



Risk and Assurance Committee

Te Komiti Whakahaere Tūraru

Monday, 19 August 2024
Rāhina, 19 Hereturikōkā 2024

Tōtara Room, Whakatāne District Council
14 Commerce Street, Whakatāne
Commencing at: 9:00 am

Acting Chief Executive: David Bewley
Publication Date: 14 August 2024

Live Streaming the Meeting - *Ka whakapāho mataora te hui*

Live Streaming the Meeting - *Ka whakapāho mataora te hui*

PLEASE NOTE

The **public section** of this meeting will be Live Streamed via YouTube in real time.
The live stream link will be available via Council's website.

All care will be taken to maintain your privacy however, as a visitor in the public gallery, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently broadcast.

The opinions or statements expressed during a meeting by individuals are their own, and they do not necessarily reflect the views of the Whakatāne District Council. Council thus disclaims any liability with regard to said opinions or statements.

A Membership - *Mematanga*

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Mayor Dr V Luca

Independent Chairperson - Stuart Henderson

Deputy Mayor L N Immink - Deputy Chairperson

Councillor W B James

Councillor T O'Brien

Councillor J Pullar

Independent Member - P Lucioli

B Delegations to the Risk and Assurance Committee - *Tuku Mahi ki te Komiti*

The purpose of the Risk and Assurance Committee is to oversee the effectiveness of Council's risk management, internal control environment, legal responsibilities, statutory compliance, and external auditing process.

The Committee has the authority to appoint up to two independent persons who are not elected members, who can assist the Committee to meet its obligations and responsibilities.

The quorum for this Committee is 4 members.

Responsibilities and Functions

- a. Oversee the effectiveness and appropriateness of the Enterprise Risk Management framework, including but not limited to Council's Risk Policy and Corporate Risk Register.
- b. Advise the Council on matters of risk and risk appetite.
- c. Ensure that the Organisation has internal control systems in place.
- d. Monitor Council's compliance with applicable laws, regulations, standards and best practice guidelines for public entities.
- e. To monitor performance of the Council's treasury function.
- f. Maintain oversight of legal proceedings involving Council.
- g. Oversee the effectiveness and appropriateness of the internal control environment.
- h. Review the policies, systems, processes and controls to ensure that fraud is detected and effectively investigated.
- i. Ensure the adequacy, integrity and reliability of the external financial reporting of Council.
- j. Review the integrity and appropriateness of external reporting, and accountability arrangements.
- k. Review, and monitor progress against, the external auditors' recommendations.
- l. Recommend to the Office of the Auditor General the decision either to publicly tender the external audit or to continue with the existing provider for a further three-year term.
- m. Where required, request expert advice through the chief executive where necessary.

TABLE OF CONTENTS

1	Meeting Notices - <i>Ngā Pānui o te hui</i>	7
2	Apologies - <i>Te hunga kāore i tae</i>	7
3	Acknowledgements / Tributes - <i>Ngā mihi mihi</i>	7
4	Conflicts of Interest - <i>Ngākau kōnatunatu</i>	7
5	Public Participation - <i>Wānanga Tūmatanui</i>	8
5.1	Public Forum - <i>Wānanga Tūmatanui</i>	8
5.2	Deputations - <i>Nga Whakapuaki Whaitake</i>	8
6	Confirmation of Minutes - <i>Te whakaaetanga o ngā meneti o te hui</i>	8
7	Action Items	9
8	Reports - <i>Ngā Pūrongo</i>	11
8.1	External Audit - Management Action Plan Update	11
8.2	Annual Report 2023-2024 Progress Update	15
8.2.1	Appendix 1 – Audit Plan, Whakatāne District Council	17
8.3	Update of Internal Audit Assurance	39
8.3.1	Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report	43
8.3.2	Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024	71
8.3.3	Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560	83
8.4	Enterprise Risk Report	94
8.4.1	Appendix 1 - Council Consequence of Risk	97
8.4.2	Appendix 2 - Council Likelihood of Risk	99
8.4.3	Appendix 3 - Figure 1 - Risk Heatmap	101
8.4.4	Appendix 4 - Figure 2 - Risk Summary	103
8.4.5	Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status	106

8.5	Treasury Management Reporting (June 2024)	126
8.5.1	Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024	130
8.6	Insurance Progress Report for 2024/25	133
9	Resolution to Exclude the Public - <i>Whakataunga kia awere te marea</i>	136
9.1	Resolution to Exclude the Public	136
1	Confirmation of Minutes - <i>Te whakaaetanga o ngā meneti o te hui</i>	6
1.1	Public Excluded Minutes - Risk and Assurance Committee Meeting - 17 May 2024	6
1.1.1	PX Minutes of the Risk and Assurance Committee Meeting 17 May 2024	6
1.2	Action Items	6
2	Reports - <i>Ngā Pūrongo</i>	6
2.1	Public Excluded – Legal Proceedings August 2024	6
2.1.1	Appendix 1 - Legal Spend Analysis	6
2.1.2	Appendix 2 - Legal Issues Register	6
2.1.3	Appendix 3 - Summary of Position - IAG Edgecumbe	6
2.2	Public Excluded – Boat Harbour Update Report	6

1 Meeting Notices - *Ngā Pānui o te hui*

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1. Live Streaming

The Whakatāne District Council livestreams Council and Standing Committee meetings held in Tōtara Room, within the Council building. The webcast will live stream directly to Council's YouTube channel in real time. The purpose of streaming meetings live is to encourage transparency of Council meetings.

By remaining in the public gallery, it is understood your consent has been given if your presence is inadvertently broadcast.

Please be aware the microphones in Totara Room are sensitive to noise, so please remain quiet throughout the meeting unless asked to speak.

2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit. The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance (the entrance off Margaret Mahy Court).

3. Other

2 Apologies - *Te hunga kāore i tae*

No apologies have been received at the time of writing the agenda.

3 Acknowledgements / Tributes - *Ngā mihimihi*

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

4 Conflicts of Interest - *Ngākau kōnatunatu*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interests they might have.

The Elected Member Register of Interest is available on the Whakatāne District Council website. If you wish to view the information, please click this [Register link](#).

5 Public Participation - *Wānanga Tūmatanui*

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5.1 Public Forum - *Wānanga Tūmatanui*

The Committee has set aside time for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

5.2 Deputations - *Nga Whakapuaki Whaitake*

A deputation enables a person, group or organisation to make a presentation to Committee on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

6 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui*

The minutes from the Risk and Assurance meeting held 17 May 2024 can be viewed by clicking the link below:

Click on the link below in order to view the 'unconfirmed minutes'.

- [Risk and Assurance Standing Committee | 17 May 2024 | Whakatāne District Council \(whakatane.govt.nz\)](https://www.whakatane.govt.nz/risk-and-assurance-17-may-2024)

7 Action Items

7 Action Items

7 ~12~Action Items~~(Cont.)

Risk and Assurance Committee

Public Agenda – Action Sheet

STATUS LEGEND

Complete = Staff completed, waiting meeting approval to close.

Closed = Meeting approved action closed and moved to 'Closed actions table'.

OPEN ACTIONS following committee meeting of May 2024

ID	Raised by	Target Date	Assigned	Title	Description	Actions/Update	Status
Aug 23 - 2		Nov 23 meeting		Enterprise Risk 6	Further information was requested for the November 2023 meeting on Risk 6	Digital Systems security audit from SAM compliance will be reported to the next Committee meeting	Ongoing
Nov 23 - 4		March 2024 meeting	CFO & GM Business Partnering	Airport Annual Report	A report was requested for the next meeting; Airport Annual Report update	CFO is currently coordinating redrafting of the equity position in annual report back a number of years to address issue raised by AuditNZ in 2019 annual report	Ongoing
Mar 24 - 1	DM Immink	Before next meeting	CFO & GM Business Partnering	Debt management graphs	Debt management graphs to be circulated, and to be reinstated in future reporting.	This report is provided through the Finance and Performance Committee so will be noted in its next meeting	Closed
May 24-1		August 2024 meeting	CFO & GM Business Partnering	Audit Plan 2023-24	Staff were directed to provide the Committee with an updated Audit NZ timeline, including technical advice from Audit; to be presented at the next Risk and Assurance Committee meeting	This has been addressed in the 2023-24 Annual Report Audit Update paper on agenda. Meeting will attended by Audit Director.	On Agenda

8 Reports - *Ngā Pūrongo*

8 Reports - *Ngā Pūrongo*

8.1 External Audit - Management Action Plan Update



To: **Risk and Assurance Committee**
Date: **Monday, 19 August 2024**
Author: **G Connolly / CFO and GM Business Partnering**
Authoriser: **D Bewley / Acting Chief Executive**
Reference: **A2723287**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to update the Risk and Assurance Committee on progress against the action plan to address audit findings and drive continuous improvements across financial services presented to the last meeting on 17 May 2024.

2. Recommendation - *Tohutohu akiaki*

THAT the report, '2024-08 External Audit - Management Action Plan Update,' be **received**.

3. Subject - *Kaupapa*

The Risk and Assurance Committee received a report in its last meeting that detailed as action plan, addressing findings from Audit New Zealand's Report to Governors and ancillary actions to make our end-of-year audit process better, faster, and more compliant with rules.

We plan to focus on improving our preparation for external audits, data analysis, financial reporting, and process automation. The goal is to make our financial services operations smoother, improve our business partnering, get ready for audits more effectively, and keep getting better at what we do.

4. Background - *He tirohanga whakamuri*

Although there has been progress on a number of issues in preparation for the 2023-24 Annual Report Audit, the speed of delivery has been significantly impacted by the prioritisation of resources to address the delay in completion of Long Term Plan 2034, and the inability to secure the two additional resources to date, which were identified as critical to enable delivery of this change programme.

We continue to work closely with People and Engagement to secure appropriate staff as soon as possible.

8.1 External Audit - Management Action Plan Update(Cont.)

As a result, we provide the following update on external audit findings from the Report to Governors, together with additionally identified financial continuous improvement actions to support external audit completion as well as improve internal controls, data and insights, and business partnering across the organisation.

A number of the findings will not be able to be reviewed and closed until the 2023/24 audit is undertaken.

External Audit Findings				
Status	Priority			Total
	Urgent	Necessary	Beneficial	
2022 or earlier	3	13	0	16
2023 new	3	5	0	8
2023 opening findings	6	18	0	24
Total in progress	3	9	0	12
Total closed	3	9	0	12
2024-08 opening findings	3	9	0	12

Management Continuous Improvement				
Status	Priority			Total
	Urgent	Necessary	Beneficial	
2024-03 opening findings	5	8	0	13
Total in progress	3	3	0	6
Total closed	2	-	0	2
2024-08 opening findings	3	9	0	11

5. Options analysis - Ngā Kōwhiringa

There were a number of areas reflected in the findings of Audit New Zealand's Report to Governors provided in the last Committee meeting, where management indicated options on whether or not to implement the findings of Audit NZ, or in the way suggested by Audit New Zealand.

Based on the detailed action plan we are indicating that all of the findings will be addressed. However, based on the late completion of the 2023 Audit, management expect some findings, though in progress, will not have been fully delivered by completion of the Audit 2024 findings and will likely be carried forward as open items into 2025,

8.1 External Audit - Management Action Plan Update(Cont.)

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1. Assessment of Significance

The recommendations of this report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and community views

Due to the low significance of the matters of this report, public participation is not required to inform decision-making, as set out in Section 6.1(a) of the Council's Significance and Engagement Policy.

7. Considerations - *Whai Whakaaro*

7.1. Financial/budget considerations

We had identified in management response to the Report to Governors in committee meeting on 1 March 2024 that the implementation of a number of the findings of Audit NZ are a reflection of compliance with recommended best practice versus the cost base of resourcing to deliver these outcomes. Management have identified additional resources to support the delivery of improvements within budget requests within LTP 2024-34.

7.2. Strategic alignment

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report

7.3. Climate change assessment

This report is assessed to have low/moderate/high climate change implications and considerations, in accordance with the Council's Climate Change Principles

7.4. Risks

Management has identified the following risks to the delivery of this continuous improvement project and associated mitigations. We do not believe any of the findings represent a high or greater risk in accordance with the enterprise risk framework, for which controls are not otherwise already in place.

Risk: Lack of resources or expertise.

Mitigation: Provide training and development opportunities. Consider outsourcing certain tasks if necessary.

Risk: Resistance to change from staff.

Mitigation: Implement change management strategies, communicate benefits clearly, and involve staff in the process.

Risk: Technical issues or system failures.

Mitigation: Ensure Digital Services support is readily available. Have backup plans in place for critical processes.

8.1 External Audit - Management Action Plan Update(Cont.)

Risk: Delays in completing of action plans affects the timeliness of the 2023-24 audit.

Mitigation: Provide frequent updates in the standing fortnightly meeting of the CFO and Chair of Risk and Assurance. Maintain attendance of the Chair of Risk and Assurance in Audit review meetings as the 2023-24 audit is delivered.

8.2 Annual Report 2023-2024 Progress Update

8.2 Annual Report 2023-2024 Progress Update



To: **Risk and Assurance Committee**

Date: **Monday, 19 August 2024**

Author: **L. Woolsey / Manager Strategy & Performance**

Authoriser: **G Connolly / CFO & GM Business Partnering**
S. Perdia / GM Strategy & Transformation

Reference: **A2723191**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of the report is to update the Risk and Assurance Committee on the progress of the Annual Report 2023-2024.

2. Recommendation - *Tohutohu akiaki*

THAT the Annual Report 2023/2024 Progress Update report be **received**.

3. Background - *He tirohanga whakamuri*

The development of the Annual Report is a mandatory process under the Local Government Act 2002 (the LGA) and is the Council's opportunity to report back to the community on its financial and non-financial performance for the year ended 30 June 2024.

The Finance and Performance Committee's role is to approve the draft Whakatāne District Council Annual Report to go to Audit. Once audited, the final Annual Report will go to the full Council for adoption.

The Risk and Assurance Committee, charged with oversight of the external audit, will receive the auditor's report from the appointed auditor, discuss any issues relating to the audit, and provide relevant direction to staff, prior to the Council receiving the final document.

