasets are to be used.</p>
Recovery	Deliver the Strategic Recovery Plan	<p>Plan consultation & development in process</p> <p>Priority actions identified</p>
Welfare and Resilience	<p>Update the Welfare and subfunction plans</p> <p>Support the council EMOs in delivery of resilience programme</p>	<p>Feedback delivered to MPI January for Animal Welfare Plan – this is a matter of urgency. Psychosocial Plan under review by TDHB – disruption due to change in staff, back on track. Accommodation & Household Goods and Services Plans about to commence.</p> <p>Awaiting details of EMO work programs and recruitment of EMO NPDC</p>
Governance	<p>Support the Coordinating Executive Group and Joint Committee</p> <p>Hold regular Advisory Group meetings</p> <p>Hold regular meetings of the CIMS Function Groups</p>	<p>The following meetings were held this quarter:</p> <ul style="list-style-type: none"> • Coordinating Executive Group • Joint Committee <p>The following meetings were held this quarter:</p> <ul style="list-style-type: none"> • Readiness & Response Advisory Group • Lifelines Advisory Group • Risk Reduction Advisory Group • Geospatial Innovation Advisory Group • Rural Coordiantion Group • Welfare Coordiantion Group <p>The following meetings were held this quarter:</p> <ul style="list-style-type: none"> • Nil.

Key Deliverable	Status
Continue building relationships across the sector	Our focus this quarter has been Welfare and Iwi
Group Duty System	TEMO maintains a 24/7 duty officer roster with a duty Group Controller also rostered on. <ul style="list-style-type: none"> • A watching brief maintained • TEMO staff member sits on the TDHB's IMT as CDEM liaison
Continue to support the COVID Response	<ul style="list-style-type: none"> • Ongoing engagement and support of welfare agencies and care in the community coordination • Work has continued on concurrent event planning with a Covid controls overlay plan developed (All Hazards Overlay Plan)

Section 5 | Risks

The Group Office is committed to managing risks that may impact the delivery of the Taranaki CDEM Group activities and services and/or the ability to meet its legal obligations.

Risks

- RANA – the ability to collect and store personal details of people affected by an event.
- Website – communication to communities in business as usual and response.
- Generator Condition - the risk of failure during response which will deem the ECC not operational

Section 6 | Strategic Goals and Objectives






The CDEM Group Plan is a statutory document under the Civil Defence Emergency Management Act (2002). It is a high-level strategic document that sets out our vision, goals, principles, and objectives for action over five years (2018 -2023).

Local Authorities enable the implementation of the Group Plan through providing resources and funding for CDEM activities via their Long-Term Plans (LTP)

Forty-three objectives were identified in the 2018-2023 Group Plan, Appendix A – Group Plan Objectives.

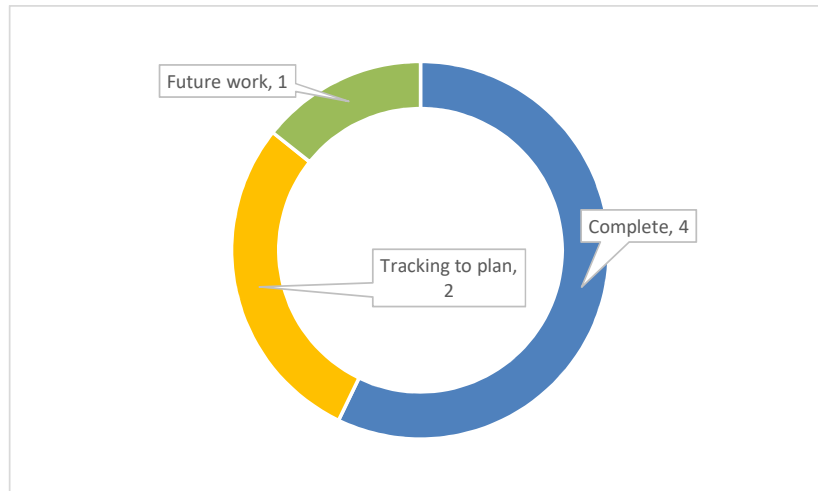
A summary of the Taranaki Group's progress on those objectives is provided below

Key

	Completed
	Tracking to Plan
	Concerns - mitigations in place
	Concerns – no mitigations in place
	Future work

6.1 Governance

Our expectations from CDEM partners are clear and met through strong governance arrangements.



Progress this quarter

- Gov 4 – Group Plan Review (scheduled to begin Q4 2022/23)

Completed

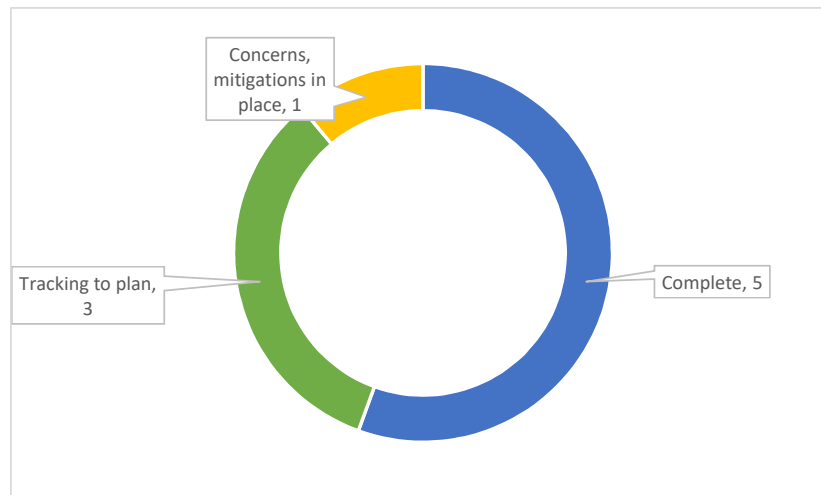
- Gov 1 – performance monitoring and evaluation framework for the CDEM Group established
- Gov 2 – Financial policy arrangements established
- Gov 6 – Performance measures in place and reported on quarterly
- Gov 7 – Governance arrangements regarding the involvement and representation of Māori has been completed and approved¹

Tracking to plan

- Gov 5 – Constituting Agreement Review (scheduled to begin Q1 2022/23)
- Gov 3 – Advisory Group TOR's and structures are being collectively reviewed

6.2 Disaster Risk Reduction

The risks from hazards, their likelihood, and impacts, are understood and managed to reduce our risk exposure.



Completed

- DRR 1 – Survey of current risk and hazard documents. – A record has been compiled of all existing plans, and highlights our next highest priorities.
- DRR 2 - Risk Reduction Advisory Group established (May 2018)
- DRR 6 - Promotion of the integration of activities and a consistent CDEM risk reduction approach
- DRR 7 - Regional Lifeline vulnerability study undertaken (December 2018).
- DRR 1 – A record has been compiled of all existing plans, and highlights our next highest priorities.

Tracking to plan

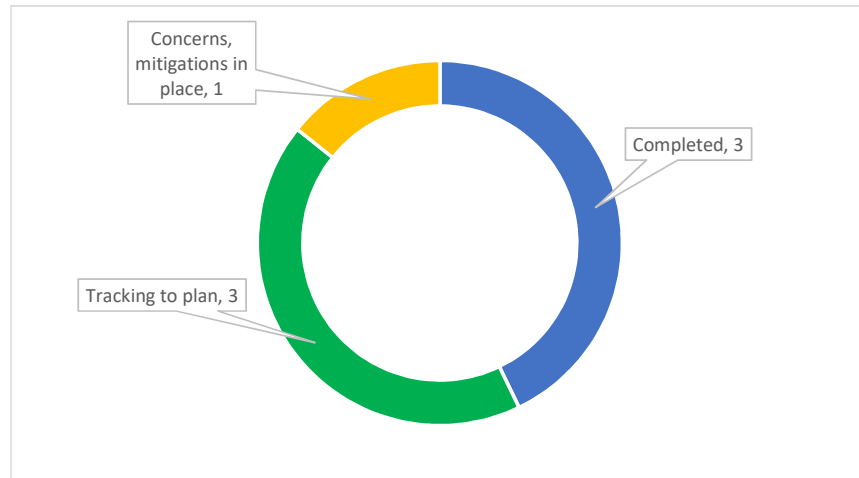
- DRR 4 - The CDEM Group will seek out and encourage applied hazard science research to benefit risk reduction planning.
- DRR 5 – GIS strategy complete, implementation being developed
- DRR 5 – New Systems and Information Technology advisor has profiled user needs and is sourcing datasets to form data catalogue for the group

Concerns – mitigations in place

- DRR 3 – Disaster Risk Reduction strategy to be developed

6.3 Organisational resilience (readiness)

We build resilience into organisations and plan for the impacts from disaster and ensure our systems and arrangements are fit for purpose.



Completed

- OR 1 – Implementation of an information management system
- OR 2 – ECC's/EOC's audited
- OR 3 - Workplans being developed for EMO's to align with TEMO workplans.

Tracking to plan

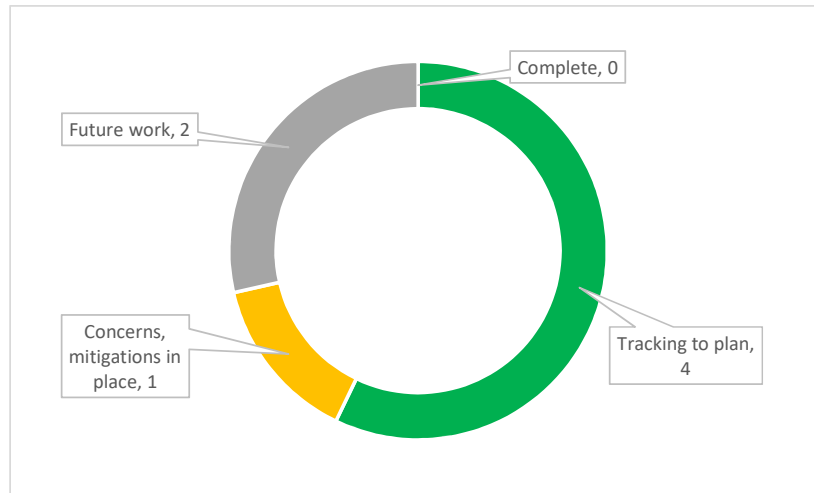
- OR 5 – Recovery Programme Performance Measures
- OR 6 - Corrective action planning currently in review
- OR 3 - Capability development plan in review. Workplans being developed for EMO's to align these to TEMO workplans.

Concerns – mitigations in place

- OR 4 - CDEM Group partner business continuity plans tested

6.4 Community resilience (readiness)

Community resilience is strengthened so that the impacts from disasters are reduced, and communities are equipped to adapt to change.



Tracking to plan

- CR 2 – Review and rationalise civil defence centres – being considered as part of a larger risk/vulnerability project
- CR 4 – Development of a public education and community engagement strategy
- CR 4 – Communications Strategy being developed
- CR 1 – Volunteer Management Strategy – has required integration with TA workplans. This is now underway.