4. Issue/subject – *Kaupapa*

Delays in Long Term Plan (LTP) adoptions across New Zealand due to capacity and resourcing issues have led to changes in legislation that indicate Councils may now adopt their audited Annual Report before 31 December 2024 instead of the original timeframe of 31 October. Given that the interim audit that was due to commence in June 2024 has not been completed it seems likely this provision will be necessary, both for Audit NZ and Council teams.

Aware that timeframes for delivery are critical, staff have implemented a more rigorous, cross-functional and transparent approach to project management to ensure deadlines are met by Council. While our internal project plan had been anticipating final audit of the draft Annual Report

8.2 Annual Report 2023-2024 Progress Update(Cont.)

to commence from 9 September 2024, we expect there to be delays which may have knock-on impacts internally. To ensure impacts are fully understood and adjusted timeframes are achievable, a face-to-face meeting has been scheduled between staff and Audit NZ for Thursday, 15 August 2024.

5. Options analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report.

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1. Assessment of Significance

While the activities the report refers to are deemed to have varying levels of significance, the report itself has been assessed as having a low significance in accordance with the Council's Significance and Engagement Policy.

7. Considerations - *Whai Whakaaro*

7.1. Financial/budget considerations

There are no budget considerations associated with the recommendations of this report. The development of the Annual Report is funded from existing budget.

7.2. Strategic alignment

This Annual Report is reporting against the third year of the Long-Term Plan 2021-31.

7.3. Climate change assessment

The decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles.

7.4. Risks

The timeframe for adoption of the Annual Report is not known at this stage. The project is progressing well within Council, however the adoption date for the audited Annual Report is largely dependent on the capacity for Audit NZ to finalise its audit opinion and issue the clearance required.

There are no known other significant risks to the audit process.

8. Next steps - *Ahu whakamua*

1. Meeting with Audit NZ 15/8/24 to confirm timeframes.
2. Update provided to Finance and Performance Committee 29/8/24.

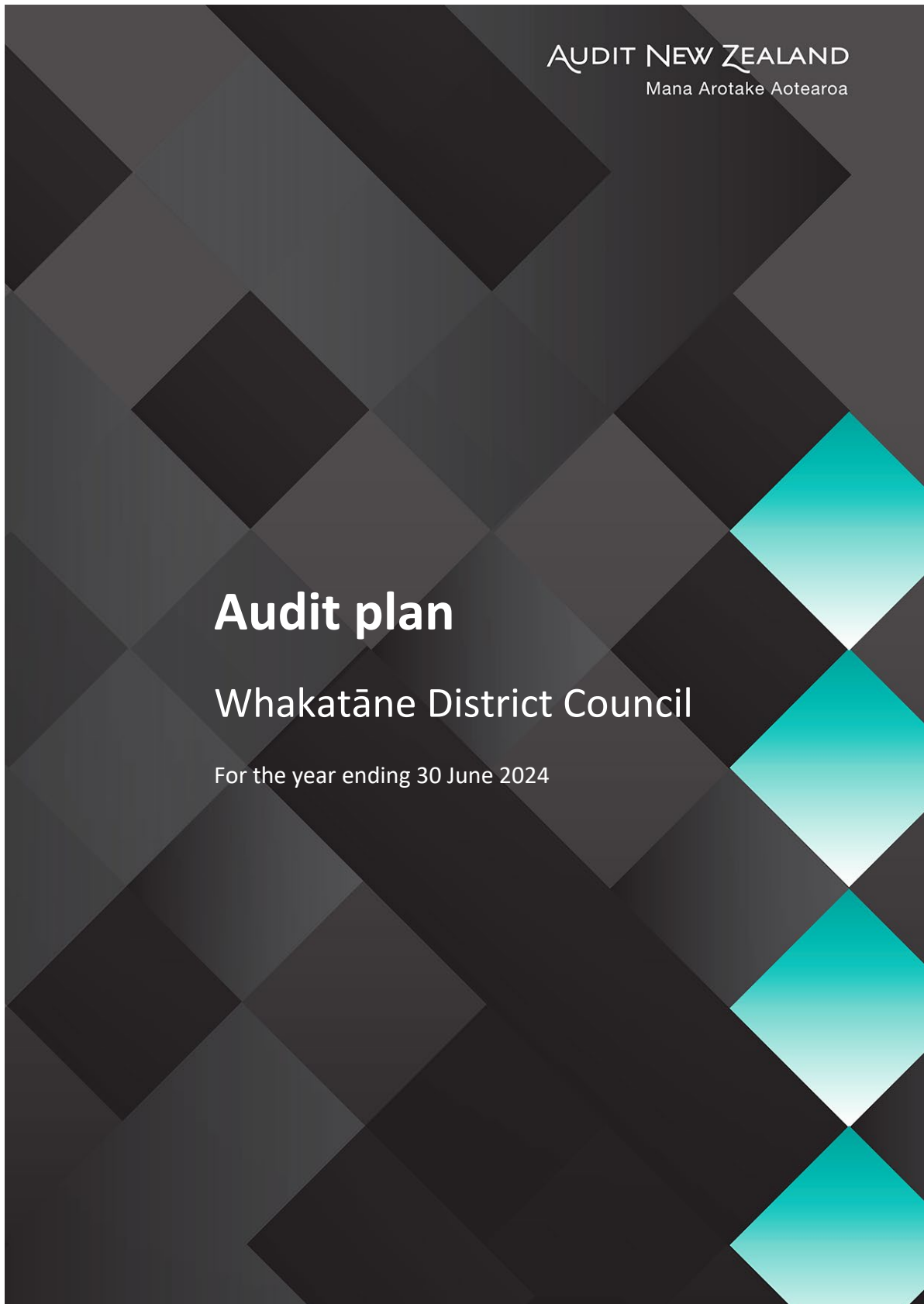
8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council

Attached to this report

- Appendix 1 – Audit Plan, Whakatāne District Council

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)



8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit plan

I am pleased to present our audit plan for the audit of Whakatāne District Council for the year ending 30 June 2024. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Our audit process	10
Reporting protocols	15
Audit logistics	16
Expectations	18

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

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

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

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

Nāku noa, nā



Clarence Susan
Appointed Auditor
13 May 2024

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risks and issues

Focus areas - significant audit risks



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

Audit risk/issue	Our audit response
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.
Fair value assessment of infrastructure (Roding Network) property, plant and equipment (non-revaluation year)	
<p>The District Council periodically revalues its infrastructure assets. PBE IPSAS 17, <i>Property, Plant and Equipment</i> requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>The Council last revalued its Roding Network in 2022. For these assets the council will be performing a fair value assessment to determine whether there is significant difference between the fair value and the carrying value. Where the estimated difference is significant a full revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. <p>The Council will be engaging external valuers, WSP New Zealand, to assist in preparing a fair value assessment.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • we will review management’s fair value assessment report including the appropriateness of the key assumptions used in the assessment; • we will also assess the competence and experience of the person(s) completing the fair value assessment and whether the requirements of PBE IPAS 17 Property, Plant and Equipment (including the appropriateness of the fair value assessment) have been met; • review the reasonableness and completeness of the data used; and • assess the presentation and disclosure of information related to the final carrying values in the financial statements.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Focus areas - areas of audit focus



Based on the planning work and discussions that we have completed to date, we set out in the table below the areas of audit focus.

Audit risk/issue	Our audit response
Fair Value Assessment of Property Plant & Equipment (Non revaluation year)	
<p>The District Council periodically revalues its operational assets. PBE IPSAS 17, <i>Property, Plant and Equipment</i> requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>During the current year, (2023/24) the below mentioned assets will be fair valued:</p> <ul style="list-style-type: none"> Land (Operational & Restricted assets). Building (Operational & Restricted assets). Harbour & Park Assets. <p>An assessment should:</p> <ul style="list-style-type: none"> factor in local cost information; and utilise relevant and reliable price movement indicators; and involve consulting with valuers, if necessary. <p>The council will be engaging external valuers, AON NZ to assist in preparing a fair value assessment.</p> <p>Impairment</p> <p>At each reporting date management must assess whether there is any indication that assets may be impaired. If management identifies any indication of impairment, then they must estimate the recoverable service amount of the asset.</p> <p>This is to ensure the carrying amount of an asset does not differ materially from its recoverable amount.</p> <p>The judgemental nature of asset revaluations, fair value assessments, and impairment assessments creates a risk of bias or error in the assumptions and inputs used. Due to the value of the asset classes in question, any bias or errors in the inputs used or calculations performed could result in a material misstatement of the District Council’s financial statements.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> we will review management’s fair value assessment report including the appropriateness of the key assumptions used in the assessment; we will also assess the competence and experience of the person completing the fair value assessment and whether the requirements of PBE IPAS 17 <i>Property, Plant and Equipment</i> (including the appropriateness of the fair value assessment) have been met; review the reasonableness and completeness of the data used; assess the presentation and disclosure of information related to the final valuation in the financial statements; Review of management’s impairment assessments and evaluating the reasonableness of significant assumptions used in the assessments; and Evaluate how management has addressed estimation uncertainty and reperform any calculations made by management.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risk/issue	Our audit response
Fair value assessment of infrastructure (3 Waters) property, plant and equipment (non-revaluation year)	
<p>The District Council periodically revalues its property, plant and equipment. PBE IPSAS 17, <i>Property, Plant and Equipment</i> requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>The Council last revalued its three waters assets (Wastewater, Stormwater and Water supply) as at 30 June 2023 and has engaged external specialist - AON NZ to perform a fair value assessment to determine whether there is a significant difference between the fair value and carrying value. Where the estimated difference is significant a full revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. <p>The Council will be engaging external valuers, Aon NZ, to assist in preparing a fair value assessment of the 3 Waters.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • we will review management’s fair value assessment report including the appropriateness of the key assumptions used in the assessment; • we will also assess the competence and experience of the person completing the fair value assessment and whether the requirements of PBE IPAS 17 <i>Property, Plant and Equipment</i> (including the appropriateness of the valuation basis) have been met; • review the reasonableness of the data and key assumptions used; and • assess the presentation and disclosure of information related to the valuation in the financial statements.
Capitalisation of Work in Progress	
<p>The District Council continues to have a significant ongoing capital programme.</p> <p>Accounting for capital projects, whether completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant impact on the financial statements.</p> <p>Management and the Council are responsible for managing the financial statement risks associated with capital projects. To help Council conclude on the matters below we expect Council to prepare a “year-on-year” three-year age analysis.</p> <p>Council need to ensure that:</p> <ul style="list-style-type: none"> • project costs are appropriately classified as capital or operational in nature; 	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing a sample of work in progress additions to ensure project costs are appropriately classified as capital or operational; • reviewing Council’s assessment over work in progress (WIP) balances; • reviewing Council’s impairment assessment over work in progress; • reviewing Council have expenses costs no longer meeting criteria for recognition; and • ensuring that asset components are identified at an appropriate level, and appropriate useful lives are assigned.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risk/issue	Our audit response
<ul style="list-style-type: none"> • work in progress balances are reviewed for assets available for use and appropriately capitalised and depreciated accordingly; • work in progress on projects are assessed regularly for impairment; • costs no longer meeting criteria for recognition as an asset should be expensed in a timely manner; and • asset are identified at appropriate components and useful lives are assigned at a component level. 	
Non-Current Asset held for Sale - 77 Bunyan Road	
<p>The Council entered into an agreement to Sale land (77 Bunyan Road, Coastlands) which was finalised with an unconditional sale and purchase agreement which remains valid.</p> <p>The sale was piecemeal and as each stage of development was completed, funds were to be released. The Title was to transfer to the purchaser before the next stage of development and after the purchase price for that stage is paid.</p> <p>No block titles have been passed to date and no further funds have been received from the developer during FY 2023 and hence, this was classified as the sale as a Non-Current Asset Held For Sale with a split between current and non-current in FY 2023.</p> <p>Fair value assessments need to be completed for this property as PBE IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> do not apply to non-current assets accounted for by the fair value model in IPSAS 16 <i>Investment Property</i>.</p> <p>An assessment should be prepared over any changes in the assumptions and facts on which previous accounting treatment conclusions have been reached.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • Assess whether the valuations have been performed in accordance with PBE IPSAS 16: Investment Property detailed in the below area of focus “valuation of Investment Property”. • Ensure the provision for onerous contract is correctly accounted for. • review changes to assumptions and facts on which previous accounting treatment conclusions have been reached. • ensure that the appropriate disclosures have been made in the financial statements.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risk/issue	Our audit response
Investment in Boat Harbour entity	
<p>During 2021/22 Council signed the transformational partnership between the Crown, Te Rāhui Lands Trust, Ngāti Awa Group Holdings Limited and Council to create Te Rāhui Herenga Waka Whakatāne 2021 Limited Partnership for the Whakatāne Boat Harbour Development.</p> <p>Two applications were submitted to the Provincial Growth Fund (PGF) in September 2019. An announcement made on 13 March 2020 confirmed all three applications were successful, securing \$19.6 million for a boat harbour development, \$9.6 million for the riverfront revitalisation project and \$7.8 million for Ngāti Awa’s Kāinga development at the Whakatāne Army Hall.</p> <p>Council have made payment of \$5.5 million during the FY 2022/23 with further commitment of \$4 million in 2023/24, this has been accounted for as a financial asset.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • Obtain an update on the progress of the boat harbour development from council and review accounting treatment of investments made in the Boat Harbour Entity. • Review associated disclosures ensure that these have been made appropriately in the financial statements.
Valuation of investment property	
<p>PBE IPSAS 16: <i>Investment Property</i> requires investment properties to be revalued on an annual basis.</p> <p>There are some aspects to the valuation of investment properties that require particular use of judgement in determining their fair value.</p> <p>We understand the District Council has engaged an external valuer to revalue investment properties during the financial year.</p>	<p>Our audit response to this risk includes:</p> <p>We will assess whether the valuations have been performed in accordance with PBE IPSAS 16: <i>Investment Property</i>. In particular, we will:</p> <ul style="list-style-type: none"> • assess the competence and objectivity of the valuer(s) used; • ensure the valuation approach was in accordance with professional valuation standards and suitable for determining the fair value; • review key assumptions including assessing whether evidence used by the valuer is based on market evidence and applicable industry data; • ensure the valuation movement was correctly accounted for within the respective assets; and • use of an auditor expert where required.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risk/issue	Our audit response
“Local Water Done Well” Programme	
<p>In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.</p> <p>The Government intends implementing its “Local Water Done Well” programme through the passing of two further bills through Parliament.</p> <p>The first bill will set out provisions relating to council service delivery plans and transitional economic regulation. It will also provide for streamlining the establishment of Council Controlled Organisations to deliver water should councils desire to do so.</p> <p>A second bill will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.</p> <p>The first and second bills are expected to be passed by mid-2024 and mid-2025 respectively.</p> <p>Until the content of the bills is known the impact on the council and on the 30 June 2024 annual report is unclear.</p> <p>The Council should ensure the annual report includes sufficient disclosure about the impact of the programme (to the extent that the impact is known).</p>	<ul style="list-style-type: none"> • Our audit response to this risk includes: • reviewing the Council’s assessment of the impact of the legislative change on the annual report to ensure any accounting or disclosure implications are considered; • considering whether we may include information in our audit report to draw a reader’s attention to Council’s disclosure about the programme.
Drinking water quality performance measure	
<p>Providing safe drinking water is a core function of the council and reporting how Council has performed in respect of this function in the annual report is important performance information.</p> <p>The regulatory regime in place over the safety of drinking water has transitioned in the current year from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs) which came into effect on 14 November 2022.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • We will update our knowledge of the systems and controls in place and perform appropriate testing to determine if we can rely on those controls. • We will work with council to review the performance information related to Drinking Water Quality and audit the results reported against the agreed measures.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit risk/issue	Our audit response
<p>Performance measures about compliance with the DWS are currently mandated by the Department of Internal Affairs who have issued mandatory performance measures that are required to be reported against in Council’s annual report.</p> <p>There are currently no similar performance measures with respect to the new DWQARs. Despite this it is important that the Council includes appropriate performance information about their compliance with the new DWQARs. This performance information will be subject to audit and therefore it is important that Council is able to support the performance results that they report.</p> <p>Taumata Arowai does not currently have an equivalent system in place and does not use independent drinking water assessors.</p>	<p>We may also carry out additional audit procedures to obtain sufficient appropriate audit evidence for the performance measures or engage an auditor’s expert to carry out the procedures for Council.</p>