Concerns – mitigations in place

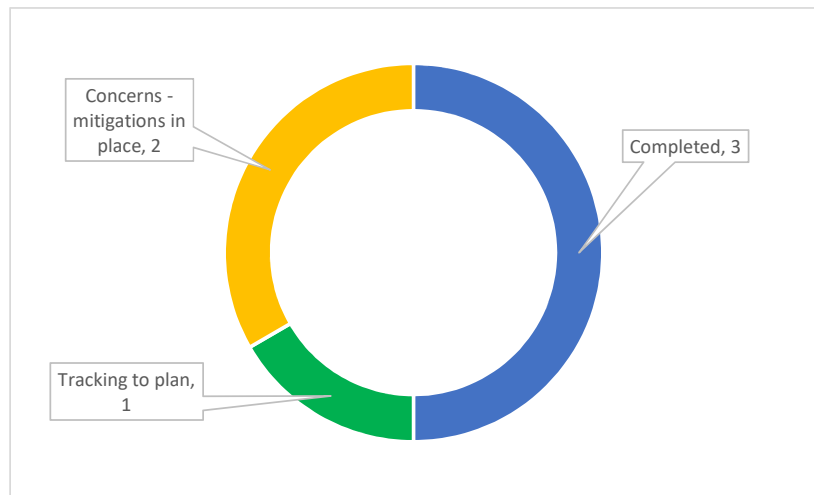
- CR 5 – 500 community volunteers – may be reviewed as part of the next Group Plan

Future work

- CR 3 – Community Resilience Strategy – The document does not currently exist.
- CR 6 - 10 Community Emergency Plans – may be reviewed as part of the next Group Plan

6.5 Capability development (readiness, response, and recovery)

We develop the capability of staff and volunteers to effectively carry out their roles in readiness, response, and recovery.



Completed

- CD 1 – NEMA Capability Development fund accessed for ongoing training
- CD 5 – 500 centre staff trained to Integrated Training Framework (ITF) Intermediate – This will likely be reviewed in the next Group Plan
- CD 2 – Training records managed and continues to be managed
- CD 5 – Successful delivery of pilot ITF Welfare Function Course

Tracking to plan

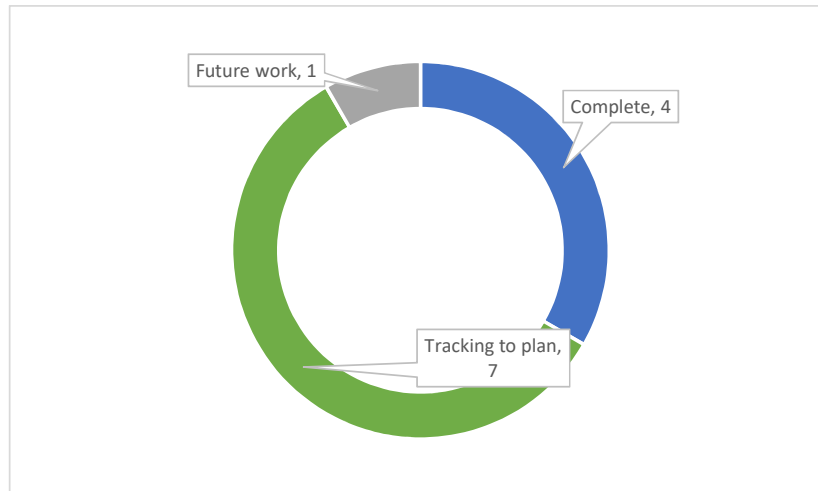
- CD 3 – Exercise schedule constructed, Response and Recovery plans being exercise. Three scheduled for 2023

Concerns – mitigations in place

- CD 4 – Participate in tier 4 exercise. Has not occurred, due to no training at the national level with Covid.
- CD 6 – 85% of CIMS Function Managers trained in ITF. - Ongoing delays in the delivery of national CIMS function course suite (some do not yet exist).

6.6 Response and recovery

We enable well-managed effective responses, and we support the community's journey of moving on from the impacts of disasters.



Progress this quarter

- RR4 - Earthquake Response and Recovery plan to be exercised.

Complete

- RR 3 - Three district-based EOCs and one regional ECC established
- RR4 – Tsunami Response and Recovery Plan Exercised
- RR1 - Readiness and Response Advisory Group Established
- RR 5 - Standard Operating Procedures established

Tracking to plan

- RR 2 – All controllers complete the national training program.
- RR 4 – Review of all Response Plans and Standard Operating Procedures
- RR6a – Significant progress on the recovery program - appointment Local Recovery Managers
- RR6b – Engagement with priority communities – as part of the risk/vulnerability project
- RR6c – Identifying and addressing gaps in recovery preparedness - as part of the risk/vulnerability project.
- RR 7 – Hazard specific recovery planning in hazard contingency plans – sections added to Response and Recovery Plans
- RR 8 – Recovery framework under development

Section 7 | Appendices

Appendix A: Group Plan Objectives

Strategic Goal	No.	Objective
Governance	Gov 1	A performance monitoring and evaluation framework for the CDEM Group (based on this Group Plan and other planning documents) will be established and implemented to ensure that the work of the Group remains on track to achieve the strategic goals outlined in this Plan, and to identify risks and issues that emerge over the course of the Plan that will need to be addressed.
	Gov 2	CDEM Group Financial Policy arrangements implemented to ensure accountability for delivery.
	Gov 3	Advisory Group work plans and priorities are established, implemented, and contribute towards the 4 Rs
	Gov 4	Group Plan and annex documents review commenced 12 months prior to expiry to comply with legislative requirements.
	Gov 5	Review the Constituting Agreement within five years to ensure governance and delivery arrangements are fit for purpose.
	Gov 6	An annual report will be submitted by member councils to CEG and the CDEM Joint committee regarding actions undertaken to improve their preparedness and readiness to respond to and recover from emergencies.
	Gov 7	Governance arrangements across the full range of Taranaki CDEM activities will be reviewed by 1 July 2020 regarding the involvement and representation of Māori.
Disaster Risk Reduction	DRR 1	A survey of all current risk and hazard documents completed to create a better understanding of the hazardscape for Taranaki.
	DRR 2	Disaster Risk Reduction Advisory Group established to create a focal point for ensuring the implementation of risk reduction measures across the region.
	DRR 3	Disaster Risk Reduction priorities developed into a Disaster Risk Reduction Strategy to address priority hazards.
	DRR 4	The CDEM Group will seek out and encourage applied hazard science research to benefit risk reduction planning.
	DRR 5	Regional GIS (Geospatial Information System) system established for the CDEM Group to improve the understanding of risk exposure and to enable better situational awareness during a response and recovery.
	DRR 6	The CDEM Group will promote the integration of activities and a consistent CDEM risk reduction approach within work programmes such as Councils' Long-Term Plans, Resource Management Plans, and other stakeholder agency work plans, to ensure they are informed by the likely post-event consequences on communities.

	<p>DRR 7 Regional Lifeline vulnerability study undertaken to improve the understanding of lifeline utility exposure to natural hazards and to create a basis for a work programme for risk reduction measures.</p>
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Strategic Goal	No.	Objective
Organisational resilience (readiness)	OR 1	Implement EMIS (Emergency Management Information System), or another suitable CDEM Group information system to improve the communications and record keeping of decisions made during emergency activations.
	OR 2	Audits of existing and proposed EOCs/ECC conducted to assess their capacity for response.
	OR 3	Training capability development plan developed and implemented to increase the number and capability of civil defence emergency management staff and volunteers.
	OR 4	CDEM Group partner business continuity plans tested based on hazardscape and likely impact scenarios to improve the capacity and capability of organisations to cope with and recover from emergencies
	OR 5	Development and implementation of performance measures by 2020 to monitor the progress against the recovery programme of work, and ensure the actions are achieving the required outcomes.
	OR 6	Continuous improvement practices are adopted, and corrective action planning established and implemented following exercises and activations.
Community Resilience	CR 1	Develop and commence delivery of a Volunteer Management Strategy to increase the numbers and capability of volunteers.
	CR 2	Review and rationalise Civil Defence Centres to ensure they are fit for purpose.
	CR 3	Refine and continue delivery of our Community Resilience Strategy to ensure that its objectives of engaged, connected, resource and empowered communities is being achieved.
	CR 4	Develop and implement a public education and community engagement strategy focused on improving community preparedness to act in a coordinated and collaborative way during an emergency, and to strengthen their ability to adapt to change following an emergency.
	CR 5	500 community volunteers registered and trained in CIMS and other relevant topics to improve the level of skills in the sector.
	CR 6	10 Community Emergency Plans (including marae based) established and functioning to create local groups of prepared and skilled community volunteers to support communities to respond to and recover from emergencies.

Strategic Goal	No.	Objective
<p style="text-align: center;">Capability development (readiness, response and recovery)</p>	CD 1	Adult Community Education (ACE) funds and other funding sources for volunteer training investigated and accessed to increase the number of people able to be trained.
	CD 2	Training records managed to record staff and volunteer training for both currency and proficiency to create better knowledge about the community's capacity to respond to and recover from emergencies.
	CD 3	Plan and run at least one Tier 2 Exercise (whole of Group) to test and increase the capacity and capability of staff and volunteers.
	CD 4	Participate in all Tier 4 national exercises to test and increase the capacity and capability of staff and volunteers.
	CD 5	500 CDEM centre staff trained to Integrated Training Framework (ITF) Intermediate CIMS to provide a sufficient pool of trained staff within the region.
	CD 6	85% of CIMS function leads trained in relevant ITF Function Lead courses to ensure a sufficient skill level of critical staff.
<p style="text-align: center;">Response and Recovery</p>	RR 1	A Readiness and Response Advisory Group will be established (fulfilling Section 8 Guide to the National Plan requirement for and emergency services coordination committee) to improve the quality of communication and cooperation both between first responders and with Civil Defence Emergency Management.
	RR 2	All Group and Local Controllers complete National Controller Training Programme to improve decision making and emergency management skills.
	RR 3	Three district based EOCs and one regional ECC established to increase the capacity for response at a local level.
	RR 4	The accuracy and currency of all response plans and Standard Operating Procedures is assessed (and takes into account the response principles in this Plan) and a programme for review developed.
	RR 5	Standard Operating Procedures established and kept up to date to ensure consistency of decision making and actions in an emergency.
	RR 6	<p>The Recovery programme of work to be completed by 2020 will guide the activities of the Group to prepare for recovery ahead of an emergency and enable the Group and partner agencies to achieve the recovery principles and policies. This work will include (but is not limited to):</p> <p>Engagement with priority communities likely to be affected by specific hazards to understand their values and priorities, the likely consequences and the support needed. This will allow the necessary capabilities, processes, and arrangements to be identified.</p> <p>Identification of key recovery partners needed to support recovery activities, including across local, regional, and central government, non-government organisations, private sector, and within communities.</p> <p>Identification and prioritisation of actions to address gaps in recovery preparedness</p>
	RR 7	Hazard specific strategic recovery planning will be undertaken at the same time as hazard response contingency planning for the 15 Group Plan priority hazards over the life of this Group Plan to enable comprehensive emergency management.
	RR 8	A framework for the coordination of recovery activities and collaboration post emergency will be established by 2021.

Appendix B: TEMO 2022/23 Financial Report

Profit and Loss Summary Report to 31 Decemeber 2023

	TEMO		
	23GENA	23GENR	
	Actual YTD March	Budget YTD March	Variance YTD March
Revenue			
Other revenue			
Other Operating incl Rebates & Recoveries			
1691 - Expenses Recovered	(45,462)	(46,875)	(1,413)
Total Other Operating incl Rebates & Recoveries	(45,462)	(46,875)	(1,413)
Total Other revenue	(45,462)	(46,875)	(1,413)
Subsidies and grants			
Operating Grants & Subsidies			
1801 - Grants - operating	(1,131,773)	(1,131,773)	0
1803 - Donations - operating	17	0	(17)
Total Operating Grants & Subsidies	(1,131,755)	(1,131,773)	(17)
Total Subsidies and grants	(1,131,755)	(1,131,773)	(17)
Total Revenue	(1,177,217)	(1,178,648)	(1,431)
Expenses			
Personnel costs			
Salaries and wages - Payroll Only			
2200 - Salaries and wages - permanent	620,333	680,561	60,228
2202 - Salaries and wages - Statutory Holiday Pay	15,712	0	(15,712)
2203 - Salaries and wages - Training Time	0	3,012	3,012
2220 - Salaries and wages - Annual leave	62,165	51,282	(10,883)
2222 - Salaries and wages - Sick leave	21,195	0	(21,195)
2229 - Salaries and wages - Other Leave	3,968	0	(3,968)
Total Salaries and wages - Payroll Only	723,373	734,855	11,482
Other employee benefits - Payroll Only			

2235 - Allowances	15,969	24,879	8,910
2239 - FBT	445	0	(445)
Total Other employee benefits - Payroll Only	16,414	24,879	8,465
Employee Development & Education			
2240 - Training Travel & Expenses	1,825	17,810	15,985
2241 - Corporate Training Allocation	1,804	0	(1,804)
2243 - Course & Conference Fees	18,069	0	(18,069)
2244 - Corporate Training Allocation HR	3,375	0	(3,375)
Total Employee Development & Education	25,072	17,810	(7,262)
Employer contributions - Payroll Only			
2250 - Kiwisaver	22,466	16,216	(6,251)
Total Employer contributions - Payroll Only	22,466	16,216	(6,251)
Other personnel costs			
2290 - Gifts and incentives	196	0	(196)
2291 - Uniforms	3,654	0	(3,654)
2293 - Agency & Contract Personnel	13,106	0	(13,106)
2294 - Health & Safety Equipment	1,159	0	(1,159)
Total Other personnel costs	18,115	0	(18,115)
Total Personnel costs	805,440	793,759	(11,681)
General operating expenditure			
Insurances			
2313 - All Risks Insurance	0	6,279	6,279
2315 - Material Damage Insurance	3,863	0	(3,863)
Total Insurances	3,863	6,279	2,416
Legal and professional fees			
2323 - Commission Paid	255	0	(255)
2327 - Professional & Technical Services	3,908	50,959	47,050
Total Legal and professional fees	4,163	50,959	46,795
Occupancy and utilities			
2330 - Electricity	6,732	0	(6,732)
2331 - Natural gas	219	0	(219)
2333 - Security	3,714	0	(3,714)
2334 - Cleaning	4,309	15,576	11,268
2335 - Rates - council owned properties	2,989	2,903	(86)
Total Occupancy and utilities	17,962	18,479	518
Property Maintenance			

2340 - Maintenance - Building Repairs and Maintenance	12,052	0	(12,052)
2344 - Maintenance - Buildings Other	675	0	(675)
Total Property Maintenance	12,727	0	(12,727)
Communications			
2350 - Landline call costs/line rental	0	0	0
2355 - Radio Telephones	9,203	0	(9,203)
Total Communications	9,203	0	(9,203)
Advertising and Marketing			
2360 - Advertising	0	29,910	29,910
2361 - Marketing	16,524	0	(16,524)
Total Advertising and Marketing	16,524	29,910	13,386
Hardware & Software			
2370 - Software Licences & Maintenance	430	0	(430)
Total Hardware & Software	430	0	(430)
Travel and accommodation			
2380 - Airfares	6,256	0	(6,256)
2381 - Accommodation	4,414	0	(4,414)
2382 - Taxis, transfers and rental cars	153	0	(153)
2383 - Travel incidentals - meals, chargebacks etc.	391	0	(391)
Total Travel and accommodation	11,215	0	(11,215)
Other general costs			
2453 - Stationery	9,285	12,434	3,149
2454 - Postage	27	0	(27)
2456 - Minor equipment purchases - under \$1,000	1,119	0	(1,119)
2458 - Catering	14,704	6,279	(8,424)
2462 - Venue Hire	334	0	(334)
Total Other general costs	25,468	18,713	(6,755)
Total General operating expenditure	101,554	124,340	22,786
Direct costs of activities			
Contracts			
2500 - Maintenance contracts	0	16,319	16,319
2502 - Goods & Services Contracts	0	11,589	11,589
Total Contracts	0	27,908	27,908
Services			

2531 - Printing, Imaging & Reproduction	160	0	(160)
2532 - Online Services & Subscriptions	1,893	0	(1,893)
2533 - Rubbish & Waste Removal	1,124	0	(1,124)
2536 - Equipment Repairs & Maintenance	3,682	0	(3,682)
Total Services	6,859	0	(6,859)
Materials			
2542 - Signage	1,010	0	(1,010)
2547 - Consumables - Cleaning	618	0	(618)
2548 - Biosolids disposal	152	0	(152)
Total Materials	1,780	0	(1,780)
Fleet & Plant Consumables & Maintenance			
2550 - Petrol	767	768	1
2551 - Diesel	3,573	1,920	(1,653)
2553 - Road user charges	0	1,152	1,152
2554 - Registration & Licences	273	845	571
2555 - Plant Repairs & Maintenance	4,949	2,304	(2,645)
Total Fleet & Plant Consumables & Maintenance	9,563	6,989	(2,574)
Horticulture Supplies			
2572 - Pesticides	135	0	(135)
Total Horticulture Supplies	135	0	(135)
Total Direct costs of activities	18,337	34,897	16,559
10 - Depreciation - operational assets	67,783	28,277	(39,506)
Total Expenses	993,114	981,273	(11,841)
EXTERNAL OPERATING (PROFIT)/LOSS	(184,103)	(197,375)	(13,272)
INTERNAL CHARGES			
300 - Pass thru from Shared Services expense	453	0	(453)
310 - Labour allocation expense	0	3,840	3,840
315 - Fixed Amount Charge of Shared Services	98,903	98,903	0
320 - On-charges expense	1,877	3,318	1,441
330 - Interest allocation expense	32,014	0	(32,014)
INTERNAL RECOVERIES			
360 - Labour allocation recoveries	(188)	0	188
APPROPRIATIONS			
391 - Depreciation funding/ (unfunded)	(67,783)	(28,285)	39,498
395 - Capital Appropriations	0	0	0
TOTAL NET RESULT	(118,826)	(119,599)	(773)

INFORMATION REPORT



F22/55/04 – D23/28971

To: Audit and Risk Committee
From: Projects Manager
Date: 18 July 2023
Subject: Capital Works Programme – Key Projects Update – July 2023

Recommendation

THAT the report be received.

Recommended Reason

To present an update on the progress of our key capital projects in the 2022/23 financial year.

/_____
 Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Audit and Risk Committee with an update on the progress of key capital projects in the 2022/23 and 2023/24 financial years.
- 1.2 The intent is to track these projects and provide confidence both to the Council and ratepayers that the capital works programme will be delivered as indicated in the 2021-31 Long Term Plan (LTP).

2. Executive Summary

- 2.1 The Council, in the 2021-31 Long Term Plan, approved a total of \$11,764,000 for the delivery of capital expenditure for the 2022/23 financial year and \$10,183,000 for the 2023/24 financial year. The total LTP (over 10 years) is \$125,463,814, with 40% of this to be delivered in the first three years of the LTP.
- 2.2 The Government announced in April that Tranche 2 of the Better off Funding will not proceed. This amounted to \$7.7 million to SDC. Tranche 1 (\$2.57 million) is unaffected in this decision.
- 2.3 Stratford District Council was successful in an application to the Transport Choices Package for \$7.8 million to improve:
 - Walking and cycling outside schools
 - Walking and cycling connections between schools, Wai-O-Rua and the Bike Park
 - Walking and cycling connections across State Highways 3 and 43.
- 2.4 Council officers are proactively managing all aspects of risks being identified in the delivery of these capital projects, which are mainly:
 - Cost overruns;
 - Not delivering to timeframe; and
 - Not delivering what was expected.
- 2.5 Overall Council spent just over \$13 million from an overall budget of just under \$21 million for Capital Projects. This is 62% of the budget.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

3.1 Good risk management and regular monitoring supports the Council’s social, economic, environmental, and cultural outcomes.

4. Information Summary

4.1 The Council, in the 2021-31 Long Term Plan, approved a total of \$11,764,000 for the delivery of capital expenditure for the 2022/23 financial year and \$10,183,000 for the 2023/24 financial year. The total LTP (over 10 years) is \$125,463,814, with 40% of this to be delivered in the first three years of the LTP.

4.2 Please refer to **Appendix 1**, which shows all Year 3 (2023/24) projects, along with year 2 projects that were carried over from the 2022/23 financial year.

4.3 Council officers are proactively managing all aspects of risks being identified in the delivery of these capital projects, which are mainly:

- Cost overruns;
- Not delivering to timeframe; and
- Not delivering what was expected.

4.4 Updates on key projects are provided below.

4.4.1 Connecting our Communities Strategy

Current Actions:

The final revision of the Strategy is going to the Policy and Services Committee in July 2023.

Background:

The Connecting our Communities Strategy will help identify improvements in our networks to improve accessibility for residents and visitors to the Stratford District. A specific strategy will help Council to meet some funding requirements from Waka Kotahi for the transport network.

This strategy has been approved by the Policy and Services Committee in 2022 to proceed to consultation with the public. Consultation is completed and officers have amended the strategy to reflect this feedback.

This strategy underpins the Transport Choices package and was instrumental in the Ministry of Transport choosing our proposal.

The combination of this Strategy and Transport Choices has identified key issues for walking and cycling. Solutions will be implemented over a 30 year period.

Financial:

No cost to Council for the adoption of the Strategy.

4.4.2 Better Off Funding Projects

In 2022, Council received \$10.27 million for the Better off Funding in two instalments (\$2.57 million and \$7.7 million) which is to be spent by the end of the 2027 financial year. The Better off Funding Package is part of the 3 Waters Reform.

The Government announced in April that Tranche 2 of the Better off Funding will not proceed. This amounted to \$7.7 million to SDC. Tranche 1 (\$2.57 million) is unaffected in this decision.

SDC has allocated funding to the following projects:

- **Brecon Road Bridge – Business Case Development and Detailed Design**

Current Actions:

A Request for Proposal (RFP) for the creation of a business case to submit to Waka Kotahi will be issued in the 2023/24 financial year. The objective of the business case is to apply for subsidised funding from Waka Kotahi when the opportunity arises.

Background:

The Brecon Road Bridge will provide a link across the Patea River on the west side of town. The only access from north to south (and vice versa) for residents living on the west side of Stratford is via the Patea Bridge on State Highway 3. It is a strategic connection for SDC's roading network, Transport Choices Package and the Connecting Our Communities Strategy.

Financial:

Of the budget of \$257,700 (Council funding) and \$750,000 (Better off Funding), 0% has been spent as a consultant has yet to be appointed. It is planned to complete this project by June 2024.

- **Town Centre Project – Skate Park Development**

Current Actions:

Construction is underway to install a new Skate Bowl in a new location. This bowl is mostly above ground to avoid issues that had occurred in the old skate bowl.