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

Fraud risk

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

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

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Our responsibility

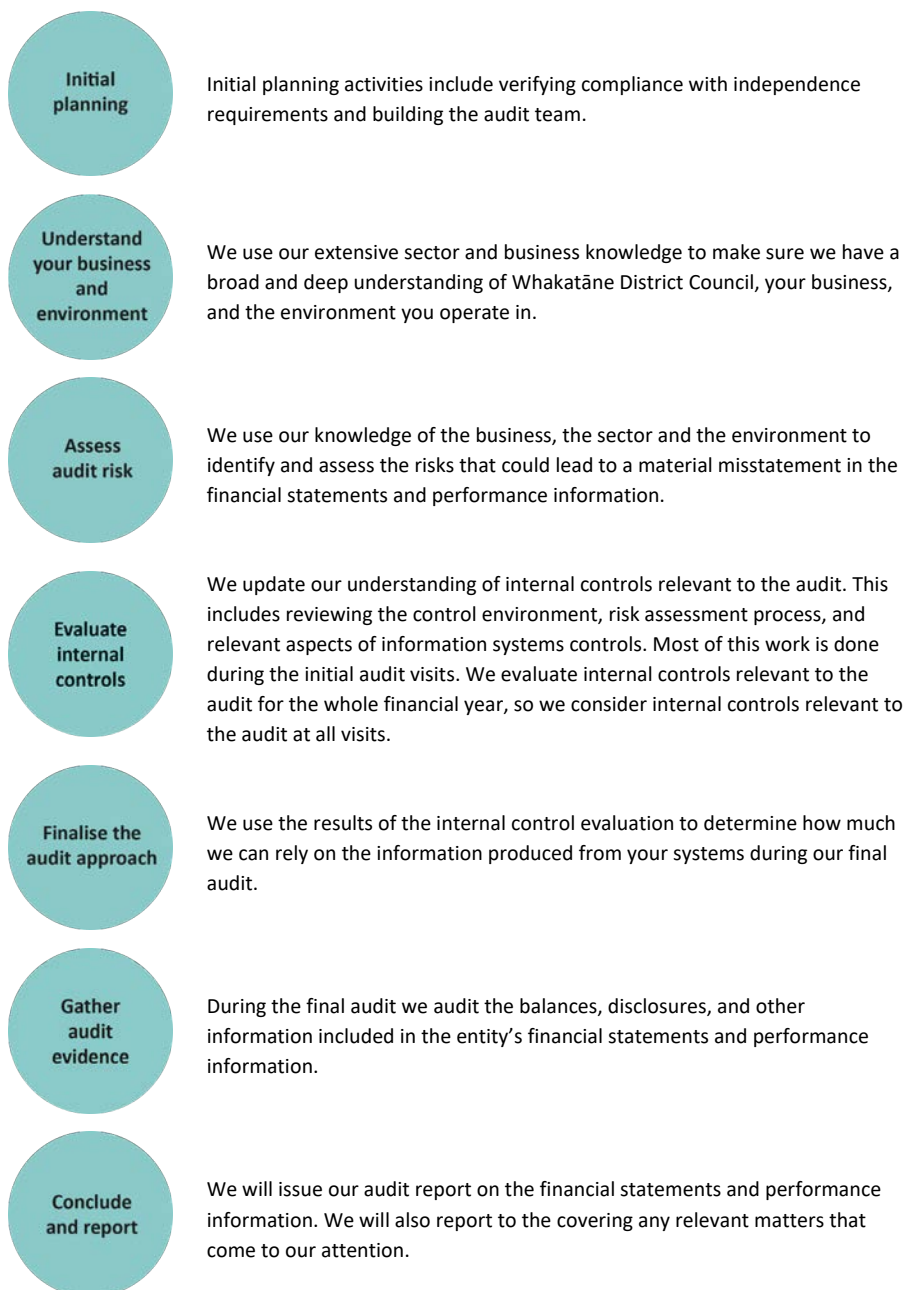
Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

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

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Our audit process



8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Materiality

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

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

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

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer's perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

For planning purposes, we have set **overall materiality** for the financial statements at \$105,900,000 based on the annual plan for 2023- 24 (Property plant & equipment). This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

Overall materiality	\$105,900,000
Specific materiality	\$2,650,000
Clearly trivial threshold	\$132,500

For this audit we have set a lower, **specific materiality** of \$2,650,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

We will report all uncorrected misstatements to the other than those that are **clearly trivial**. We consider misstatements of less than \$132,500 to be clearly trivial unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the on the reasons why the corrections will not be made.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the District Council’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of the District Council’s performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Misstatements
 Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Material measure	Materiality
Water supply	
<p>Safety of Drinking Water</p> <p>The extent to which the local authority’s drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	0%
<p>Water supply – Customer Satisfaction</p> <p>The total number of complaints received by the local authority about any of the following:</p> <p>(a) drinking water clarity</p> <p>(b) drinking water taste</p> <p>(c) drinking water odour</p>	5% of the reported result.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Material measure	Materiality
(d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system.	
Wastewater	
The total number of complaints received by the TA about any of the following: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the TA's response to issues with its sewerage system, expressed per 1000 connections to the TA's sewerage system.	5%
Dry weather sewerage overflows (System Adequacy) The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	8% of the reported result.
Stormwater drainage	
Stormwater flooding - system adequacy (a) The number of flooding events that occur in a TA district. (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the TA's stormwater system.)	8%
Transport connections	
Roading - Renewal of assets The percentage of the sealed local road network that is resurfaced.	8% of the reported result.
Roading asset quality - road condition The average quality of ride on a sealed local road network, measured by smooth travel exposure.	8% of the reported result.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Professional judgement and professional scepticism

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

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

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

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

How we consider compliance with laws and regulations

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

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

Wider public sector considerations

A public sector audit also examines whether:

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Reporting protocols

Communication with management and the Council



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

Meeting with	Planned timing
Audit and Risk Committee	Appointed auditor will attend most meetings and have separate planning and update meetings throughout the audit.
Chief Financial Officer and General Manager Business Partnering	Appointed Auditor will have regular phone or face-to-face meetings as necessary.

Reports to the Council



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

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Audit logistics

Our team



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

Our senior audit team members are:

Clarence Susan	Appointed Auditor
Nishant Mehta	Audit Manager
Ferdinand Dasigao	Information Systems Audit and Assurance Manager
Jason Biggins	Tax Director

Timetable



Our proposed timetable is:

Interim audit begins	10 June 2024
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	2 September 2024
Final audit begins	9 September 2024
Final financial statements available, incorporating all the amendments agreed to between us	TBC
Verbal audit clearance given	TBC
Audit opinion issued	TBC
Draft report to the Council issued	TBC

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

AuditDashboard

In 2021, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard. Overall, the use of AuditDashboard had good results, and provided an effective way for us and management to track status of requests, and ensure timely delivery of information.

We will again use AuditDashboard for transferring files as part of the audit.

Working remotely

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you as part of your 2024 audit. This will include our continued use of AuditDashboard to manage our information requests.

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Expectations



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

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

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- your staff will provide us with an appropriate level of assistance;
- where there are technical issues or significant uncertainty, you will bring these to our attention as soon as practical and provide us with technical advice the entity has received;
- all estimates, judgements and critical decisions made by management should be the content of a formal paper and subjected to appropriate levels of quality review;
- 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;
- 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;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)

Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

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

8.2.1 Appendix 1 – Audit Plan, Whakatāne District Council(Cont.)



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.parliament.nz

PO Box 621
Tauranga 3144
Phone: 04 496 3099



8.3 Update of Internal Audit Assurance

8.3 Update of Internal Audit Assurance



To: **Risk and Assurance Committee**

Date: **Monday, 19 August 2024**

Author: **I McNiven / Procurement and Risk Manager**

Authoriser: **G Connolly / CFO & GM Business Partnering**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to set out the Internal Assurance Programme and to provide an update on recent audits completed.

2. Recommendation - *Tohutohu akiaki*

THAT the committee **receives** the Internal Audit Work Programme 2024/25 report.

3. Background - *He tirohanga whakamuri*

3.0.1. **Enterprise Risk Framework**

The Council have agreed to follow a good practice approach to the Enterprise Risk Framework largely based upon ISO Standard 31000:2009 Risk Management.

The framework incorporates the importance of Internal Audit as one of the four key lines of defence necessary to have in place to provide management, the Risk and Assurance committee, and therefore the Council oversight on the effectiveness of risk management treatments and controls.

3.0.2. **Building Consent Authority Accreditation Assessment**

Assessment undertaken by International Accreditation New Zealand in June 2024.

This special assessment was undertaken one year after the previous assessment being undertaken as a number of Serious Non-compliances were identified during the June 2023 assessment, as well as 16 General Non-compliances.

3.0.3. **Findings:**

The assessment found that WDC was generally performing to a good standard. Procedures were observed to generally be appropriately documented, and in most cases met the requirements of the Regulations and MBIE checklists. Previous findings about the recording of processing and inspection records had been largely addressed, with an improved quality of processing and inspection records noted during this assessment.

The Manager Building and Quality Manager both demonstrated a passion for their roles and an openness and willingness for continuous improvement of the Council's performance.

8.3 Update of Internal Audit Assurance(Cont.)

Observations and non-compliances are detailed below. The outstanding non-compliances must be addressed in order for accreditation to continue. Next assessment due June 2025.

	Serious non-compliances	General non-compliances
June 2023	5	16
June 2024	-	10

The assessment has resulted in 7 recommendations and 3 advisory notes. Advisory notes are intended to assist your BCA to improve compliance with accreditation requirements based on IANZ’s experience. They are not conditions for accreditation and do not have to be implemented to maintain accreditation.

3.0.4. EOC Audit

Emergency Management Bay of Plenty (EMBOP) coordinated an audit of the Whakatane Emergency Operations Centre in May 2024.

The purpose of the regional auditing process to ensure that there is local and regional capability (Emergency Operations Centre and Emergency Coordination Centre) to activate and effectively establish a response capability; as well as develop the capacity and capability of the Bay of Plenty CDEM Group. The audit process assesses the ability to contact and activate staff and access to appropriate facilities and infrastructure and equipment to support an emergency to enable an effective and efficient response.

3.0.5. Findings:

The audit of Whakatane District Council EOC demonstrated that there has been significant progress made over the last 12 months. The increased dedicated CDEM staffing has clearly enabled the organisation to progress with a range of activities that have directly improved the overall response capability. This has been achieved through the resourcing and establishment of the new EOC facility, development of clear processes and procedures and the implementation of maintenance and testing schedules. This progress in addition to the increase staff engagement and collaboration between partner agencies has placed WDC in a much better position to be able to respond to events and support their communities.

	Severe	Major	Medium	Minor
May 2024	-	6	7	-

3.0.6. Food Premises QSM Assessment

Audit undertaken by International Accreditation New Zealand in June 2024.

Whakatāne District Council had the following functions under the Food Act 2014:

- Registration of food businesses;
- Verification of Template Food Control Plans (FCPs) within Territorial Authority exclusivity;
- Verification of Template FCPs outside Territorial Authority exclusivity;
- Verification of National Programmes;
- Applicable enforcement, compliance and monitoring activities.

8.3 Update of Internal Audit Assurance(Cont.)

To undertake verifications of Template FCPs outside council exclusivity and the verification of National Programmes, Whakatāne District Council was required to maintain its recognition by MPI according to the Food Act 2014. The purpose of this assessment was to conduct an organisational competence assessment of Whakatāne District Council. This assessment consisted of a remote assessment of Whakatāne District Council's (WDC) Quality Management System (QMS) against the Food Act 2014, the Food Regulations 2015, and MPI criteria on 11 June 2024.

3.0.7. Summary of Findings:

Assessment summary confirmed that WDC had a Quality Management System and processes that demonstrated appropriate control and commitment to their systems' overall management and continuous improvement.

The assessment found that WDC was operating to a satisfactory level of conformance with the requirements of recognition as a Recognised Agency, except for the issues identified in the report as non-conformities (NCs). The assessment also provided for another 17 recommendations which did not impact conformity.

The report indicates that continued recognition will be recommended, on the understanding that the NCs will be addressed.