Background:

The Skate Park has been identified by the community as needing a refresh due to equipment refreshing the end of its life span (Skate Bowl etc.).

Financial:

Of the budget of \$150,000 (Better off Funding), 36% has been spent. It is planned to complete this project by October 2023. Future development is dependent on future funding opportunities.

- **Town Centre Project – Victoria Park Drainage**

Current Actions:

Once the rugby season has finished (mid-July 2023), remedial works to complete this project will be undertaken. This will be completed before the start of the cricket season in October.

Officers are in the process of gathering information to take back to the original contractor and start the compensation process with the contractor.

Background:

A contract was awarded for the upgrade of drainage of the main sportsground at Victoria Park. Physical works started in March 2023, once the cricket season finished.

Disappointingly, the Contractor has failed to deliver this project in the required timeframes. Due to the inability to provide a suitable solution to solve the concerns of both Council and Stratford Rugby Club, Officers have had to bring in a new contractor to complete the reinstatement of the rugby fields.

All outstanding work was placed on hold to allow the use of the field for the rugby season. Outstanding parts of this project will be completed following the end of the rugby season.

Financial:

Of the budget of \$60,000 (Council funding) and \$70,000 (Better off Funding), 1.7% has been spent although 80% of works is complete. Officers will be discussing with the contractor to determine the cost of works done by the contractor and any compensation to be deducted.

- **Town Centre Project – Prospero Place and Broadway Beautification**

Current Actions:

This project will be part of the Stratford 2035 project team focus. The identification of projects that fit under the Stratford 2035 umbrella is currently underway.

Background:

This project encompasses the Prospero Place development and Broadway Beautification projects (Better Off Funding) and crossing facilities of SH.3 (Transport Choices Package).

Financial:

Of the budget of \$979,056 (Council funding) and \$1.2 million (Better off Funding), 0% has been spent. Council is in discussion with the current landowners regarding purchase, which has delayed any upgrades possible. Once an agreement has been made on the land at Prospero Place, Council can then finalise plans for the CBD.

- **Stratford Park – Wastewater Enabling Infrastructure**

Current Actions:

The development of a wastewater network model is under way. This is required to determine the appropriate location for tie in of the planned extension and to identify any capacity issues that this work may relieve in addition to its primary purpose of bringing wastewater services closer to the A&P showgrounds.

Background:

The purpose of this project is to extend the wastewater network in the direction of the A&P showgrounds as enabling infrastructure. If the network model identifies capacity of the existing network within the proximity of the identified route, it is desirable to utilise this project to address these capacity issues at the same time. This will become clearer once the wastewater network model has been completed.

Financial:

Of the budget of \$51,700 (Council funding) and \$150,000 (Better off Funding), 20.9% has been spent. The consultant is currently building an existing model of our wastewater network. Once this is completed, officers can investigate the impact of the Stratford Park and what capacity needs increasing.

4.4.3 **Transport Choices Package**

Current Actions:

Consultants have issued a network design for the north/west quadrant and is now with Safety Auditors for independent comment. Once a design is finalised, Officers will seek feedback from the community regarding:

- whether the new infrastructure will encourage an uptake in use of walking and cycling.
- the impact of the infrastructure for residents in the location of the infrastructure.

Community meetings are planned to engage with the community. These will be held as each quadrant design is finalised by Council Officers and Safety Auditors.

Background:

The Ministry of Transport issued a \$350 million package to improve walking and cycling as well as reducing carbon emissions as part of the VKT reduction programme.

Stratford District Council was successful in an application to the Transport Choices Package for \$7.8 million to improve:

- Walking and cycling outside schools
- Walking and cycling connections between schools, Wai-O-Rua and the Bike Park
- Walking and cycling connections across State Highways 3 and 43.

The success of this application is due to SDC being able to display a commitment to walking and cycling through the draft Connecting our Communities Strategy.

There is a very short timeframe in the delivery of this project (to be completed by June 2024). Council staff have raised concerns with Waka Kotahi regarding the importance of progressing this project due to the small pool of contractors that would be shared with NPDC that was allocated \$16 million.

Note: the Stratford Schools Safety Projects has been merged with the Transport Choices Package projects.

Financial:

Of the budget of \$1.56 million (Council funding) and \$6.24 million (Transport Choices), 1.7% has been spent. Officers are working with Waka Kotahi to identify where the delays in the delivery of the project is, and how they can be mitigated.

4.4.4 **Other Key Projects**

- **TET Multi Sports Centre**

Current Actions:

The TET Multicentre *Entrance Door and Gymnasium Door Upgrade* –Officers are working with the supplier to bring the project within budget without compromising the desired outcome.

Works are programmed for this financial year to update the fire system at the TET Multicentre. The requirement for these was identified during a recent liquor license renewal.

Background:

Fire Safety was determined to be unsuitable for the use of the building. The Fire Security Level is currently a hybrid type 2 system, while the building use means it requires a type 4 system.

Financial:

Of the budget of \$51,300 (Council funding), 52% has been spent. Officers are working with the Architect to respond to building consent queries, as well as reducing the cost of works.

- **Whangamomona Camp – Septic Tank**

Current Actions:

Due to the costs involved in investigating and completing the concept design along with the expected construction costs, the design and build of the septic tank has been included in the draft 2023/24 Annual Plan.

This project is scheduled to be completed before December 2023, to allow for Whangamomona Republic celebrations in January 2024.

Background:

The Whangamomona Camping Ground (WCG) provides accommodation and a meeting space for a number of large community events such as pig hunts, rugby games, and Republic Day with up to 500 attendees.

The main building at the WCG served as the local school until approximately 1979. The current septic tank was installed when the facilities operated as a school.

While the current system may be adequately sized for routine, non-event service, it is not sized for the level of service required for an event with hundreds of people in a day or weekend.

A consultant was procured to investigate the most cost efficient septic tank system that would be suitable for the requirements as a camping ground, with a growing patronage.

The concept design was completed by WSP in April 2023.

Financial:

Of the budget of \$45,699 (Council funding), 65% has been spent. This project has rolled over into the 2023/24 financial year for the installation of the septic tank.

4.5 Additional overspends not mentioned in Section 4.4.4 to note include:

- **Cemetery Land Purchase (\$511,682)**
This project was additional to the 2022/23 Annual Plan. This cost will be offset with the sale of land on Beaconsfield Road, if approved by the Policy & Services Committee.
- **Demolish Bell Tower (\$16,535)**
This project was a completion of the project in the 2021/22 financial year.
- **Street Water Ridermains (138%)**
This project resulted in a cost overrun of approx. \$140,000. This overspend has been mitigated by the Street Work Ridermains budget which was underspent by approx. \$260,000.

4.6 Additional underspends not mentioned in Section 4.4.4 to note include:

- **New Swimming Pool (46%)**
Council passed a resolution during the 2022/23 financial year to not spend any more money than what was already spent. This meant an underspend in the budget of \$1.8 million.
- **Pipework Capacity Increase (10%), infiltration renewals (51%), and Inflow and Infiltration Programme (63%)**
Increasing the wastewater capacity has been delayed while an existing network model is created to better understand the capacity now and when new subdivisions are proposed. The modelling contract is for three years and this project will improve capacity as it is identified.
- **Raw Water Delivery Line (1%)**
Original estimates from the consultant exceeded the budget. This project is ongoing as Officers and the consultant to work through a design within budget.

4.7 Overall Council spent just over \$13 million from an overall budget of just under \$21 million for Capital Projects. This is 62% of the budget.

5. Strategic Alignment

5.1 Direction

This report is consistent with our Long-Term Plan Outcomes and directly relevant to supporting the work of the Audit and Risk Committee.

5.2 Annual Plan and Long-Term Plan

This report is consistent with the Annual and Long-Term Plan outcomes.

5.3 District Plan

There is no direct relationship with the District Plan.

5.4 Legal Implications

There are no legal implications.

5.5 Policy Implications

The report is consistent with Council policies relating to service delivery.

Attachment:

Appendix 1 – 2022-23 Capital Work Projects Update

Appendix 2 – 2023-24 Capital Work Projects Update



Steve Taylor
Projects Manager



Victoria Araba
Director – Assets



[Approved by]
Sven Hanne
Chief Executive

Date: 10 July 2023

APPENDIX 1

	Category	Budget Y2	Actual Spent	Budget LTP	Project Status	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Civic Amenities																	
Stratford 2035 Projects	Level of Service	979,056	-	4,664,082	Ongoing												
TET Multi Sports Centre	Level of Service	51,300	26,629	554,400	Door Upgrade tender issued. Proposed works completed July 2023												
Demolish Bell Tower	Replacements	-	16,535	30,000	Completed												
Storage Shed	Replacements	26,699	24,341	70,000	Completed												
WMC - Kitchen and cabinetry upgrade	Level of Service	12,481	8,466		Completed												
WMC - appliance upgrade	Level of Service	5,164	4,389		Completed												
Parks, Reserves, and Cemeteries																	
Upgrade Broadway Roundabout	Level of Service	60,000	-	60,000	Working in conjunction with Community Development Team/Broadway 2035. Awaiting the development of the Town Centre Plan before implementing the action plan identified												
Trees of significance - access	Level of Service	5,000	-	35,000	Waiting for iwi confirmation on signage												
Walkway upgrade	Level of Service	10,000	10,563	50,000	Completed												
Parks upgrade	Level of Service	6,000	7,147	34,300	Completed												
Victoria Park - Exercise and Fitness Trail	Level of Service	16,400		84,300	To be looked at in the next LTP												
Whangamomona Camp - septic tank	Replacements	45,699	29,921	47,000	Concept plan complete. Due to cost, will be completed in next financial year.												
Kopuatama Cemetery entrance upgrade	Level of Service	76,800	-	76,800	Request for Tender issued with completion due end of July 2023.												
Victoria Park Drainage	Level of Service	60,000	2,200	-	Drains installed. Reinstatement underway.												
* LED Screen (southern entrance)	Level of Service	75,000	-	-	NZTA have declined proposed location, further investigation on other locations underway.												
* Discovery Trail (signage, glockenspiel upgrades, new features)	Level of Service	15,000	-		Ongoing - yearly works												
Purchase of land - Prospero Place	Level of Service	385,500	-	Part of the Stratford 2035 budget	Officers to prepare an Options Assessment report to Council for a decision to progress the preferred option												
Skate Park Upgrade - Victoria Park	Level of Service	-	14,088		Project underway. Six to eight weeks to construct the bowl.												
Cemetery - Additional land purchase	Level of Service	-	511,682	-	Waiting for Gazette notice and Title to be issued												

2023 - Agenda - Audit and Risk - July - Open - Information Report - Capital Works Programme - Key Projects Update - July 2023