	Non-conformity	Recommendations
June 2024	2	27

3.0.8. Areas of Non-conformity:

1. Regulation 103 The Food Regulations - Review the process for managing overdue corrective actions and cases where recent verifications have been updated to Overdue – Closed Out on Titiro. WDC should clarify with MPI the process for managing this. WDC may need to consider documenting how it deals with these situations including cases where escalation is required.
2. Regulation 110 (d and e) The Food Regulations - A contracted verifier was engaged in 2024 but there were no records to show this verifier had been inducted or authorised for food sectors by WDC. The verifier was also not listed under WDC agency recognition. Action - Review the process for inducting and training verifiers.

3.1. Internal Audit Work Plan Update

The committee prioritised four focus areas, as detailed below, of which one would be delivered in the 2024 calendar year.

- Procurement framework and policy and process alignment review
- Vendor procurement process for emergency works
- Contracts variations process
- Accounts Receivable Debtors Collections Management

Based on review with executive and recommendation of Chief Executive we have engaged the services from BOPRC to commence an internal audit review of 'Vendor procurement process for emergency works' which is scheduled to occur prior to December 2024.

8.3 Update of Internal Audit Assurance(Cont.)

4. Options analysis - *Ngā Kōwhiringa*

The purpose of this report is to provide the committee with an update on the 2024 Internal Assurance Work Programme, there is no further options analysis needed as a result of this update.

5. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

5.1. Assessment of Significance

The recommendations of this report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy.

5.2. Engagement and community views

Due to the low significance of the matters of this report, public participation is not required to inform decision-making, as set out in Section 6.1(a) of the Council's Significance and Engagement Policy.

6. Considerations - *Whai Whakaaro*

6.1. Financial/budget considerations

Budget has been provided with Long Term Plan 2034 year 1 to enable deliver of the internal audit programme. There are no further financial or budget considerations within this paper.

6.2. Strategic alignment

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report

6.3. Climate change assessment

Based on this climate change assessment, the decisions and matters of this report are assessed to have low/moderate/high climate change implications and considerations, in accordance with the Council's Climate Change Principles

6.4. Risks

There are no known risks associated with the matters of this report.

Attached to this report:

- Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report
- Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024
- Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024



The NZ mark of competence
Tohu Matatau Aotearoa

**BUILDING CONSENT AUTHORITY ACCREDITATION
INITIAL ASSESSMENT REPORT**

Whākatane District Council

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

CONTENTS

BCA AND ASSESSMENT DETAILS	4
INTRODUCTION	5
ASSESSMENT SUMMARY	5
CONTINUING ACCREDITATION	5
IDENTIFYING AND NUMBERING OF NON-COMPLIANCES	5
STEPS TO ADDRESSING NON-COMPLIANCES IDENTIFIED	6
RISK ASSESSMENT	7
NEXT ACCREDITATION ASSESSMENT	7
ASSESSMENT OBSERVATIONS AND RECORDS OF NON-COMPLIANCE	8
General Non-compliance No. 1: Action Plan accepted <input type="checkbox"/> Cleared select date.	8
General Non-compliance No. 2A: Action Plan accepted <input type="checkbox"/> Cleared select date.	9
General Non-compliance No. 2B: Action Plan accepted <input type="checkbox"/> Cleared select date.	10
General Non-compliance No. 3: Action Plan accepted <input type="checkbox"/> Cleared select date.	13
General Non-compliance No. 4: Action Plan accepted <input type="checkbox"/> Cleared select date.	15
General Non-compliance No. 5: Action Plan accepted <input type="checkbox"/> Cleared select date.	18
General Non-compliance No. 6: Action Plan accepted <input type="checkbox"/> Cleared select date.	19
General Non-compliance No. 7: Action Plan accepted <input type="checkbox"/> Cleared select date.	20
General Non-compliance No. 8: Action Plan accepted <input type="checkbox"/> Cleared select date.	21
General Non-compliance No. 9: Action Plan accepted <input type="checkbox"/> Cleared select date.	22
General Non-compliance No. 10 Action Plan accepted <input type="checkbox"/> Cleared select date.	23
SUMMARY OF RECOMMENDATIONS	25
SUMMARY OF ADVISORY NOTES	26
SUMMARY TABLE OF NON-COMPLIANCE	27

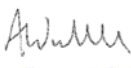

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

BCA AND ASSESSMENT DETAILS

ORGANISATION DETAILS						
Organisation:		Whākatane District Council				
Address for service:		14 Commerce Street, Whakatane 3120				
Client Number:	7474	Accreditation Number:	25			
Chief Executive:		Steph O'Sullivan				
Chief Executive Contact Details:		steph.o'sullivan@whakatane.govt.nz				
Responsible Manager:		Liisa Tioke				
Responsible Manager Contact Details:		Liisa.Tioke@whakatane.govt.nz				
Authorised Representative:		David Bewley				
Authorised Representative Contact Details:		David.Bewley@whakatane.govt.nz				
Quality Manager:		Liisa Tioke				
Quality Manager Contact Details:		Liisa.Tioke@whakatane.govt.nz				
Number of FTEs Total FTEs should = technical FTEs + admin FTEs + vacancies	Technical	8	Admin support	2		
	Vacancies (Technical)	0	Vacancies (Admin)	0		
Building Consents						
Activity during the previous 12 months	R1	295	R2	36	R3	23
	C1	40	C2	9	C3	0
	CCCs				518	
	New compliance schedules				10	
	BCA Notices to Fix				2	
ASSESSMENT TEAM						
Assessment Date:		25 June 2024 to 27 June 2024				
Lead Assessor:		Adrienne Woollard				
Lead Assessor Contact Details:		awoollard@ianz.govt.nz				
Technical Expert:		Brendan Guyton				
Observer:		Gary Higham				
ASSESSMENT FINDINGS						
		This assessment (RR):		Last assessment (RR):		
Total # of "serious" non-compliances:		0		5		
Total # of "general" non-compliances:		10		16		
Total # of non-compliances outstanding:		10		18		
Recommendations:		7		16		
Advisory notes:		3		5		
Date clearance plan required from BCA:		9 August 2024				
Date non-compliances must cleared:		11 October 2024				
NEXT ASSESSMENT						
Recommended next assessment type:		Routine Reassessment				
Recommended next assessment date:		June 2025				
IANZ REPORT PREPARATION						
Prepared by: Adrienne Woollard		Date: 12 July 2024		Signature: 		
Checked by: Georgina Jackson		Date: 12 July 2024		Signature: 		

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

INTRODUCTION

This report relates to the special monitoring assessment of the **Whākatane District Council Building Consent Authority (BCA)**, which took place on site during **June 2024** to determine compliance with the requirements of the *Building (Accreditation of Building Consent Authorities) Regulations 2006* (the Regulations).

This report is based on the document review, witnessing of activities and interviews with the BCA's employees and contractors undertaken during the accreditation assessment.

A copy of this report, and subsequent information regarding progress towards clearance of non-compliances, will be provided to the Ministry of Business, Innovation and Employment (MBIE) in accordance with International Accreditation New Zealand's (IANZ) contractual obligations. This report may also be made publicly available by the BCA as long as this is not done in a way that misrepresents the content within. It may also be released under the Local Government Meetings and Official Information Act 1987 consistent with any ground for withholding that might be applicable. IANZ may also be required to release this report and assessment documentation if requested under the Official Information Act 1987.

ASSESSMENT SUMMARY

This special assessment was planned to be taken one year after the previous assessment being undertaken as a number of Serious Non-compliances were identified during the June 2023 assessment, as well as 16 General Non-compliances.

This assessment identified that the BCA was generally performing to a good standard. Procedures were observed to generally be appropriately documented, and in most cases met the requirements of the Regulations and MBIE checklists. Previous findings about the recording of processing and inspection records had been largely addressed, with an improved quality of processing and inspection records noted during this assessment.

The Manager Building and Quality Manager both demonstrated a passion for their roles and an openness and willingness for continuous improvement of the BCA's performance.

Observations and non-compliances are detailed below. The outstanding non-compliances must be addressed in order for accreditation to continue.

CONTINUING ACCREDITATION

Accreditation is a statement, by IANZ, that your organisation complies with the Regulations and MBIE BCA accreditation scheme guidance documents (as relevant). Where non-compliance with the Regulations has been identified, the Act requires that it must be addressed.

IDENTIFYING AND NUMBERING OF NON-COMPLIANCES

Non-compliance numbers have been issued to each Regulation and sub-Regulation which was assessed and found to be non-compliant, however, where more than one non-compliance is identified within one Regulation or sub-Regulation, then only one finding number is generated.

Regulations 7(2)(d)(v) and 7(2)(f) had been split out into their component parts to enable easy recording and management of the key issues.

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

STEPS TO ADDRESSING NON-COMPLIANCES IDENTIFIED

Step 1	<p>Action plans Non-compliances raised during the assessment have been summarised and recorded in detail in this report. BCA to analyse the root cause of the finding within the finding tables nested under the relevant regulation, and then develop and document an action plan to address each finding (including documenting the evidence that will be submitted to address the finding).</p>	Required to be submitted within 10 working days of the receipt of this report.
Step 2	<p>IANZ reviews the action plans provided IANZ will analyse the submitted action plans with the proposed evidence of implementation indicated, and will respond to the BCA accordingly with required improvements and/or acceptance of the plan.</p>	IANZ has a KPI of 10 working days to review and respond. Action plans and proposed evidence required to be accepted within 20 working days of the receipt of this report.
Step 3	<p>Submitting clearance evidence Upon the acceptance of all action plans, the BCA can proceed to provide clearance evidence to IANZ.</p>	BCA to submit a separate email to address each GNC, ideally containing all listed proposed evidence.
Step 4	<p>Review of clearance evidence Upon receiving clearance evidence, IANZ will review the appropriateness of the evidence to clear the identified non-compliance(s). Note that where the evidence provided does not provide sufficient assurance that the non-compliance has been addressed then IANZ may request further information to be satisfied, even if supply of that information was not detailed in the original action plan.</p>	IANZ has a KPI of 10 working days to review and respond to each piece of clearance evidence provided.
Step 5	<p>Last date for information submission The BCA must provide its final clearance information in sufficient time to allow for review, revision and resubmission of the information before the last date for final information submission provided.</p>	If insufficient or incomplete information is received by the last date for information submission, the BCA must apply for an extension of time (if relevant). Alternatively, an initial notice of possible revocation of accreditation may be issued.
Step 6	<p>Final clearance The BCA must clear all identified non-compliances.</p>	Within 3 months of the issuing of this report (unless an extension is granted, or a finding is conditionally cleared waiting for future information).

If you do not agree with the non-compliances identified, or if you need further time to address non-compliances, please contact the Lead Assessor as soon as possible. Where you are seeking an extension to an agreed timeframe to address a non-compliance, your Chief Executive is required to make a formal request for an extension of the timeframe. These will only be granted for unpredictable and unmanageable reasons.

Please note that failure to provide timely objective evidence that identified non-compliances have been effectively and sustainably resolved may result in a recommendation to revoke accreditation.

If you have a complaint about the assessment process, please refer to the BCA Accreditation disagreements guidance which can be found [here](#), or contact the IANZ Lead Assessor, IANZ Programme Manager – Building, or IANZ Operations Manager - Inspection and BCA sectors, for further information about the IANZ appeals and complaints process.

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

RISK ASSESSMENT

The BCA's risk, both to the Territorial Authority, as a BCA and also as an organisation accredited by IANZ was assessed. The BCA was considered to pose a **Low Risk**. The Risk Decision table is displayed below for reference.

High risk	A non-functioning BCA - depending on extent and type of risk and agreed management method. E.g. there is a pattern of failure to follow a policy, procedure or system (PPS) by a single or multiple employees, and/or that the PPS had not been consistently and effectively implemented.	Some form of monitoring within 6 months
Medium risk	The BCA is not currently compliant and is unlikely to demonstrate substantial compliance at the next assessment, or there was a failure to implement PPS over two or more assessment cycles.	1 year
Low risk	"Normal" risk (the BCA is likely to remain substantially compliant over the next two years).	2 years
Extra Low risk	The BCA is almost fully compliant and likely to remain that way.	Reduced monitoring at next 2 yearly assessment

The main reasons for considering this risk category were:

- The BCA was seen to have worked hard to address issues identified during their previous assessments and had made excellent progress towards achieving full compliance with the requirements for accreditation. No serious non-compliances and only 10 general non-compliances were raised during this assessment.
- During the assessment, all employees were seen to demonstrate a passion for their roles and an openness and willingness to improve the BCA's performance.
- Most of the BCA's procedures were seen to be appropriately documented, with only a few minor amendments being identified as being required during this assessment.

NEXT ACCREDITATION ASSESSMENT

If your BCA does not undergo a significant change, requiring some form of interim assessment, or the BCA is unable to clear the identified non-compliances within the agreed timeframe, the next assessment of the BCA is currently planned as a **Routine Reassessment** for **June 2025**.

You will be formally notified of your next assessment at least six weeks prior to its planned date.

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

ASSESSMENT OBSERVATIONS AND RECORDS OF NON-COMPLIANCE

Regulation 7(2)(d)(iv) Processing building consent applications
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for processing building consent applications to establish whether the applications complied with the requirements of the Act, the Building Code, and any other applicable regulations under the Act specified for buildings, in accordance with Regulation 7(2)(d)(iv).</p> <p>The June 2023 assessment identified that the BCA was recording reasons for their processing decisions that were in most cases heavily reliant on the prepopulated text within the AlphaOne system. During this assessment it was observed that in general, appropriate reasons for decisions were being recorded. The exception to this was where consent processing by a contractor did not contain clear compliance path consideration of the Performance Standards for specified systems. It is recommended that the BCA considers reviewing/auditing the level of relevant reasons for decision documented by the contractor/s in relation to the consideration of Specified Systems. See Recommendation R1</p> <p>The June 2023 assessment identified that in some cases the BCA's building consent clock was not managed correctly during processing when information was received in response to Requests for Further Information (RFIs). During this assessment a review of the processing completed internally by the BCA identified that they had consistently implemented the required procedure/process for RFI clock management. However, within the review it was identified that the BCA's contractor working within their system had not consistently managed the clock correctly in relation to a "complete" RFI response in the applications that they had managed. For these applications the clock was not consistently or appropriately restarted on the receipt date of the complete response. See GNC 1</p>

General Non-compliance No. 1: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 7(2)(d)(iv)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
In some cases, the BCA's contractor had not started and stopped the clock appropriately in relation to the receipt of required information (the clock was not appropriately restarted on the receipt date of the complete response).							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION (To be provided by BCA)							
PROPOSED EVIDENCE OF IMPLEMENTATION (To be provided by BCA):							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date							
ORG (Initials)							
Date							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 7(2)(d)(v) Granting and issuing building consents and Compliance with Form 5
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for granting and issuing consents, in accordance with Regulation 7(2)(d)(v).</p> <p>Within the assessment of Form 5s issued subject to a “draft” Compliance Schedule, some issues were identified:</p> <ul style="list-style-type: none"> The Performance Standard listed did always align with the Fire report and/or the processing record. One did not contain a Specified System that was proposed within the Fire report and considered within the processing record (SS4), where no notes were included within the AlphaOne system on why this specified system was not included in the document. One Form 5 contained a Specified System that was not proposed within the Fire report or considered within the processing record (SS3/3). There were no notes within the AlphaOne system on why this specified system was included in the Form 5. <p>See GNC 2A</p> <p>Within the assessment of Form 5s issued subject to a “draft” Compliance Schedule, the body of the Form 5 indicated that a Draft Compliance Schedule was attached, but under the heading of “attachment” on the form it was not listed. For clarity, the BCA is recommended to consider to also list the draft Compliance Schedule under the heading of Attachments.</p> <p>See Recommendation R2</p> <p>Within the review of one draft Compliance Schedule, it was identified that there “could” have been signage relevant to the proposed SS3/1 (auto door). The BCA is advised to consider and record signage for auto doors as part of the signage requirement under SS14/2.</p> <p>See Advisory Note A1</p>

General Non-compliance No. 2A: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 7(2)(d)(v)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input checked="" type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Within the assessment of Form 5s issued subject to a “draft” Compliance Schedule some issues were identified:</p> <ul style="list-style-type: none"> The Performance Standard listed did always align with the Fire report and/or the processing record. One did not contain a Specified System that was proposed within the Fire report and considered within the processing record (SS4), where no notes were included within the AlphaOne system on why this specified system was not included in the document. One Form 5 contained a Specified System that was not proposed within the Fire report or considered within the processing record (SS3/3). There were no notes within the AlphaOne system on why this specified system was included in the document. 							
IMPORTANT DATES							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

Date this action plan was accepted by IANZ:		Click or tap to enter a date.
Final date evidence of implementation can be accepted from BCA:		27 September 2024
PLAN OF ACTION <i>(To be provided by BCA)</i>		
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>		
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:		
Date ORG (Initials)		
Date ORG (Initials)		
NON COMPLIANCE CLEARED		
Signed:		Date: Click or tap to enter a date.

Regulation 7(2)(d)(v) Lapsing building consents
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for lapsing of Building Consents, in accordance with Regulation 7(2)(d)(v).</p> <p>Implementation was not always adequate where, although lapsing was recorded, it was not always recorded on the lapse date (and in one example weeks later). The AlphaOne File note did not record the actual lapse date as required by the procedure.</p> <p>In some cases, a technical decision was made to extend the lapse date, but this decision was not recorded as being made by a technical person. See GNC 2B</p>

General Non-compliance No. 2B: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 7(2)(d)(v)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Although lapsing was being recorded, it was not always recorded on the lapse date (and in one example a long time later). The AlphaOne File note did not record the actual lapse date as required by the procedure.</p> <p>In some cases, a technical decision was made to extend the lapse date, but this decision was not recorded as being made by a technical person.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:						Click or tap to enter a date.	
Final date evidence of implementation can be accepted from BCA:						27 September 2024	
PLAN OF ACTION <i>(To be provided by BCA)</i>							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
Date ORG (Initials)	
Date ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 7(2)(d)(v) Compliance with statutory timeframes for granting and issuing building consents
Observations and comments, including good practice and performance
<p>The BCA's procedure stated that it would issue building consents within 20 working days. The BCA's compliance with the statutory timeframe for granting and issuing building consents within 20 working days was seen to be averaging around 81%, which was not considered to be substantially compliant (Results for April to June 2024 were 86%, 87% and 89%).</p> <p>The BCA was seen to be actively monitoring their compliance with the statutory time limits and where they were not meeting the timeframes they were considering the reasons why and appropriate actions required to resolve the issue. Where appropriate, the BCA utilised contractors to ensure that they had sufficient resources to complete the work within the required timeframe.</p>

Regulation 7(2)(f)(i) Application for code compliance certificates
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for receiving and considering applications for a Code Compliance Certificate in accordance with Regulation 7(2)(f).</p> <p>Applications were checked for completeness and, if complete, accepted into the BCA's system for consideration of issue of CCC and the statutory clock started.</p>

Regulation 7(2)(f)(i) Preparing and issuing code compliance certificates
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for the preparation and issuing Code Compliance Certificates in accordance with Regulation 7(2)(f).</p> <p>The BCA was seen to appropriately issue CCCs once they had received all of the required documentation.</p>

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

Regulation 7(2)(f)(i) 24-month CCC decisions	
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for making a 24-month decision on whether to issue a Code Compliance Certificate where no application for Code Compliance Certificate had been received.</p> <p>The BCA was reviewing building consent applications where work had not been completed at 23 and 24 months, and in some cases making a decision to refuse the CCC. The BCA had made decisions on their outstanding consents that had exceeded 24 months.</p> <p>In some instances, the BCA was making a decision to allow more than 20 working days to make a decision whether to issue or refuse to issue CCC at 24 months. While the Act allows for this, the BCA had not agreed to a specific timeframe (as implied to be required by the Act) and instead had left the time for a CCC decision to be made open ended. It is recommended that the BCA reaches agreement regarding the timeframe with the applicant, records, and monitors a specific timeframe or refuses the CCC.</p> <p>See Recommendation R3</p> <p>Within the records reviewed it was observed that each BCO recorded their reasons for decision for refusing CCC in different ways. It is recommended that reasons for refusal are recorded in a consistent manner and provide guidance to the owner regarding what work is still to be completed and what documentation is still to be supplied.</p> <p>See Recommendation R4</p>	

Regulation 7(2)(f)(i) Compliance with statutory timeframes for code compliance certificates	
Observations and comments, including good practice and performance	
<p>The statistics provided appeared to indicate reasonably good compliance with the CCC 20-day clock, with results for April, May and June 2024 indicating 89%, 88% and 96% compliance with statutory timeframes, respectively.</p>	

Regulation 7(2)(f)(ii) Compliance schedules	
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for preparation and issuing of Compliance Schedules.</p> <p>Issued Compliance Schedules were generally seen to be of a good standard with a clear and useful layout and good supporting information provided. The BCA had worked to improve these since the last assessment however, within the samples reviewed some issues were still noted as follows:</p> <ul style="list-style-type: none">• The BCA had not fully implemented their procedure in relation to documenting a relevant Minor Variation and/or amendment for changes to Performance Standards or for the addition of a Specified System.• Some of the Minor Variations reviewed were to change the Performance Standard from a prescriptive requirement to a lessor prescriptive requirement (for example C/AS2 to NZBC) which did not appear to be appropriate.	

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

- One of the Performance Standards listed was for the version of a document that was issued after the Building Consent was issued (without an amendment/minor variation being applied for) and which was not indicated in the original application.
- Requirements for Daily inspections were frequently referenced within the Compliance Schedules when they were either not relevant to the Specified System or not relevant due to the Building Use.
- Within the clearance of the Compliance Schedule finding from the last assessment, a recommendation was provided in relation to not referring to acceptable solutions (e.g. SS15/2) as part of NZBC as this is not correct. The Compliance Schedules reviewed were still documenting the NZBC. An acceptable solution is not part of the NZBC, so this reference should not be included.

See GNC 3

In order to provide a clear, useful, and accurate Compliance Schedule to its customers, the BCA is recommended to consider the following:

- Consider including the relevant occupancy load information within the Compliance Schedule
- The BCA was listing AS 2293.1 and .3 2005 within the Compliance Schedules for SS15/4. Section 5 of part 3 is the location within the standard that provides reference to the performance requirement of the sign. This directs readers to F8/AS1. The BCA could consider just providing the relevant reference to F8/AS1 as the Performance Standard for SS15/4.

See Recommendation R5

The BCA could consider providing more detail in the summary list at the start of Compliance Schedules and the document heading at the top of each Specified System, as some Specified Systems do not indicate what part of the specified system (if applicable) is relevant. For example, SS15 was indicated, as opposed to SS15/2 for final exit or SS15/4 for signs.

See Advisory Note A2

General Non-compliance No. 3: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 7(2)(f)(ii)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
Within the samples of Compliance Schedules reviewed, some issues were noted as follows: <ul style="list-style-type: none"> • The BCA had not fully implemented their procedure in relation to documenting a relevant Minor Variation and/or amendment for changes to Performance Standards or for the addition of a Specified System. • Some of the Minor Variations reviewed were to change the Performance Standard from a prescriptive requirement to a lessor prescriptive requirement (for example C/AS2 to NZBC) which did not appear to be appropriate. • One of the Performance Standards listed was for a version of a document that was issued after the Building Consent was issued (without an amendment/minor variation being applied for) and which was not indicated in the original application. • Requirements for Daily inspections were frequently referenced within the Compliance Schedules when they were either not relevant to the Specified System or not relevant due to the Building Use. • Within the clearance of the Compliance Schedule finding from the last assessment a recommendation was provided in relation to not referring to acceptable solutions (e.g. SS15/2) as part of NZBC as this is not correct. The Compliance Schedules reviewed were still documenting the NZBC. An acceptable solution is not part of the NZBC so this reference should not be included. 							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

PLAN OF ACTION <i>(To be provided by BCA)</i>	
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
Date ORG (Initials)	
Date ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 8(2)	Identifying and addressing capacity and capability needs
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure to identify and address capacity and capability needs on an ongoing basis, and in accordance with Regulation 8(2).</p> <p>The BCA considered and recorded its actions to address any resourcing issues during some monthly meetings. This was generally undertaken quarterly and as required.</p>	

Regulation 10(2)	Assessing employees performing building control functions
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for assessing annually (or more frequently) the competence of its employees performing building control functions in accordance with Regulation 10(2).</p> <p>Competence assessments were completed annually for all staff performing building control functions.</p> <p>The policy section of the procedure indicated that competency assessments were completed annually but the process section indicated that they were to be completed once every two years. The BCA is recommended to align these sections of the procedure.</p> <p>See Recommendation R6</p>	

Regulation 10(3)(a) to (f)	Competence assessment system
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure for competence assessment which specified that they would use the National Building Consent Authority Competency Assessment System (NCAS). The procedure indicated that the "principles of NCAS" were used for the assessment of competency but this statement is not further defined and no variations to NCAS were listed. Clarification of this statement is required to ensure that the BCA's process for competence assessment is clearly understood.</p>	

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

<p>See GNC 4</p> <p>The BCA had engaged a new contractor for the delivery of competency assessment. Within the review of the two latest competency assessments, issues were identified as follows:</p> <ul style="list-style-type: none"> • Step 1 (part 1) of the NCAS system had not been completed/recorded as required by the procedure. The BCA provided evidence that they had provided information to the contractor as requested by the contractor but this had not been recorded and/or saved/stored as intended by the procedure. • Within the procedure under the heading of “Assessment” it is indicated that by minimum 4 technical audits for the relevant discipline needed to be provided/reviewed and that these must include audits undertaken at the highest competency level held by the BCO. This information was not referenced or reviewed within the Competency Assessment. • Clauses D2 and F9 of the Building Code were excluded from one assessment, but no limitations were documented within the outcome statement. This resulted in not all of the relevant limitations of competency being recorded within the Skills Matrix for the BCA. • Within one assessment the outcome statement did not align with the matrix of ability provided within the document. <p>See GNC 4</p>
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General Non-compliance No. 4: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 10(3)(a) to (f)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The BCA had documented its procedure for competence assessment which specified that they would use the National Building Consent Authority Competency Assessment System (NCAS). The procedure indicated that the “principles of NCAS” were used for the assessment of competency but this statement is not further defined and no variations to NCAS were listed. Clarification of this statement is required to ensure that the BCA’s process for competence assessment is clearly understood.</p> <p>The BCA had engaged a new contractor for the delivery of competency assessment. Within the review of the two latest competency assessments issues were identified as follows:</p> <ul style="list-style-type: none"> • Step 1 (part 1) of the NCAS system had not been completed/recorded as required by the procedure. The BCA provided evidence that they had provided information to the contractor as requested by the contractor but this had not been recorded and/or saved/stored as intended by the procedure. • Within the procedure under the heading of “Assessment” it is indicated that by minimum 4 technical audits for the relevant discipline needed to be provided/reviewed and that these must include audits undertaken at the highest competency level held by the BCO. This information was not referenced or reviewed within the Competency Assessment. • Clauses D2 and F9 of the Building Code were excluded from one assessment, but no limitations were documented within the outcome statement. This resulted in not all of the relevant limitations of competency being recorded within the Skills Matrix for the BCA. • Within one assessment the outcome statement did not align with the matrix of ability provided within the document. 							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
Date ORG (Initials)	
Date ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 11(1) The training system
Observations and comments, including good practice and performance
<p>The BCA had developed a training system in accordance with Regulation 11(1). Where omissions were detected, they were addressed under their relevant Regulation in this report.</p>

Regulation 11(2)(a) Making annual (or more frequent) training needs assessments
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for making annual (or more frequent) training needs assessments in accordance with Regulation 11(2)(a).</p> <p>Training needs were assessed at least annually as part of competence assessments.</p>

Regulation 11(2)(b) Preparing training plans that specify the training outcomes required
Observations and comments, including good practice and performance
<p>The BCA had documented its procedure for preparing training plans that specified the training outcomes required.</p> <p>The BCA was now recording for each planned training event the desired outcome(s) from the planned training, timeframe(s) in which training would be undertaken, and how the application of any training would be monitored and reviewed.</p>

Regulation 11(2)(c) Ensuring that employees receive the training agreed for them
Observations and comments, including good practice and performance
<p>The BCA had documented its procedure for ensuring that employees receive the training agreed for them. The BCA was seen to be using SmartSheets for monitoring to ensure its employees received the training agreed for them and to record what was done if training was delayed/not available.</p>

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

Regulation 11(2)(d) Monitoring and reviewing employees' application of the training they have received, including by observing relevant activities
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for monitoring and reviewing employees' application of the training they have received, including by observing relevant activities in accordance with Regulation 11(2)(d).</p> <p>IANZ previously identified that the BCA was not consistently recording the monitoring and reviewing of employee's application of any training. While the BCA reported that it now had appropriate systems in place to monitor and review employee's application of any training, there had been no training provided since the BCA had implemented its new training plans so there was no evidence of implementation of training planned under the new system available to review.</p>

Regulation 11(2)(g) Recording continuing training information
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for recording continuing training information in accordance with Regulation 11(2)(g).</p> <p>Implementation was seen to be appropriate where appropriately detailed records of professional development were seen to be maintained by staff.</p>

Regulation 12(1) A system for choosing and using contractors to perform its building control functions
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for choosing and using contractors to perform its building control functions in accordance with Regulation 12(1).</p> <p>The BCA had not appointed any new contractors since the last assessment.</p>

Regulation 12(2)(a) Establishing contractors' competence
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure to establish contractors' competence in accordance with Regulation 12(2)(a).</p> <p>While the BCA had not recently appointed any new contractors, it held current records of its contractors' competence.</p>

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

Regulation 12(2)(b) Engaging contractors
Observations and comments, including good practice and performance
The BCA had documented an appropriate procedure for engaging contractors, however, the procedure was not used it when engaging Comply NZ in Jan 2024. See GNC 5

General Non-compliance No. 5: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 12(2)(b)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA had documented an appropriate procedure for engaging contractors, however, the procedure was not used it when engaging Comply NZ in Jan 2024.							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date ORG (Initials)							
Date ORG (Initials)							
NON COMPLIANCE CLEARED							
Signed:				Date: Click or tap to enter a date.			