	Category	Budget Y2	Actual Spent	Budget LTP	Project Status	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Pool Complex																	
New Swimming Pool	Level of Service	3,410,000	1,563,416	17,212,500	Completed												
Democracy																	
Computers and Peripherals	Replacements	212,875	218,620	1,442,000	Ongoing - yearly works												
Vehicle replacements	Replacements	39,500	49,587	342,500	Ongoing - yearly works												
Miscellaneous equipment	Replacements	20,000	-	200,000	Ongoing - yearly works												
Furniture Replacement - Miranda Street	Replacements	3,200	11,174	33,200	Ongoing - yearly works												
Furniture Replacement - WMC	Replacements	3,200	1,554		Ongoing - yearly works												
Economic Development																	
Council Subdivision	Level of Service	2,218,975	2,141,644	3,274,000	Purchase completed.												
Rental and Investment Properties																	
Farm - Landscaping and riparian planting	Level of Service	3,500	200	38,900	Ongoing - yearly works												
Farm - Waterlines and trough upgrade	Level of Service	12,300	12,175	24,900	One trough to install												
Farm - Hot Water cylinder	Replacements	-	11,148	-	Completed												
Environmental Services																	
Roading																	
Walking and Cycling improvements	Level of Service	276,900	323,703	3,823,700	Completed												
Brecon Road Bridge	Level of Service	257,700	-	13,022,683	Ongoing to June 2024.												
Road to Zero	Level of Service	917,831	778,638		Ongoing												
Transport Choices	Level of Service		130,189		Ongoing to June 2024.												
Unsealed Road Metalling	Replacements	840,000	687,307	10,480,208	Ongoing - Roading Maitenance Contract												
Sealed Road resurfacing	Replacements	893,034	648,510	12,351,731	Ongoing - Roading Maitenance Contract												
Drainage Renewals	Replacements	700,000	1,044,762	7,634,676	Ongoing - Roading Maitenance Contract												
Pavement Rehabilitation	Replacements	750,000	1,167,026	7,531,118	Monmouth Road complete. Flint Road to be done.												
Structure Component Replacement	Replacements	647,000	275,356	6,277,706	3 retaining wall sites confirm. Consultant to design.												
Traffic Services	Replacements	113,000	54,542	1,243,036	Work less due to limited budget. Ongoing												
Footpath renewals	Replacements	170,000	224,371	1,944,901	Ongoing - Roading Maitenance Contract												

2023 - Agenda - Audit and Risk - July - Open - Information Report - Capital Works Programme - Key Projects Update - July 2023

	Category	Budget Y2	Actual Spent	Budget LTP	Project Status	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Low cost low risk roads	Replacements	521,142	172,582	5,270,000	<i>Beaconsfield Road improvements deferred to 2023/24, Dunn's Bridge realignment under construction</i>												
Sealed Road resurfacing - special purpose roads	Replacements	114,000	159,817	723,916	<i>Ongoing - Roading Maitenance Contract</i>												
Low cost low risk roads - special purpose roads	Replacements	39,695		210,000	<i>Dawson Falls carpark - plans with DOC for review. Will not be completed this financial year.</i>												
Drainage Renewals - special purpose roads	Replacements	10,000			<i>Approved allocation from Waka Kotahi</i>												
Traffic Services - special purpose	Replacements	5,000	11,235		<i>Installation of site rails - ongoing</i>												
Unsealed Road resurfacing - special purpose	Replacements	10,000	-		<i>Approved allocation from Waka Kotahi - ongoing</i>												
Stormwater																	
Pipework capacity increase	Level of Service	210,372	-	1,418,885	<i>Ongoing - Modelling contract to June 2026</i>												
Modelling	Level of Service	31,000	12,825	31,000	<i>Ongoing - Modelling contract to June 2026</i>												
Safety improvements	Level of Service	238,770	5,975	1,275,770	<i>Rock amouring of stormwater culvert on Pembroke Road is deferred due to rising costs and TRC requirements. Repair of void around tunnel entrance at Celia Street / Portia Street</i>												
Reticulation renewals	Replacements	101,983	-	769,000	<i>Achilles / Brecon Road construction to start mid May.</i>												
Wastewater																	
Pipework capacity increase	Level of Service	222,581	22,358	1,187,000	<i>Ongoing - Modelling contract to June 2026</i>												
Modelling	Level of Service	51,700	42,105	51,700	<i>Ongoing - Modelling contract to June 2026</i>												
Infiltration renewals	Replacements	344,986	78,387	1,961,600	<i>Ongoing - Sewer Lining Contract Contract</i>												
Diatomix to enhance growth of good algae	Level of Service	394,979	69,486	500,000	<i>Ongoing</i>												
Bulk discharge renewals	Replacements	31,000	12,738	55,300	<i>Works planned to remediate areas around pump station that eroded during heavy rain</i>												
Routine step / aerate renewals	Replacements	50,800	50,227	343,800	<i>Ongoing</i>												
Inflow and Infiltration programme	Replacements	297,919	90,329		<i>Ongoing - Sewer Lining Contract Contract</i>												
Solid Waste																	
Transfer Station building renewals	Replacements	10,300	9,621	70,100	<i>Completed</i>												
Water Supply																	
Universal water metering implement	Level of Service	558,270	47,335	2,195,000	<i>Ongoing</i>												
Second water trunk main	Level of Service	1,024,650	664,906	2,911,100	<i>Completed</i>												
Street work ridermains	Level of Service	301,700	43,003	206,100	<i>Craig Street identified due to recent failures - Ongoing - 3 Water Maintenance Contract</i>												
Pipe bridges	Replacements			103,500	<i>Completed</i>												
Midhirst Resource Consent	Replacements		-	309,700	<i>Awaiting Iwi assessment report - Ongoing</i>												

2023 - Agenda - Audit and Risk - July - Open - Information Report - Capital Works Programme - Key Projects Update - July 2023

	Category	Budget Y2	Actual Spent	Budget LTP	Project Status	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
		197,040															
Hydrants	Replacements	30,100	21,939	169,600	Ongoing - 3 Water Maintenance Contract												
Laterals	Replacements	62,200	-	350,800	Ongoing - 3 Water Maintenance Contract												
Meter renewals	Replacements	57,750	-	4,338,800	Ongoing - 3 Water Maintenance Contract												
Street water rider mains - 3 waters schemes	Replacements	368,900	510,429	2,993,100	Surrey Street completed. Broadway scheduled for February / March 2023												
Toko Bore	Replacements	134,500	-	134,500	Ongoing, as required												
Reservoir overflow to pond	Replacements	77,600	3,603	77,600	Waiting for Trunkmain reinstatement to take before investigations will begin.												
Reservoir cleaning - 3 waters scheme	Replacements	82,036	10,029	107,600	Cleaning requirement to be assessed - Ongoing.												
Membranes	Replacements	150,000	3,957	150,000	Replacement membranes have been delivered and are being installed as required. Further membranes are being procured.												
Instructure general - 3 waters scheme	Replacements	33,500	308	338,200	Ongoing as required												
Electronic water reading software	Level of Service	51,500	20,415	51,500	Due to be trialled once meters are installed												
Raw water delivery line	Level of Service	2,000,000	25,397	338,200	Final design with consultant												
Raw water analyser	Level of Service	95,000	4,007	95,000	Procurement progressing												
Generator for Treatment plant	Level of Service	105,000	95,181	105,000	Generator purchased. Waiting on shed construction.												

	Completed
	As planned for financial year
	May / Will extend into 2023/24 financial year
	Deferred to 2023/24 financial year
	Over spend < 10 %
	Over spend 10 % to 50 %
	Over spend 50 % to 100 %
	Over spend > 100 %

APPENDIX 2

	Category	Budget Y3	Actual Spent	Project Status	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Civic Amenities																
Stratford 2035 Projects	Level of Service	1,461,401	-	Ongoing												
TET Multi Sports Centre	Level of Service	77,071	-													
WMC - Carparking lighting upgrade	Level of Service	57,600	-													
Healthy Homes Upgrade	Level of Service	29,500	-													
Parks, Reserves, and Cemeteries																
Upgrade Broadway Roundabout	Level of Service	60,000	-													
Trees of significance - access	Level of Service	5,000	-	Waiting for iwi confirmation on signage												
Walkway upgrade	Level of Service	20,000	-													
Park development	Level of Service	13,600	-													
Midhirst cemetery Pathway Upgrade	Level of Service	31,400	-													
Whangamomona Camp - septic tank	Replacements	136,778	-													
Kopuatama Cemetery entrance upgrade	Level of Service	-	-													
Victoria Park Drainage	Level of Service	50,000	-													
* Discovery Trail (signage, glockenspiel upgrades, new features)	Level of Service	15,000	-	Ongoing - yearly works												
Purchase of land - Prospero Place	Level of Service	385,500	-													
Skate Park Upgrade - Victoria Park	Level of Service	-	-													
Democracy																
Computers and Peripherals	Replacements	131,000	-	Ongoing - yearly works												
Vehicle replacements	Replacements	20,000	-	Ongoing - yearly works												
Mirnda Street Office - Partial Roof Replacement	Replacements	31,400	-													
Furniture Replacement - Miranda Street	Replacements	3,100	-	Ongoing - yearly works												
Furniture Replacement - WMC	Replacements	3,100	-	Ongoing - yearly works												
Economic Development																
Council Subdivision	Level of Service	1,126,331	-	Purchase completed.												
Rental and Investment Properties																
Farm - Landscaping and riparian planting	Level of Service	3,700	-													
Farm - Waterlines and trough upgrade	Level of Service	12,600	-													
Roading																

2023 - Agenda - Audit and Risk - July - Open - Information Report - Capital Works Programme - Key Projects Update - July 2023

	Category	Budget Y3	Actual Spent	Project Status	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Walking and Cycling improvements	Level of Service	156,000	-													
Brecon Road Bridge	Level of Service	1,000,000	-	<i>Better off Funding - \$750,000</i>												
Road to Zero	Level of Service	-	-	<i>Ongoing</i>												
Transport Choices	Level of Service		-	<i>Ongoing to June 2024.</i>												
Unsealed Road Metalling	Replacements	750,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Sealed Road resurfacing	Replacements	880,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Drainage Renewals	Replacements	680,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Pavement Rehabilitation	Replacements	700,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Structure Component Replacement	Replacements	530,000	-													
Traffic Services	Replacements	130,000	-													
Footpath renewals	Replacements	150,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Low cost low risk roads	Replacements	730,000	-													
Sealed Road resurfacing - special purpose roads	Replacements	114,000	-	<i>Ongoing - Roading Maitnenace Contract</i>												
Low cost low risk roads - special purpose roads	Replacements	39,695		<i>Dawson Falls carpark - plans with DOC for review. Will not be completed this financial year.</i>												
Drainage Renewals - special purpose roads	Replacements	10,000		<i>Approved allocation from Waka Kotahi</i>												
Traffic Services - special purpose	Replacements	60,000	-													
Unsealed Road resurfacing - special purpose	Replacements	10,000	-	<i>Approved allocation from Waka Kotahi - ongoing</i>												
Stormwater																
Reticulation capacity increase	Level of Service	293,672	-	<i>Ongoing - Modelling contract to June 2026</i>												
Silt retention lake bypass	Level of Service	265,400														
Modelling	Level of Service	11,000	-	<i>Ongoing - Modelling contract to June 2026</i>												
Safety improvements	Level of Service	353,370														
Reticulation renewals	Replacements	107,983	-													
Wastewater																
Reticulation capacity increase	Level of Service	331,881	-	<i>Ongoing - Modelling contract to June 2026</i>												
Camper Van Drainage facility	Level of Service	7,900														
Stage 2 Treatment Upgrade	Level of Service	5,300														
Modelling	Level of Service	21,700	-	<i>Ongoing - Modelling contract to June 2026</i>												
Infiltration renewals	Level of Service	357,219	-	<i>Ongoing - Sewer Lining Contract Contract</i>												
(Treatment Plant Upgrade) Diatomix to enhance growth of good algae	Level of Service	244,979	-	<i>Ongoing</i>												
Bulk discharge renewals	Replacements	6,000														