Regulation 12(2)(c) Making written or electronic agreements with contractors
Observations and comments, including good practice and performance
The BCA had appropriately documented its procedure for making written or electronic agreements with contractors in accordance with Regulation 12(2)(c).
The BCA had documented appropriate contracts with each of its contractors performing building control functions.

Regulation 12(2)(d) Recording contractors' qualifications

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

<p>Observations and comments, including good practice and performance</p> <p>The BCA had documented in its procedure that it would record contractors' qualifications however, the procedure did not record how contractor qualifications would be established/recorded/managed. See GNC 6</p> <p>The BCA had met the requirement for recording contractor qualifications as contractors' qualifications had been recorded in their individual competence assessments.</p>

General Non-compliance No. 6: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 12(2)(d)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA had documented in its procedure that it would record contractors' qualifications however, the procedure did not record how contractor qualifications would be established/recorded/managed.							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:						Click or tap to enter a date.	
Final date evidence of implementation can be accepted from BCA:						27 September 2024	
PLAN OF ACTION (To be provided by BCA)							
PROPOSED EVIDENCE OF IMPLEMENTATION (To be provided by BCA):							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date ORG (Initials)							
Date ORG (Initials)							
NON COMPLIANCE CLEARED							
Signed:						Date: Click or tap to enter a date.	

<p>Regulation 12(2)(e) Monitoring and reviewing contractors' performance</p> <p>Observations and comments, including good practice and performance</p> <p>The BCA had appropriately documented its procedure for monitoring and reviewing contractors' performance in accordance with Regulation 12(2)(e).</p> <p>The previous two assessments identified that a formal review of contractor performance had not been undertaken for either contractor against the defined standards documented in their contract. While a formal review programme for contractor performance had been introduced, only one of the technical peer reviews of contractor's staff undertaking work for the BCA required to be provided to the BCA at least annually under the contract had been provided. The BCA had not followed this up therefore it was considered that measurement of contractor performance against their contracts had not been appropriately managed. See GNC 7</p>

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

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General Non-compliance No. 7: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 12(2)(e)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The previous two assessments identified that a formal review of contractor performance had not been undertaken for either contractor against the defined standards documented in their contract. While a formal review programme for contractor performance had been introduced, only one of the technical peer reviews of contractor's staff undertaking work for the BCA required to be provided to the BCA at least annually under the contract had been provided. The BCA had not followed this up therefore it was considered that measurement of contractor performance against their contracts had not been appropriately managed.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date ORG (Initials)							
Date ORG (Initials)							
NON COMPLIANCE CLEARED							
Signed:				Date: Click or tap to enter a date.			

Regulation 12(2)(f)	Annually (or more frequently) assessing contractors' competence
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for annually (or more frequently) assessing contractors' competence.</p> <p>Implementation was not fully effective where the BCA was accepting that new contracted staff would not have an assessment of competence of working under the BCA's system until their next competence assessment. There was no evidence of assessment of competence of working within the BCA's Quality System until that competence assessment was received. The AOB did induct new staff into the BCA's system but no evidence of the contractor's competence to work within the BCA's system was considered during the induction. The BCA was therefore not fully meeting the requirement to initially establish competence of its new contractors and then to annually (or more frequently) assess the competence of its contracted staff. See GNC 8</p>	

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

General Non-compliance No. 8: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 12(2)(f)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Implementation was not fully effective where the BCA was accepting that new contracted staff would not have an assessment of competence of working under the BCA's system until their next competence assessment. There was no evidence of assessment of competence of working within the BCA's Quality System until that competence assessment was received.</p> <p>The AOB did induct new staff into the BCA's system but no evidence of the contractor's competence to work within the BCA's system was considered during the induction. The BCA was therefore not fully meeting the requirement to initially establish competence of its new contractors and then to annually (or more frequently) assess the competence of its contracted staff.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date ORG (Initials)							
Date ORG (Initials)							
NON COMPLIANCE CLEARED							
Signed:					Date: Click or tap to enter a date.		

Regulation 17(2)(d)	Regular management reporting and review, including of the quality system
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for reviewing its management system against the expected standards for performance and high level performance indicators from its quality policy in accordance with Regulation 17(2)(d).</p> <p>The BCA was seen to be undertaking monthly reviews against the quality policy objectives.</p>	

Regulation 17(2)(e)	Supporting continuous improvement
Observations and comments, including good practice and performance	

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

The BCA had documented its procedure for supporting continuous improvement (CI). The CI procedure was not clear how the BCA planned to monitor and evaluate any CI actions implemented. However, this was prompted by the CI form, where reasonable records were mostly noted, so a finding has not been raised in this regard.

Good use of Smartsheets to monitor CIs was noted during the assessment.

Regulation 17(2)(h) Undertaking annual audits
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for ensuring that a Quality System internal audit of every building control function occurred annually (or more frequently) in accordance with Regulation 17(2)(h). However, the auditing procedure only covered System Audits. A requirement for Technical Auditing was included under the Regulation 10 (competence assessment) procedure and in a Technical Audits Smartsheet Register. Together these adequately covered all of the requirements however, it is recommended that the 17(2)(h) procedure covers all auditing requirements or alternatively, at least references the Regulation 10 procedure.</p> <p>See Recommendation R7</p> <p>Quality system audits of all building control functions and systems were seen to have been undertaken at least annually as required by the Regulation.</p> <p>The BCA had programmed for four technical audits to be completed for each person performing building control functions each year. While it was reported that technical audits had been generally undertaken as required, there was no audit record available for a number of the planned technical audits.</p> <p>See GNC 9</p>

General Non-compliance No. 9: Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 17(2)(h)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The BCA had programmed for four technical audits to be completed for each person performing building control functions each year. While it was reported that technical audits had been generally undertaken as required there was no audit record available for a number of the planned technical audits.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION (To be provided by BCA)							
PROPOSED EVIDENCE OF IMPLEMENTATION (To be provided by BCA):							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

Date ORG (Initials)	
Date ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 17(4)(b)	A system for ensuring that its contractors comply with a nominated quality assurance system
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for ensuring that its contractors complied with either, the authority's quality assurance system, or, the contractor's quality assurance system in accordance with Regulation 17(4)(b).</p> <p>Implementation was not always adequate, where for contractors working under the BCA's system, there were no records available of the BCA checking as part of the regular contractor monitoring whether any new employees had been inducted (as required by the procedure). See GNC 10</p> <p>There were no records available of the BCA checking whether the contracted AOB working within its own quality system was adequately using its own policies, procedures and systems (quality system). See GNC 10</p>	

General Non-compliance No. 10 Action Plan accepted Cleared select date.

Breach of requirement:	Regulation 17(4)(b)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>There were no records available of the BCA checking (as part of their regular contractor monitoring) whether any new employees had been inducted (as required by the procedure) for contractors working under the BCA's system.</p> <p>There were no records available of the BCA checking whether the contracted AOB working within its own quality system was adequately using its own policies, procedures, and systems (quality system).</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					Click or tap to enter a date.		
Final date evidence of implementation can be accepted from BCA:					27 September 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
Date ORG (Initials)							

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council Initial Report 25 to 27 June 2024

Date ORG (Initials)	
NON COMPLIANCE CLEARED	
Signed:	Date: Click or tap to enter a date.

Regulation 17(5)(a) Strategic management reporting and review
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its system for annually (or more frequently) reviewing its quality assurance system in accordance with Regulation 17(5)(a).</p> <p>Implementation was seen to be appropriate, with annual Strategic Management Review being undertaken.</p> <p>While the Strategic Management Review Agenda template was considered to be appropriate, it is suggested that could be helpful to amend the template to specify a review of the appropriateness and effectiveness of each line item. This would act as a trigger to ensure that each of the specified items are considered for their appropriateness and effectiveness.</p> <p>See Advisory Note A3</p>

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

SUMMARY OF RECOMMENDATIONS

Recommendations are intended to assist your BCA to maintain compliance with the Regulations. They are **not** conditions for accreditation but a failure to make changes may result in non-compliance with the Regulations in the future.

It is recommended that:

R1 Regulation 7(2)(d)(iv) Some consent processing by a contractor did not contain clear compliance path consideration of the Performance Standards for specified systems. It is recommended that the BCA considers reviewing/auditing the level of relevant reasons for decision documented by the contractor/s in relation to the consideration of Specified Systems.

R2 Regulation 7(2)(v) Within the assessment of Form 5s issued subject to a “draft” Compliance Schedule the body of the Form 5 indicated that a Draft Compliance Schedule was attached, but under the heading of “attachment” on the form it was not listed. For clarity, the BCA is recommended to consider to also list the draft Compliance Schedule under the heading of Attachments.

R3 Regulation 7(2)(f)(i) In some instances, the BCA was making a decision to allow more than 20 working days to make a decision whether to issue or refuse to issue CCC at 24 months. While the Act allows for this, the BCA had not agreed to a specific timeframe (as implied to be required by the Act) and instead had left the time to apply for CCC open ended. It is recommended that the BCA reaches agreement regarding the timeframe with the applicant, records, and monitors a specific timeframe or refuses the CCC.

R4 Regulation 7(2)(f)(i) Within the records reviewed it was observed that each BCO recorded their reasons for decision for refusing CCC in different ways. It is recommended that reasons for refusal are recorded in a consistent manner and provide clear guidance to the owner regarding what work is still to be completed and what documentation is still to be supplied.

R5 Regulation 7(2)(f)(ii) In order to provide a clear, useful, and accurate Compliance Schedule to its customers, the BCA is recommended to consider the following:

- Consider including the relevant occupancy load information within the Compliance Schedule.
- The BCA was listing AS 2293.1 and AS 2293.3 2005 within the Compliance Schedules for SS15/4. Section 5 of part 3 is the location within the standard that provides reference to the performance requirement of the sign. This section then directs readers to F8/AS1 for further detail. The BCA could therefore consider just providing the relevant reference to F8/AS1 as the Performance Standard for SS15/4.

R6 Regulation 10(3) The policy section of the procedure indicated that competence assessments were completed annually but the process section indicated that they were to be completed once every two years. The BCA is recommended to align these sections of the procedure.

R7 Regulation 17(2)(h) The BCA had appropriately documented its procedure for ensuring that a Internal System audit of every building control function occurred annually (or more frequently). A requirement for Technical Auditing was included under the Regulation 10 (competence assessment) procedure and in a Technical Audits Smartsheet Register. Together these adequately covered all of the requirements of the Regulation however, it is recommended that the 17(2)(h) procedure covers all auditing requirements or alternatively, at least references the Regulation 10 procedure.

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

SUMMARY OF ADVISORY NOTES

Advisory notes are intended to assist your BCA to improve compliance with accreditation requirements based on IANZ's experience. They are **not** conditions for accreditation and do not have to be implemented to maintain accreditation.

A1 Regulation 7(2)(d)(v) Within the review of one draft Compliance Schedule, it was identified that there "could" have been signage relevant to the proposed SS3/1 (auto door). The BCA is advised to consider and record signage for auto doors as part of the signage requirement under SS14/2.

A2 Regulation 7(2)(f)(ii) The BCA could consider providing more detail in the summary list at the start of Compliance Schedules and the document heading at the top of each Specified System as some Specified Systems do not indicate what part of the specified system (if applicable) is relevant. For example, SS15 was indicated, as opposed to SS15/2 for final exit or SS15/4 for signs.

A3 Regulation 17(5)(a) While the Strategic Management Review Agenda template was considered to be appropriate, it is suggested that could be helpful to amend the template to specify a review of the appropriateness and effectiveness of each line item. This would act as a trigger to ensure that each of the specified items are considered for their appropriateness and effectiveness.

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

SUMMARY TABLE OF NON-COMPLIANCE

The following table summarises the non-compliance identified with the accreditation requirements in your BCA's accreditation assessment. Where a non-compliance has been identified, a Record of Non-compliance template has been prepared detailing the issue, and to enable you to detail your proposed corrective actions to IANZ. You must update and return a template for each non-compliance identified.