2023 - Agenda - Audit and Risk - July - Open - Information Report - Capital Works Programme - Key Projects Update - July 2023

	Category	Budget Y3	Actual Spent	Project Status	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Pumps and electrics	Replacements	31,800														
Routine step / aerate renewals	Replacements	31,800														
Inflow and Infiltration programme	Replacements	389,286		Ongoing - Sewer Lining Contract Contract												
Solid Waste																
Healthy Homes Upgrade	Level of Service	7,000	-													
Water Supply																
Universal water metering implement	Level of Service	820,370	-	Ongoing												
Street work rider mains	Level of Service	31,800	-													
Raw water delivery line	Level of Service	1,900,000	-													
Raw water analyser	Level of Service	80,000	-													
Generator for Treatment plant	Level of Service	45,000	-													
Midhirst Resource Consent	Replacements	303,240	-	Awaiting lwi assessment report - Ongoing												
Hydrants	Replacements	15,700	-	Ongoing - 3 Water Maintenance Contract												
Laterals	Replacements	32,500	-	Ongoing - 3 Water Maintenance Contract												
Meter renewals	Replacements	110,850	-	Ongoing - 3 Water Maintenance Contract												
Street water rider mains - 3 waters schemes	Replacements	270,700	-													
Toko Bore	Replacements	134,500	-	Ongoing, as required												
Reservoir overflow to pond	Replacements	67,600	-													
Reservoir cleaning - 3 waters scheme	Replacements	60,536														
Membranes	Replacements	146,044	-													
Instructure general - 3 waters scheme	Replacements	31,300		Ongoing as required												
Raw water analyser	Level of Service	95,000	4,007	Procurement progressing												

	Completed
	As planned for financial year
	May / Will extend into 2023/24 financial year
	Deferred to 2023/24 financial year
	Over spend < 10 %
	Over spend 10 % to 50 %
	Over spend 50 % to 100 %
	Over spend > 100 %

INFORMATION REPORT



F22/55 – D23/29421

To: Audit and Risk Committee
From: Director – Corporate Services
Date: 18 July 2023
Subject: Risk Management (update)

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any significant risks events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

_____/_____
Moved/Seconded

1. Purpose of Report

- 1.1 To provide a high-level update on Council risk, in accordance with Council's Risk Management Policy.

2. Executive Summary

- 2.1 The Significant Risks register was updated following from the May 2023 Audit and Risk Committee meeting, to reflect the updated risk environment impacting Council. With the new risks upgraded to a higher risk being:
- The Effect of Interest Costs – the risk was upgraded due to both increased net debt and increasing interest rates, affecting council expenditure, rates and potentially debt covenants.
 - Inadequate provision to fund assets replacement – with increasing cost escalations for expenditure relating to replacement of local government infrastructure, and the decision by council to reduce the funding of depreciation, limiting the contribution to the renewals reserves for future asset replacement.
 - Long Term Plan / Annual Plan – the risk was upgraded due to the increased uncertainty as a result of the Affordable Waters reforms and other government legislation, the uncertainty of audit requirements and auditor availability and work programme.
- 2.2 Active management of nearly all significant risks has been required in recent months, with significant change from all angles. Section 5.1 of this report provides further detail on risk events or threats in relation to the Significant Risks register and the risk controls and risk mitigation strategies implemented.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Affects all four wellbeings in some way.	
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

3.1 Risk Management aims to protect all areas of Council operations and therefore indirectly meet the purpose of all four wellbeings.

4. Background

4.1 The Council maintains a full risk register, which currently has 91 risks. Of these, the most significant risks in terms of likelihood and consequence are monitored and reported to the Audit and Risk Committee.

4.2 The risk register includes a description of the risk and provides an evaluation of the risk in terms of likelihood and consequence without any controls in place. Controls (risk reduction methods and mitigations) have been established for each risk, and then the risk is re-evaluated to get a residual risk score. In terms of what constitutes a significant risk, the raw risk score is taken into account rather than the residual risk as it is important that the Senior Leadership Team and the Audit and Risk Committee regularly monitor that the controls in place are appropriate and effective.

5. Information Summary

5.1 Risk Events in relation to the Significant Risks Register

Risk 12 – Cyber Attack

IT Management are mindful that there has been an increasing number of cyber attacks, with increasing attempts being made through cell phones via text messages.

The recent insurance renewal also highlighted that the ability to mitigate risk through cyber risk insurance is being priced out of the market due to the increasing risks. At present Council needs to apply multi-factor authentication to all devices before we are provided with the opportunity for renewal of the existing insurance policy. This is being rolled out over the next few months, but even then, it is expected that the premiums are likely to increase by as much as 400%.

The following risk mitigations have recently been implemented by IT Management to prevent a cyber attack:

Staff Training

- Implemented a new enterprise security awareness training program which allows us to put staff through fully automated email phishing attack simulations, security awareness training, and reporting analytics.

Geo-blocking

- Geo-blocking has been implemented to block access to Council services from countries and locations we deem not necessary, therefore reducing the threat layer.

Single Sign-On (SSO)

- SSO has been implemented between our network and cloud-based systems.
- SSO reduces the number of attack surfaces because users only log in once each day and only use one set of credentials as opposed to multiple.

Water Treatment Plant Firewall Upgrade

- A recent upgrade of the Water Treatment Plant Firewall in April 2023 allows new features and security enhancements, pre-configured by Spark, and in line with best security practices.

Multi-Factor Authentication (MFA)

- MFA is configured and IT are currently testing this functionality before pushing it out to all staff. While authenticated and trusted sites such as the local network will bypass this feature, those users who access from external sources, such as home, will be required to identify themselves by more than a username and password. Secondary authentication will need to be provided by either the Microsoft Authenticator App, phone call or SMS. This will ensure any compromised passwords have an additional level of security. Target date for completion is mid-August 2023.

Risk 9 – Long Term Plan / Annual Plan

Annual Plan

Council recently adopted the Annual Plan, with an overall 8.92% rates increase, and an overall rates requirement of \$16,168,000 (up from the rates requirement budgeted for in the Long Term Plan 2021-31 for 2023/24 of \$15,443,000). No audit was required as the changes made did not result in a significant variation from the Long Term Plan, however the rates increase breached the rates increase limit as per Council's Financial Strategy, and Council sought community feedback on the draft prior to adoption.

Long Term Plan

A Long Term Plan project team has been established to lead the development of the Long Term Plan 2024-34 (LTP). A high level document outlining the principles for the LTP development has been approved by the LTP project team.

A workshop with elected members was held on 11 July on the Vision, Community Outcomes and Strategic Goals, after seeking input from the community and elected members. A decision report will be brought back to Council on this in August. Further workshops are scheduled for each month in 2023.

Three Waters uncertainty risk - Council staff are still uncertain as to the timing of when the new three waters entity will be established and the date for the transition of the three waters activities and assets. With this in mind, Council have delayed its preparation of budgets and related documents, which may cause an increased workload towards the end of 2023 when the dates are expected to be finalised for the Taranaki regional entity.

Risk of a low quality LTP document – There is a risk that not having sufficient time and guidance from central government, that the quality of the LTP may suffer. However, uncertainties over no-worse off funding and how to deal with and in the short-term fund stranded overheads, and the impact on staff retention, and inflationary expectations e.g. interest and contract price increases, adds to this risk. Council has limited resources and capacity to put together an LTP document.

The Communications and Engagement plan has been approved by the LTP project team for implementation. However, with uncertainties and potential delays, engagement with the community and Māori has the potential to be reduced or bypassed to achieve other priorities.

The risks above are exacerbated with increased auditor expectations, and Deloitte, Council's auditors appointed by the OAG, have not engaged with Council yet around the audit of the Long Term Plan, their key areas of focus, and timeframes.

Risk 32 – Lone Worker

There has been a notable increase in abuse from customers / ratepayers / the community, which is having a reported impact on staff.

For example, in June, the Property Officer was verbally abused - at the extreme end – while out on duty, by a Pensioner Housing tenant, who has since directly apologised. Staff at the AA centre in the Library, and at Wai o Rua swimming pool have also been targeted recently by customers with verbal abuse and threats.

Outside of the Lone Worker risk, there is an increase in social media abuse directed at Council representatives.

Abusive customers are often trespassed from Council facilities, or reported to the police. De-escalation training is being provided to all Customer Service, Library and Visitor Information and Wai o Rua staff in July and will be structured specifically for their roles. Alternative training is being investigated for other council positions.

It is also timely that the community are reminded to be kind to Council workers.

Risk 28 – Interest Costs

As net debt increases, the increase in interest rates on debt is becoming increasingly of concern. Council's recent July tender with LGFA (Local Government Funding Agency) obtained a six year rate of 5.66% and a seven year rate of 5.67%.

Council's weighted average interest rate as at 30 June was 3.22%, and the budgeted rate in the Annual Plan 2023/24 is 3.45%.

Despite the above, in June Council was able to obtain an investment rate of 5.83% for 120 days. Therefore the concern is the increase in net debt only, with a substantial loan funded capital investment programme in 2023/24.

Risk 71 – Critical Asset Failure

On 2 July, a significant area of the urban Stratford district lost complete or reduced water pressure for most of the day.

The cause of the loss of water supply was a failure of the PVC trunk main within farmland east of the water treatment plant. After the location of the failure was identified, the reinstatement of the water supply to Stratford Town through the new trunk main was delayed due to water from the new trunk main back-feeding to the point of failure, until further cross connection valves within the farmland were closed.

Emergency response procedures are being updated to clearly identify which isolation and cross connection valves may need to be exercised with regard to potential pipe failure locations.

Risk 78 – Government Policy Impacting on Local Government

Three Waters Reforms

The water services currently delivered by 67 councils across New Zealand will in the future be provided by 10 publicly owned, specialised water service entities. Drinking water, wastewater and most aspects of stormwater management will start to be delivered by the Water Service Entities from early 2025 and at the latest by 1 July 2026. While legal ownership will remain with councils, each Water Service Entity will be operationally and financially independent from local councils. The water services entity proposed for Taranaki includes the water services currently provided by New Plymouth District Council, South Taranaki District Council and Stratford District Council.

Given the recent re-design of these reforms and the upcoming parliamentary election later this year, the final outcome of these reforms remains somewhat unclear.

Resource Management Reforms

The Government has continued working on the new legislation to replace the Resource Management Act 1991. The Natural and Built Environments Bill (NBE Bill) and Strategic Planning Bill (SP Bill) were previously notified for submissions. The Parliamentary Select Committee has now considered those submissions and reported back to Parliament. The Select Committee has recommended by majority that both bills be passed into law but has suggested a range of amendments. The number of amendments is large and some would bring about quite significant change but the overall structure and framework of the bills is unchanged. The key amendments relate to:

- Clarification that protection of the natural environment will generally prevail over development;
- Retention of, but changes to, the National Planning Framework, Regional Spatial Strategies and the Natural and Built Environments Act Plan framework;
- The criteria for determining the category of activities in the consenting regime;
- Further detail about Regional Planning Committees, although questions about funding remain unanswered; and
- Changes to the implementation and transition provisions, with most provisions in the NBE Bill and all of the SP Bill coming into force immediately.