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of Regulation 5/6? Enter "Y" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment	
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recommendation	Advisory Note		
6(A)(1)	Choose item.														
6(A)(2)	Choose item.														
Regulation 7															
7(1)	Choose item.														
7(2)(a)	Choose item.														
7(2)(b)	Choose item.														
7(2)(c)	Choose item.														
7(2)(d)(i)	Choose item.														
7(2)(d)(ii)	Choose item.														
7(2)(d)(iii)	Choose item.														
7(2)(d)(iv)	General	GNC 1			Y			No	11/10/2024		R1				
7(2)(d)(v)	General	GNC 2			Y		Y	No	11/10/2024		R2	A1			
7(2)(e)	Choose item.														
7(2)(f)(i)	Choose item.										R3, R4				
7(2)(f)(ii)	General	GNC 3			Y			No	11/10/2024		R5	A2			
7(2)(f)(iii)	Choose item.														
7(2)(g)	Choose item.														
7(2)(h)	Choose item.														
Regulation 8															
8(1)	Choose item.														
8(2)	Choose item.														
Regulation 9															
9	Choose item.														
Regulation 10															
10(1)	Choose item.														
10(2)	Choose item.										R6				
10(3)(a)	General	GNC 4	Y	Y	Y			No	11/10/2024				Regulations 10(3)(a) to (f) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.		
10(3)(b)															
10(3)(c)															
10(3)(d)															
10(3)(e)															
10(3)(f)															
Regulation 11															
11(1)	Choose item.														
11(2)(a)	Choose item.														
11(2)(b)	Choose item.														
11(2)(c)	Choose item.														
11(2)(d)	Choose item.														
11(2)(e)	Choose item.														
11(2)(f)	Choose item.														
11(2)(g)	Choose item.														

8.3.1 Appendix 1 - Building Consent Authority Accreditation Assessment Initial Report(Cont.)

Whākatane District Council

Initial Report

25 to 27 June 2024

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of Regulation 5/6? Enter "Y" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recommendation	Advisory Note	
Regulation 12														
12(1)	Choose item.													
12(2)(a)	Choose item.													
12(2)(b)	General	GNC 5			Y			No	11/10/2024					
12(2)(c)	Choose item.													
12(2)(d)	General	GNC 6	Y	Y				No	11/10/2024					
12(2)(e)	General	GNC 7			Y			No	11/10/2024					
12(2)(f)	General	GNC 8			Y			No	11/10/2024					
Regulation 13														
13(a)	Choose item.													
13(b)	Choose item.													
Regulation 14														
14	Choose item.													
Regulation 15														
15(1)(a)	Choose item.													
15(1)(b)	Choose item.													
15(2)	Choose item.													
Regulation 16														
16(1)	Choose item.													
16(2)(a)	Choose item.													
16(2)(b)	Choose item.													
16(2)(c)	Choose item.													
Regulation 17														
17(1)	Choose item.													
17(2)(a)	Choose item.													
17(2)(b)	Choose item.													
17(2)(c)	Choose item.													
17(2)(d)	Choose item.													
17(2)(e)	Choose item.													
17(2)(h)	General	GNC 9			Y			No	11/10/2024		R7			
17(2)(i)	Choose item.													
17(2)(j)	Choose item.													
17(3)	Choose item.													
17(3A)(a)	Choose item.													Regulations 17(3A)(a) to (c) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.
17(3A)(b)														
17(3A)(c)														
17(4)(a)	Choose item.													
17(4)(b)	General	GNC 10			Y			No	11/10/2024					
17(5)(a)	Choose item.											A3		
17(5)(b)	Choose item.													
Regulation 18														
18(1)	Choose item.													
18(3)(a)	Choose item.													Regulations 18(3)(a) and (b) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.
18(3)(b)														

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



BOP CDEM Group EOC Audit: Whakatane District Council EOC

Overview

The Bay of Plenty Civil Defence Emergency Management (CDEM) Group Annual Plan (2023/2024) sets out the CDEM Group's key operational work programmes linked to the delivery of the strategic objectives as set out in the Bay of Plenty CDEM Group Plan 2024-2029 (the CDEM Group Plan). The conduct of a regional auditing process is key in the operational work programmes.

The purpose of the regional auditing process to ensure that there is local and regional capability (Emergency Operations Centre and Emergency Coordination Centre) to activate and effectively establish a response capability; as well as develop the capacity and capability of the Bay of Plenty CDEM Group. The audit process assesses the ability to contact and activate staff and access to appropriate facilities and infrastructure and equipment to support an emergency to enable an effective and efficient response.

Emergency Management Bay of Plenty (EMBOP) coordinated an audit of the Whakatane Emergency Operations Centre on 22/05/2024.

Method

The audit undertook an evidence-based approach to ensure consistency in the auditing process between the Emergency Coordination Centre (ECC) and Emergency Operation Centres (EOC). Documentation was provided in the lead up to the audit for review as evidence that key documents had been developed. Documentation and technical demonstrations were also provided during the day of the audit as supporting evidence where processes, procedures, equipment, or technological capability were required.

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Summary

The audit of Whakatane District Council EOC demonstrated that there has been significant progress made over the last 12 months. The increased dedicated CDEM staffing has clearly enabled the organisation to progress with a range of activities that have directly improved the overall response capability. This has been achieved through the resourcing and establishment of the new EOC facility, development of clear processes and procedures and the implementation of maintenance and testing schedules. This progress in addition to the increase staff engagement and collaboration between partner agencies has placed WDC in a much better position to be able to respond to events and support their communities.

Key Findings

The purpose of this section is to provide an overview of the key recommendations that will support WDC to continually improve its response capability. Further detail of all the specific recommendations can be found in the corrective action plan table detailed further on in the report.

The main themes of recommendations were:

- Incorporate the testing of processes and procedures into a training and exercising schedule to increase staff awareness and understanding whilst identifying opportunities for continued refinement.
- Incorporate an activation of the EOC into a training and exercising schedule to assess the facility capability and identify opportunities for improvement.
- Establish and implement a mechanism to ensure that all EOC staff are notified and aware of response-based processes and procedures as they are developed/updated.
- Ensure that sufficient redundancy arrangements are in place to enable a relocation of the primary facility prior to the development of the new alternate EOC.

This report provides an overview of the existing response capabilities of the Emergency Operations Centre and identifies recommendations for improvement.

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Review of Previous Audit/Debrief Corrective Actions

Despite the extensive work that has been taking place, the corrective actions identified in post event debriefs and audit processes have not been recorded as being closed off in the regionally agreed corrective action tracking process. It is understood that this is not a reflection of the work that has been taking place, but instead this is simply an outstanding administrative task.

Key Recommendations

- Ensure that activities aligned to previous corrective actions are captured and that corrective actions previously identified in post event debriefs and audit processes are closed/completed.
- Ensure the work programme is established in a way that prioritises work/tasking based on the pre-identified priority orderings.

Processes and Procedures

WDC have developed a wide range of processes and procedures that will provide staff with the guidance and clarity required to conduct response-based activities. Where new documentation is being produced, WDC are utilising a shared workspace within MS Teams to actively share the information with function managers and EOC staff.

Key Recommendations

- Establish and implement a process for the ongoing dissemination and sharing of all response SOP's, plans, templates, and guidance documentation as and when they are developed, that ensures all EOC staff have awareness and access.
- Established mechanism for recording how documentation is shared and made available for staff who will need to implement it.
- Incorporate the testing of processes and procedures into a training and exercising schedule to increase staff awareness and understanding whilst identifying opportunities for continued refinement.

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Plans

It is understood that the development of plans that do not define clear actions and activities required to implement a response provide no value and that the ongoing focus should be on operational plans. The Bay of Plenty CDEM Group Response Coordination Plan outlines the ongoing coordinated response arrangements across the Bay of plenty Councils. This in conjunction with the Group action plan templates will play a key role in ensuring a WDC can respond to events impacting the district.

Key Recommendations

- Implement a mechanism to ensure awareness and understanding of the Bay of Plenty CDEM Group Response Coordination Plan and Group action plan templates.
- Implement/maintain a mechanism to ensure easy access to the Bay of Plenty CDEM Group Response Coordination Plan and action plan templates.

Primary Facility Capability

The primary EOC facility for WDC incorporates BAU office spaces and a variety of offices that can be used for meeting and breakout activities. It is clear that a great deal of consideration has gone into how the facility could be used with a focus on the ability to scale up/down responses as required. The facility is well resourced, and activities have taken place to ensure backup power is established in a way that would enable ongoing response activities in the case of a power disruption.

Key Recommendations

- Establish and implement a training and exercising schedule to ensure staff have opportunity to maintain awareness of the new operations centre setup and understand response-based processes and procedures.
- Maintain a record of any training as evidence that training has been conducted by operations centre staff.
- Progress with current project to procure and establish redundancy internet availability.
- Continue to incorporate testing of redundancy options for internet, telecommunications and power into the testing and maintenance schedule.

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Alternate Facility Capability

The current alternate facility is the Whakatane War Memorial Hall. Although this has been identified as an alternate facility there are known limitations that would need to be addressed to ensure that it fully meets the need of a response. Given the current arrangements are underway to establish a more suitable alternative facility, it is not seen as a cost-effective option to make the required changes to the Memorial Hall. It was also highlighted during the audit that regionally there is an ongoing vulnerability regarding key resources only being available at each council's primary facility. As such, WDC should work with other TA's and EMBOP to implement regional mutual support arrangement with regard to ensuring the provision or key response equipment that can't be made available at the alternate facility.

Key Recommendations

- Incorporate the EOC relocation procedure into the training and exercising schedule to enhance staff awareness.
- Identify temporary solutions to address limitations of the alternative facility.
- Establish formalised mutual support arrangements with neighboring local authorities regarding the use or sharing of facilities for response purposes.
- Establish formalised mutual support arrangements with neighboring local authorities and Emergency Management Bay of Plenty to ensure availability of resources if required.

Remote Working Capability

Through both recent events and the WDC remote working policy, the organisation has demonstrated the ability for staff to work remotely when required.

Key Recommendations

- Incorporate the Hybrid working procedure into the training and exercising schedule to enhance staff awareness

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Corrective Action Plan

Following the audit of the Opotiki District Council EOC, a series of recommendations and/or corrective actions have been identified. The table below outlines those recommendations and/or corrective actions. To support the recommendations, the following priority ordering has been applied to highlight the perceived level of impact if recommendation is not addressed.

Minor – Will have little to no impact on operational effectiveness if not addressed. Potential for increased operational effectiveness/efficiency if implemented.

Medium – Will have some impact on operational effectiveness if not addressed. Noticeable increase in operational effectiveness/efficiency if implemented.

Major – Will have noticeable impact on operational effectiveness if not addressed. Needs to be addressed to ensure operational effectiveness.

Severe – Will have significant impact on operational effectiveness or has potential to completely cease operational capability if not addressed. Needs to be addressed as a matter of priority to ensure response capability.

Where a recommendation has been duplicated or covered in the high-level overview, it will be identified with a Asterix (*) to ensure recommendation is not duplicated when transferred to the Corrective actions tracking spreadsheet and assigned.

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Section A: Processes and Agreements

Section A. Processes and Agreements				
		Current Situation	Recommended Corrective actions	Impact
2.0 Notification and staff activation				
2.2 - 2.9	Evidence Standard operating procedures are communicated to all EOC/Response staff & Staff Activation process tested in the last 12 months.	<p>Staff have been made aware of and provided access Activation and Response SOP's</p> <p>Significant changes to SOP's and other processes will be emailed to all EOC staff via the established EOC email distribution group. Changes to be briefed as a standing agenda item during our monthly EOC standup events.</p>	Incorporate SOP's into a training and exercising schedule to ensure staff maintain awareness of response-based processes and procedures.	Major
3.0 Operations Centre Activation				
3.2 - 3.4	Evidence that the operations centre activation process is communicated to all Council/EOC/Response staff and has been tested within the last 12 months.	<p>Staff have been made aware of and provided access Activation and Response SOP's</p> <p>Significant changes to SOP's and other processes will be emailed to all EOC staff via the established EOC email distribution group. Changes to be briefed as a standing agenda item during our monthly EOC standup events.</p>	Incorporate operations centre activation process into a training and exercising schedule to ensure staff maintain awareness of response-based processes and procedures.	Major

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



3.9	Role/function specific SOP's and procedures are established.	Each function has CIMs role card and the checklist Compendium. There are some role/task specific SOP's but these are more focused on the initial activation and setup of the Coordination centre. WDC is proactively encouraging a more regional approach to task/role SOP development.	Establish role/task SOP's or guidance mechanisms to instruct staff on how to perform their individual roles or tasks. Where possible, this should be established and communicated in a way that allows surge staff to learn and understand WDC EOC processes and procedures.	Major
4.0 Support Arrangements				
4.1	Evidence of MOU/mutual support arrangements with partner agencies. (e.g. shared controllers/facilities/resources).	No formal agreements are in place, however there is a mutual understanding and agreement through local controllers.	Establish formal mutual support arrangement is established to ensure agreement is adhered to in the case of a change of staff/leadership.	Medium
			Mutual support arrangement to be approved signed off by those within the organisation that have authority to make such arrangements.	Medium
4.2	Process established for activating mutual support arrangement with partner agency (to include notification process) and has been tested within the last 12 months.	Although WDC have no formal MOU's in place with partner agencies at present, this finding also makes reference to the notification process which has been established as SOP 3 (notification of partner agencies).	Establish formalised process to ensure consistent understanding around how to MOU/mutual support arrangement would be enacted, once established	Medium

Section B. Plans and supporting arrangements		
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updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



		Current Situation	Recommended Corrective actions	Impact
1.0 Plans and Plan Awareness/access				
1.3	Action plan template/s communicated to response staff and made available to response staff within the operations centre.	<p>All templated IAPs have been communicated to staff and are available in the Emergency Management Teams site. WDC are also developing further templates for each event scenario.</p> <p>Regionally, MS Teams orientation, including awareness of action plan templates delivered at the following Communities of Practice;</p> <p>Logistics: 11/04/2024 Lifelines: 16/04/2024 Operations: 30/04/2024 Welfare: 07/05/2024</p> <p>MS Teams orientation, including awareness of overview page delivered at Bay 8 quarterly meeting on 17/04/2024.</p>	Implement a mechanism to ensure ongoing awareness and understanding of the Bay of Plenty CDEM Group Response Coordination Plan and Group action plan templates.	Medium
Section D. Physical Primary Facility:				
		Current Situation	Recommended Corrective actions	Impact
1.0 Primary EOC Service Functionality				
1.5	Internet redundancy option available and load tested within last 12 months.	Redundancy IT connectivity option identified and being sourced.	Once a redundancy option is established, it is recommended that this is incorporated into a regular testing schedule.	Major