While the Select Committee has recommended many amendments a large number of submitters' concerns do not appear to have been addressed. The recommendations are likely to be substantially adopted but the outcome of the upcoming general election is likely to have a significant influence on the direction of the reforms. The timeframe for the remainder of the process is not clear at this stage.

The Taxpayers Union, like they did with the Three Waters reform, strongly oppose the government's proposals saying that the government needs to withdraw the bills and restart the RMA reform process. Recently, National has joined Act in committing to repealing new legislation if it is passed before the election.

At this stage, nothing is certain.

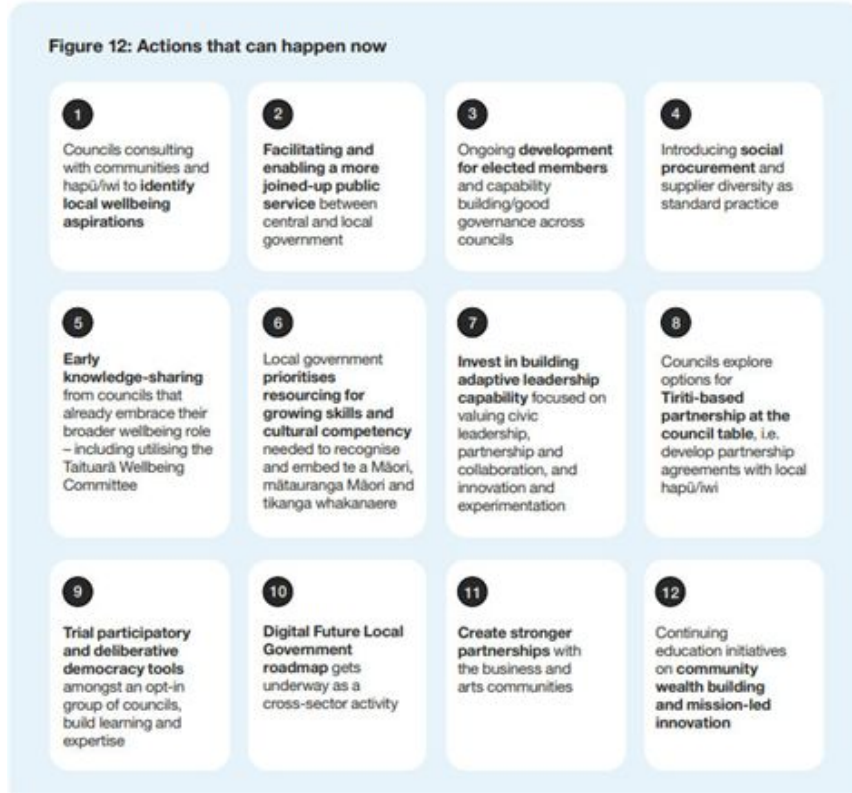
Future for Local Government

The final report on the Review into the Future for Local Government has been released and has 17 recommendations. These include:

- Entrenching the purpose of local government
- Councils must set wellbeing goals and priorities each term in conjunction with the community and hapu/iwi and Māori
- Explicitly recognise local government as a partner to Te Tiriti o Waitangi and te Ao Māori values to strengthen authentic relationships.
- Require Councils to prioritise and invest in developing and strengthening their capability and capacity in the areas of Te Tiriti o Waitangi, te Ao Māori values, Mātauranga Māori, and tikanga.
- Initiate a reorganisation of local government.
- Establish a dedicated Crown department to facilitate a more effective working relationship with local government.
- Require Councils to develop and invest in participatory and deliberative democracy processes.
- Implement a 4 year local electoral term
- Adopt Single Transferable Voting as the nationwide local election system
- Enable Te Tiriti based appointments to Councils
- Lowering the voting age for local elections to 16.
- Annual transfer of revenue equivalent to GST charged on rates to Councils.
- Central government pays rates on Crown property.
- Central government develops an intergenerational fund for climate change.

- The funding impact on local government should be considered for all proposed policy decisions.
- Supplement local government capacity funding to enable hapu/iwi and Māori to partner with Councils.

The report also recommends actions that Councils can start taking immediately. These may be considered internal structural changes which will enable easier transition towards the final recommendations:



Risk 72 - Elected Members Decision Making

Recent decisions made by Elected Members since the May 2023 Audit and Risk Committee meeting are below, with the risk section included.

- 13 June
- Adopt Internal Audit Plan for 2023
 - Approved the investigation into the cost to upgrade the War Memorial Centre and TET Stadium to a minimum of 34% earthquake proof, with further information to be provided on the costs to achieve IL4 level (100%).
 - Approved the procurement of a complete detailed seismic assessment of the Clocktower to identify all cost implications.
 - Approved the recommendation to investigate the costs to demolish the old TSB Pool complex building, including options to reinstate the land back to ground level.
 - Approved that a report be presented to Council of alternative existing, or new, facilities, that might lend themselves to being used in a Civil Defence emergency.
 - Road Closure for Tarmac Rally Event – 25 June 2023

- Te Ara o Maru Walkway, Whangamomona – the trail be opened to the public and that officers liaise with other parties for the opening of the remaining northern trail.
- Approved an electricity easement in favour of Powerco through Prospero Place.
- Adopt Annual Plan and Fees and Charges for 2023/24
- Approved the Swim School operation be brought in-house
- Adopt the Rates Resolution for 2023/24
- 11 July - Approved TET Funding Application for 2023
- Approved the Targets and Actions for the draft Waste Management and Minimisation Plan 2023.
- Approved a comprehensive review of the King Edward Park Reserve Management Plan.
- Endorsed the Interim Speed Management Plan reducing speed limits outside Stratford District schools
- Approved the Farm Business Report 2023

5.2 Changes to the Significant Risks register

Following the May 2023 Audit and Risk Committee meeting, the Top Ten Risks register was amended to the Significant Risks register – which now includes the following risks in order of highest raw risk score.

- 78 Government Policy Impacting on Local Government – Extreme
- 12 Cyber Attack – Very High
- 28 Interest Costs – Very High
- 51 Natural Disaster or Fire – Very High
- 71 Critical Asset Failure – Very High
- 11 Server Failure – Very High
- 32 Lone Worker – Very High
- 58 Contractor Damage or Breach – Very High
- 72 Elected Members Decision Making – Very High
- 74 Inadequate financial provision to fund asset replacement – Very High
- 9 LTP / Annual Plan – Very High

5.3 New Risks Identified

There have been no new risks identified since the last Audit and Risk Committee meeting.

6. Strategic Alignment

6.1 Direction

N/A

6.2 Annual Plan and Long Term Plan

N/A

6.3 District Plan

N/A

6.4 **Legal Implications**

N/A

6.5 **Policy Implications**

This report is in line with the Risk Management Policy.

Attachments:

Appendix 1 Significant Risks Register

Appendix 2 Principles for the Long Term Plan 2024-34 development



Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 10 July 2023

2023 - Agenda - Audit and Risk - July - Open - Information Report - Risk Management (Update)

Appendix 1

Stratford District Council - Significant Risks Register

This report presents the most significant risks to Council in terms of likelihood and impact at any given time.

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
78	Operational	Government Policy Impacting on Local Government	IF Government Policy significantly changes the services Council delivers or the way they are delivered, THEN this could put financial pressure on the district to fund investment in changes, or it may mean previous investment has become redundant.	20 Extreme	Where a policy change may have a significant negative impact on the Council then staff and elected members should consider making a submission to suggest and encourage alternative options. Council officers and elected members need to keep up to date with proposed changes to legislation and gov policy, and anticipate potential impacts of legislative changes and respond strategically, rather than being in a reactive position or being overly proactive. This could include joint collaboration with business and other councils, accessing alternative funding sources, or obtaining legal or professional advice. Council should aim to maintain a position where it can be adaptive and respond well to change, e.g. low to medium debt levels, diversification, good employment relationships.	20 Extreme
12	Data and Information	Cyber Attack	IF the systems are compromised and subject to a cyber attack, THEN system downtime, loss of data, ransoms may be demanded, potential privacy breach, reputational damage, and potential loss of funds.	16 Very High	Council have several security measures in place such as enterprise grade firewalls, email filtering, backups, antivirus and device management. If a breach was detected Council would activate the insurance policy and engage an IT security company resource to assist with recovery.	4 High
28	Financial	Interest Costs	IF financing costs increase THEN this results in increased costs to council and budget being exceeded or increase to rates.	16 - Very High	Treasury management programme in place to ensure interest rate maturity risk profile is spread evenly over the next 5 plus years. Could investigate longer term swap options. Borrowings and investments must be maintained within treasury policy covenants. Regular reporting to Policy and Services committee meeting.	6 High
51	Operational	Natural Disaster or Fire - Response preparedness	IF a Natural Disaster or Fire causes significant damage to infrastructure and buildings THEN community welfare may be severely compromised, putting peoples lives at risk, and staff may be unable to access systems to carry out their day to day duties and functions.	15 Very High	Civil Defence Emergency Management plans are in place. Procedures following an emergency event are widely known by a number of staff due to Civil Defence Foundational training being rolled out to majority of council staff. Business Continuity Plans need to be in place and practiced regularly for all activities - Directors responsible for having a plan in place for each of their departments to ensure core functions can continue to be delivered.	12 Very High
71	Operational	Critical Asset Failure	IF a critical asset (water treatment plants, stormwater, wastewater, reticulation, roading) failed, THEN unexpected financial burden may arise and there could be significant disadvantage and risk to the community.	15 Very High	Conduct 2 yearly Asset Criticality Review. Ensure there are established Civil Defence Emergency Management response procedures in relation to fixing critical assets in an emergency event. Management practices and staff training, retention to ensure appropriate skill level in critical asset maintenance.	4 High
11	Data and Information	Server Failure	IF the server failed THEN systems down, data unavailable, potential data loss	12 Very High	Restore from backup - backups encrypted, and stored off-site at approved data-centres (Tier 3). Fail-over for Melbourne data centre replicates to Sydney data centre.	3 Moderate
32	Health, Safety, and Wellbeing	Lone Worker	IF a staff member is seriously injured or killed during field inspections/site visits, THEN possible health and safety breaches, death or serious injury.	12 Very High	Quality assurance, Ongoing training/awareness of HSE requirements and responsibilities, Better use of council data/knowledge base on dangerous or insanitary sites before staff member deploys to site, Use of GPS tracking, mobile phone tracking. Compliance officers to wear body cameras when on duty.	3 Moderate

2023 - Agenda - Audit and Risk - July - Open - Information Report - Risk Management (Update)

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
58	Reputational and Conduct	Contractor Damage or Breach	IF Council and/or council contractors are found to be liable for public/environmental damage, or any actions that are unsafe or non-compliant with legislation and applicable policies and standards, THEN fines, possible injury, long-term damage, reputational damage could result.	12 Very High	Appropriate procedures and guidelines are in place to monitor contractor actions and our own including health and safety audits, contractor meetings/KPI's. The Council requires all physical works contractors to go through a thorough health and safety pre-qualification process and become approved before commencing any physical work. All relevant staff are kept up to date with pre-approved contractors register. Mini audits and random checks should be built into contracts. Contractor public liability insurance required for all major contracts.	3 Moderate
72	Reputational and Conduct	Elected Members - Decision Making	IF elected members make significant decisions based on inaccurate/insufficient information, "biased" influences, conflicts of interest not disclosed, or lack of understanding of the financial or legislative impacts, THEN there could be funding access difficulties, audit scrutiny, financial penalties, and/or community distrust in elected members. Potential breach of Local Authorities (Member's Interests) Act 1968, and Councillors may be personally financially liable under S.47 of LGA 2002.	12 Very High	Relies on the accuracy and quality of the advice given by staff to elected members - ensure agenda, reports, and other papers are always reviewed by CEO, and Directors if appropriate. Information related to decision making should be given to elected members in a timely manner. Elected members should receive initial induction training and attend LGNZ, SOLGM conferences where material is relevant to get a better understanding of governance decision making. Council has a Professional Indemnity insurance policy for all elected members and independent committee members.	4 High
74	Financial	Inadequate financial provision to fund asset replacement	IF there is inadequate financial provision in reserves to fund the replacement of assets, THEN the Council may have to borrow more than expected, or asset replacement may need to be delayed which may affect service level performance.	12 - Very High	Ensure annual depreciation is based on accurate fixed asset values (replacement cost) and accurate useful lives. Assets should not, unless necessary, be replaced before the end of their useful life.	2 Moderate
9	Compliance and Legislation	LTP/Annual Plan	IF LTP/Annual Plan is not adopted by 30 June THEN council cannot set rates, statutory breach reported to Minister, unable to commence service delivery, additional audit scrutiny, and uncertainty around future service provision for the community.	12 - Very High	Set a timetable to ensure statutory deadline is met. Good project management. Good quality data is provided. Keep abreast of possible changes to legislation and plan accordingly. Good communication to all staff and liaison with Audit NZ.	8 High

Appendix 2

Principles for the Long Term Plan 2024-34 development

The Long Term Plan (LTP) is a strategic document that outlines what Stratford District Council (SDC) intends to deliver, and how that will be funded, and measured, over the next ten years. The preparation of an LTP is usually the single most important process undertaken in a triennium.

It draws from a wide array of information including:

- Economic forecasts and assumptions
- Ratepayer expectations
- Levels of service desired by the community
- Customer satisfaction levels
- Government legislation and policies
- Emerging trends and environmental changes

The final outcome should be a document that the community and elected members are proud of, that is reflective of the current environment, yet incorporates Council's strategic goals, that addresses the key challenges Council is expected to face in the next 10 years, and is referred to frequently and actively once implemented. To achieve this, we have developed a set of principles to guide the process:

1. Establish an LTP project team with clearly defined goals and timeframes

- 1.1. The Council has a tight timeframe to prepare an LTP, for audit review, and consultation, and for final adoption by Elected Members within 1 year, by 30 June 2024.
- 1.2. The LTP project team will meet regularly (monthly then fortnightly) and each team member will demonstrate commitment to contributing to the success of the LTP.
- 1.3. Strong leadership will be required by the Project Sponsor (Chief Executive), the Project Manger (Director – Corporate Services), and the Mayor (legislative responsibility) and Elected Members to set a clear direction, identify big issues early, make decisions in a timely manner, and engage actively and comprehensively with the community.
- 1.4. The LTP project plan is essential for helping keep the mahi on track. An update will be provided to every Audit and Risk Committee meeting.

2. Council's *Vision, Strategic Goals and Community Outcomes* will drive decision-making

- 2.1. LTP's are a result of a large number of decisions that have long-term consequences for the community. These decisions must be linked to a strategic vision for the community, and owned by the community.
- 2.2. Decisions will be made progressively throughout the development of the LTP, rather than all decisions wrapped in one report at the end, to ensure greater transparency of decision making.

- 2.3. The Council has a wide purpose under the Local Government Act 2022 to promote the four wellbeings: Social, Cultural, Economic and Environmental. Therefore, Council can be as creative and aspirational as it likes in setting its goals and vision. The community and ratepayers will hold Elected Members to account.
- 2.4. The direction of the LTP and all associated policies, strategies and financial decisions must contribute towards the Strategic Goals and Community Outcomes.
- 2.5. A proposal to the LTP may only be submitted if it has a clear link to SDC's vision, strategic goals and community outcomes, unless it relates to legislative requirements.
- 2.6. A proposal will be considered and prioritised by how strongly it contributes towards the Vision, Strategic Goals and Community Outcomes, among other factors.

3. The Council represents the voice of the community

- 3.1. An engagement strategy for the LTP will guide how Council involves, consults with, and informs the community, sub-parts of the community, and stakeholders.
- 3.2. In order for the community to 'own' their LTP, they must have the opportunity to participate in the journey of developing the LTP.
- 3.3. The views of Maori and tangata whenua are identified in legislation as having unique importance in Council decision making and therefore Council will seek to understand and incorporate Te Ao Maori views and local iwi perspectives into the development of the LTP.
- 3.4. Elected members will empower the community to have their say and provide multiple opportunities for all to contribute to decisions.

4. Elected Members will maintain focus on the bigger picture outcomes

- 4.1. Elected Members are the only level of participants in the process that have an overarching responsibility to the entire community, district and ratepayers. Getting caught up in specific details can be distracting from the bigger picture.
- 4.2. Focusing on minor issues or areas of insignificance in relation to the wider strategic goals is an inefficient use of Elected Members' time.
- 4.3. A process of prioritisation for LTP projects/changes should be established to filter out information that is of lower importance.
- 4.4. The Section 17a reviews completed in 2023 looked at each Council Activity in detail, and the Project Team does not intend to duplicate this work for the LTP, but instead focus on the recommendations from the review only.



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27 June 2023

Ref.: EN/LCA/03-0038

Sven Hanne
Chief Executive
Stratford District Council
PO Box 320
Stratford 4352

Copy: Director Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington

Dear Sven

Proposal to conduct the audit of Stratford District Council and subsidiary on behalf of the Auditor-General for the 2023 financial year

1 Introduction

Referring to the audit proposal dated 11 May 2022, the Auditor General proposes to appoint me to carry out the audit of your organisation for the 2022 to 2024 financial years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audits of Stratford District Council and Percy Thomson Trust for the financial years ending 30 June 2023. The proposed fees 30 June 2024 and 30 June 2025 will be revised annually.

The purpose of this proposal is to provide information on:

- the statutory basis for the audits 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 audits and reasons for any change in hours;
- our proposed fees for the audits for the financial years ending 30 June 2023;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audits 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, 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 Public Audit Act 2001. The Act requires the Auditor-General to make sure that audit fees are “reasonable” for both the auditors who complete the

audits for Auditor-General, and for each of the entities audited. It was discussed that I will take on the existing contract that you have with Audit New Zealand which sets out the proposed audit hours fees for the financial year ending 30 June 2023.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 Entities covered by this proposal

This proposal covers the audits of the financial statements of:

- Stratford District Council; and
- Percy Thompson Trust

4 Key members of the audit tea

Appointed Auditor	Pam Thompson
Quality Control Reviewer	Bruno Dente
Audit Manager	Luke Van Der Walt
Information Technology Partner	Reenesh Bhana

5 Estimated audit hours

We estimate that the following hours will be required to carry out the audit (compared to budgeted and actual data from the previous financial year):

5.1 Stratford District Council ('SDC')

Audit team member	2022 budget	2022 actual (*)	2023 budget (***)
Appointed Auditor	65	73	65
EQCR Partner **	-	11	11
Audit Manager	90	108	95
Other CA qualified staff	180	380	283
Non CA qualified staff	380	601	467
Other specialists	26	180	50
Total audit hours	741	1,353	971



* Actual hours (1,353) have been adjusted to eliminate any hours that were due to auditor inefficiencies. The actual hours that remain are the reasonable hours that were attributable to the audit in that year. The hours were also significantly more than budget as this was the first year that Deloitte Limited was involved in the audit, transitioned the audit from Audit New Zealand in 2022.

** As noted in our audit proposal dated 11 May 2022, there is a Quality Control Reviewer allocated to this engagement.

*** This assumes that the revaluations will occur in the current year of your core infrastructure assets and these valuations will be performed at year end rather than the beginning of the financial year.

The total estimated budgeted hours have been benchmarked against other council audits and the total budgeted hours above represents the average time it takes to complete the audit.

5.2 Percy Thomson Trust ('PTT')

Audit team member	2022 budget	2022 actual	2023 budget
Appointed Auditor	10	10	10
EQCR Partner	3	3	3
Audit Manager	18	18	18
Other CA qualified staff	88	88	110
Total audit hours	119	119	141

5.3 Reasons for changes in audit hours

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

Reasons for increased or decreased audit hours compared to previous period <u>budgeted</u> hours:	SDC	PTT
Over time the complexity of the audit has increased. Additional audit work has been required to be undertaken due to changes in auditing standards, regulatory requirements and changes in the Council's activities, systems and risks. These changes have not necessarily been reflected in the historical fees and the historical budgeted hours have been under the requisite hours required to complete the audit.	206	-
IT specialist involvement in understanding and testing the Council's IT control environment	24	-
Valuation of land and buildings due for valuation at 30 June 2023	-	22
Total increase (decrease) in audit hours	230	22

6 Proposed audit fees

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



6.1 Stratford District Council

Structure of audit fees	2022 budget fees	2022 actual fees charged	2023 budget (*)
	\$	\$	\$
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements) **	102,495	102,495	183,500
OAG Audit Standards and Quality Support charge	9,523	9,523	X
Total audit fee (excluding disbursements)	112,018	112,018	X
Estimated Disbursements, including 2% technology charge	14,000	14,873	17,700
Total billable audit fees and charges	126,018	126,891	X
GST	18,903	19,034	X
Total (including GST)	144,921	145,925	X

* The audit fee includes an assumption that only one asset class is due for valuation for the year ending 30 June 2023. Should an out of cycle valuation be required or if the valuation is performed at the beginning of the financial year, an additional fee will be agreed.

6.2 Percy Thomson Trust

Structure of audit fees	2022 budget fees	2022 actual fees charged	2023 budget
	\$	\$	\$
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	7,566	7,566	24,740
OAG Audit Standards and Quality Support charge	385	385	X
Total audit fee (excluding disbursements)	7,951	7,951	X
Estimated Disbursements, including technology charge (2%)	500	500	995
Total billable audit fees and charges	8,451	8,451	X
GST	1,268	1,268	X
Total (including GST)	9,719	9,719	X

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 charge. 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.



6.3 Reasons for changes in audit fees

In table 5.1 we showed the factors that have resulted in a change of audit hours. The cost impacts of those changes are shown in the table below.

Reasons for increased or decreased audit fees compared to previous period <u>budgeted</u> fees.	SDC	PTT
Predicted staff salary cost movements - inflation	8,200	605
Increase in hours due to increased requirements and complexity in the audit process	38,930	3,860
Additional costs incurred to perform the audit which have not kept pace with historical rate adjustments applied over the past three years.	28,875	12,709
IT specialist involvement in understanding and testing the Council's IT control environment	5,000	-
Total increase (decrease) in audit fees	81,005	17,174

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 and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit. This includes appropriate add checks and check notes are internally consistent.
- 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.
- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.
- The audit does not include any climate change scope of work.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.



8 What the OAG Audit Standards and Quality Support charge provides

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

The OAG Audit Standards and Quality Support charge partially funds 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 charge portion of the 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

Pam Thompson
Partner
For Deloitte Limited



I accept the audit fees for the audit of 30 June 2023 as stated above.

Full name: _____ Position: _____

Authorised signature: _____ Date: _____

Entity name: _____

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: Pam Thompson
Deloitte Limited
PO Box 1990
Wellington 6140



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.