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



Section E. Alternate Facility Arrangements				
		Current Situation	Recommended Corrective actions	Priority
1.0 Alternate EOC Access Arrangement				
1.1	Evidence of pre-identified/determined alternate operations centre facility or facilities.	A variety of alternate facility arrangements have been identified and incorporated into the relocation procedures.	It is recommended that temporary solutions be identified to address limitations of the alternative facility at Memorial Hall.	Major
			It is recommended that mutual support arrangements with neighbouring local authorities be considered and where possible implemented regarding the use or sharing of facilities for response purposes.	Medium
1.4	Evidence of MOU/agreement that facility can and will be made available for event response.	A variety of alternate facility arrangements have been identified and incorporated into the relocation procedures.	Where support arrangement is agreed for the use/sharing of another council's facility, a formalised MOU/Agreement should be established.	Medium

Section F. Alternative facility Capability				
		Current Situation	Recommended Corrective actions	Priority

updated
12/08/24

8.3.2 Appendix 2 - EMBOP EOC Audit Corrective Action Report 22-05-2024(Cont.)



2.0 Alternative EOC Equipment & Systems				
2.1– 2.7	EOC Equipment & Systems available in alternate facility.	<p>There are currently no EOC equipment and systems made available at the alternate facility.</p> <p>WDC have a relocation SOP which states that communications equipment will be relocated to the alternate facility when required.</p>	It is recommended that mutual support arrangements with neighbouring local authorities and Emergency Management Bay of Plenty be considered and where possible implemented regarding the use or sharing of facilities and resources.	Medium

Section H. Impacted Physical Redundancy				
		Current Situation	Recommended Corrective actions	Priority
1.0 Physical Documentation				
1.3	Evidence of physical templates and process documentation (e.g. SITREP, declaration forms).	Physical templates are available In function boxes.	It is recommended that WDC work with EMBOP and the other TA's to implement a regional approach to compiling a more comprehensive collection of physical templates. This will ensure a response could be sustained for an extended period without power/connectivity.	Major
1.4	Evidence of physical planning/response planning resources (Initial action plan template. plan templates).	In function boxes and EOC cupboards		

updated
12/08/24

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



The NZ mark of competence
Tohu Matatau Aotearoa

MINISTRY FOR PRIMARY INDUSTRIES
RECOGNISED AGENCY ASSESSMENT REPORT

Whakatāne District Council
Remote Surveillance Assessment
11 June 2024

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)

ASSESSMENT REPORT

Organisation Details

Organisation:	Whakatāne District Council
Address:	14 Commerce Street, Whakatāne 3120
Agency Contact:	Nancy Elliott

Assessment Team

Lead Assessor:	Jennifer Foley
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Report Preparation

Prepared by:	Jennifer Foley
Checked by:	Swati Oberoi
Date finalised:	26 June 2024

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)**Introduction**

This report relates to the Recognised Agency Surveillance Assessment of Whakatāne District Council on 11th June 2024. This assessment was undertaken on behalf of the Ministry for Primary Industries (MPI) in order to make a recommendation to MPI on whether or not Whakatāne District Council continues to meet the requirements for recognition as an agency to conduct registration, verification, compliance and monitoring activities. The assessment was a sampling exercise and therefore this report is based on the observations made during the assessment.

Compliance with all legal requirements relating to health and safety is the responsibility of the agency. Where some items relating to health and safety may have been identified, this does not represent an exhaustive report on the agency's compliance with such legal requirements. Auditing for compliance with legal requirements relating to health and safety is outside the scope of this assessment.

Executive Summary

Whakatāne District Council had the following functions under the Food Act 2014:

- Registration of food businesses;
- Verification of Template Food Control Plans (FCPs) within Territorial Authority exclusivity;
- Verification of Template FCPs outside Territorial Authority exclusivity;
- Verification of National Programmes;
- Applicable enforcement, compliance and monitoring activities.

To undertake verifications of Template FCPs outside council exclusivity and the verification of National Programmes, Whakatāne District Council was required to maintain its recognition by MPI according to the Food Act 2014. The purpose of this assessment was to conduct an organisational competence assessment of Whakatāne District Council. This assessment consisted of a remote assessment of Whakatāne District Council's (WDC) Quality Management System (QMS) against the Food Act 2014, the Food Regulations 2015, and MPI criteria on 11 June 2024.

WDC had a Quality Management System and processes that demonstrated appropriate control and commitment to their systems' overall management and continuous improvement. WDC has recently experienced staff changes; however, the team effectively managed this and allocated resources to ensure the ability to carry out essential activities such as verifications. The team at WDC were helpful during the assessment process and are thanked for their time and cooperation during the assessment.

The assessment found that WDC was operating to a satisfactory level of conformance with the requirements of recognition as a Recognised Agency, except for the issues identified in this report as nonconformities (NCs). Continued recognition will be recommended to WDC, on the understanding that the NCs will be addressed. Observations and recommendations contained in this report provide further detail on WDC's performance as a Recognised Agency.

IANZ maintains records on the data collected, findings and completed checklists addressing specific requirements.

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)**Observations****Conflicts of interest**

Conflicts of interest were recorded in the Conflicts of Interest Register and were discussed at team meetings whenever identified. No conflicts of interest had been identified since 2022. Including this as a standing agenda item at regular team meetings may be beneficial.

Recommendation 2**Confidential information**

WDC confidentiality policies were available in the WDC management system for all new employees to read. Confidentiality agreements were also included in the contract documents with food business and these were accessible on the website under the Verification Services Terms & Conditions. The team had a good understanding of the process relating to managing and releasing confidential information. Reporting of verification information and outcomes to MPI was explained by verifiers during the entry meetings with the respective food business. WDCs Terms & Conditions likely need to be reviewed.

Recommendation 3 & 6

Information was being maintained on a number of systems including the council's Objective system, with access restricted by password and multi-factor authentication requirements. The agency provided details to show that it was undertaking audits on document control and record keeping. Data and systems security was being managed by an IT team and all staff were required to undertake regular cyber security training. It would be useful for IT and data security to be addressed as part of the internal audit.

Recommendation 7**Staffing**

Lisa Millican, Environmental Health Officer (EHO), was the agency's Recognised Person and Food Safety Officer (FSO). Prenthan Chetty was recently engaged as a trainee verifier/EHO. WDC had gone through some recent staffing changes with Dirk Fabrie leaving. The agency was supported by Carla Taitoko, Technical Admin and Nancy Elliott, Team Lead Environmental Health. Competency requirements, training and review processes were documented in the QMS. A competency matrix was available and was adequately updated with competency requirements for food sectors. Continual Professional Development (CPD) progress was accessible through Titiro and was 80% completed for the current year. There were plans in place for training activities in July. Prenthan was progressing through the required inductions, online modules and training. Particularly as WDC had recently engaged a new trainee verifier, it would be beneficial to review systems and records related to training, induction and confidentiality.

Recommendation 4, 5 & 8**Review of performance**

Annual peer reviews were conducted and recorded in the peer verification report review register. Reports following peer reviews were sent to the Team Lead who discussed the outcomes of the reviews with the verifiers incidentally or during one-on-one meetings. WDC are reminded to ensure that on-site observations or peer reviews are completed by persons who are competent in verification and ensure that reports contain appropriate records and details.

Recommendation 9 & 10**Resourcing**

WDC had a steady workload of about 300 verifications conducted in a year. WDC had contracted Annette Munday from Ōpōtiki District Council to provide support as a verifier, to maintain stability of staffing resources and help manage workloads. This may need to be notified to MPI Approvals. In addition, there were limited records to show that the contracted verifier has received appropriate induction, training and authorisation.

Non-conformity 2**Recommendation 1**

WDC was in the process of implementing a new software (GoFormz) to support the team with more automated processes. The team was supported by the use of Smartsheet software to maintain records of verifications and registrations, which was used to generate reminders regarding work and expirations. The team had access to monthly reports which enabled prompt monitoring of upcoming, open and overdue

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)

verifications and expiring registrations. There were some isolated cases where open verifications were visible in Titiro, but were not appearing in the WDC open corrective action report.

Recommendation 12

Overdue verifications

A review of overdue verifications was undertaken by reviewing the information on overdue verifications provided by WDC and by using the information in Titiro. All recorded overdue verifications were either completed or appropriately addressed. This showed good management of this area.

Management of registrations and registration functions

Regular monitoring of registrations was being conducted by the Technical Admin. Monthly reports were being generated and the follow-up process for sending reminder emails for registration coming up for renewal was being appropriately performed. A review of expired registrations was conducted. The limited number of expired registrations showed good control of this aspect. There was one verification where the status likely needs to be updated by WDC.

Recommendation 11

Management of enforcement functions

This assessment contained a limited review of enforcement processes and reporting enforcement action on Titiro. The agency raised some concerns about providing information related to this during the assessment. Given the response during the assessment, the assessor endeavoured to relay some of the concerns regarding the assessment of to the scheme owner, MPI. Two recommendations have been provided to WDC related to this.

Recommendation 13 & 14

Reporting requirements

The agency was aware of requirements to report to MPI. A selection of verification reports was reviewed and a traceback activity was conducted to check compliance against the various reporting requirements. WDC were soon to implement the use of Goformz which would help with automation of the reporting process and help eliminate the possibilities of transcription errors. It may be useful for WDC to utilise its new verifier to undertake peer reviews of verification reports.

Recommendation 16 & 17

Records

Records of verifications, registrations, staff competency and QMS-related documents were easily retrieved when required.

Non-compliance and corrective action

Non-compliance and corrective actions generated from verifications were reported on. The agency was regularly undertaking follow-up visits to verify that corrective actions raised during verifications were being addressed by food businesses. WDC was also following up where food businesses were not responding to corrective actions raised. However, findings were being marked as *Overdue – Closed Out* and the date for clearance was sometimes noted as *Checked at revisit*.

Non-conformity 1

Complaints and disputes

A complaints handling procedure was documented in the QMS under section 6.4 Complaints, Compliments and Disputes. Complaints were also recorded in the compliments and complaints register. There had been no entries related to complaints this year.

Internal management

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



Staff meetings were held regularly to review a number of key areas including the QMS, status of verifications & registrations and complaints. Meeting minutes were available for review. An overall management review of the QMS was also conducted annually, records from the previous review conducted in July 2023 were available. The actions from the 2023 review likely need to be followed up by WDC.

Recommendation 15

Internal audits were being carried out regularly with each audit focusing on a respective sub-section of the QMS. There were multiple internal audit reports available to review. These internal audits included a follow-up of the findings from the previous audit and displayed the team's commitment to monitoring and continuous improvements.

Internally corrective actions were being proactively recognised and actions taken were recorded on continuous improvement forms which were available for review.

Follow up on findings from previous QMS assessment

A follow-up on the recommendations from the last QMS audit was conducted and was encouraging to see that the recommendations made were being considered and implemented.

Contractual arrangements

WDC had a contractual agreement with Ōpōtiki District Council to obtain resourcing support from Annette Munday, to act as the verifier and FSO for WDC through the staff shortage.

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



Assessment Findings

Assessment findings are included in [Appendix A](#).

The non-conformities listed in Appendix A must be corrected by the agency by the agreed-upon plan. All corrective actions and related correspondence should be sent to the Lead Assessor within the specified timeframe. Evidence of corrective action must be provided to the Lead Assessor.

Recommendations are intended to assist the agency in its efforts to maintain an effective quality management system and are not conditions of recognition.

All corrective actions and recommendations will be followed up at the next assessment.

Recommendation to MPI

IANZ recommends that Whakatāne District Council continues to meet the requirements to be a Recognised Agency to conduct verification services under the Food Act 2014, on condition that the non-conformities detailed are managed and closed out according to the plan provided by and agreed with Whakatāne District Council.

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



APPENDIX A -ASSESSMENT FINDINGS

Recognised Agency:	Whakatāne District Council	Assessment date:	11 June 2024
Assessment type:	Surveillance Assessment	Lead Assessor:	J Foley

1. NON-CONFORMITIES

<p>NC 1</p> <p>Finding:</p> <ul style="list-style-type: none"> Description of non-conformance Evidence Action required Reference/requirement 	<p>Requirement: Regulation 103 The Food Regulations</p> <p>NC:</p> <ol style="list-style-type: none"> Where food businesses were not providing information or access to support clearing corrective actions from verifications, Titiro was being updated to state the findings were <i>Overdue – Closed Out</i> and a letter was also sent to the food businesses. This may be appropriate in some cases, however, in cases where non-conformances or non-compliances may impact the safety and suitability of food, this approach may not be appropriate. Verification reports included the following in the due date section: <i>Checked at revisit</i> This was being recorded even where corrective actions had not yet been reviewed or verified. <p>Evidence:</p> <p>VER-0000245508 VER-0000242849 VER-0000240968 VER-0000244526 VER-000021078</p> <p>Action required: Investigate this NC. Review the process for managing overdue corrective actions and cases where recent verifications have been updated to <i>Overdue – Closed Out</i> on Titiro. WDC should clarify with MPI the process for managing this. WDC may need to consider documenting how it deals with these situations including cases where escalation is required.</p>
<p>Proposed Corrective Action:</p> <ul style="list-style-type: none"> Plan to be provided by the agency (incl. timeframe) 	<p>WDC response 24 June 2024</p> <p>Checked at revisit to be changed to Date CAR to be completed. Put a process in place to track CARs Create a corrective action form for an agreed timeframe for closeouts. Ensure appropriate evidence is gained before or by the due date of the agreed closeout. CAR report pulled fortnightly. Review of close-out letter</p>
<p>Action Taken:</p> <ul style="list-style-type: none"> Detail on action taken to address the NC Refer to any supporting documents or evidence provided 	
<p>Assessor review of action:</p> <ul style="list-style-type: none"> Include status of NC and dates 	<p>IANZ response 25 June 2024</p> <p>The proposed corrective action appears appropriate. Please provide evidence to show the corrective action has been implemented.</p>

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



<p>NC 2</p> <p>Finding:</p> <ul style="list-style-type: none"> Description of non-conformance Evidence Action required Reference/requirement 	<p>Requirement: Regulation 110 (d and e) The Food Regulations</p> <p>NC: A contracted verifier was engaged in 2024 but there were no records to show this verifier had been inducted or authorised for food sectors by WDC. The verifier was also not listed under WDC agency recognition.</p> <p>Action required: Investigate this NC. Review the process for inducting and training verifiers.</p>
<p>Proposed Corrective Action:</p> <ul style="list-style-type: none"> Plan to be provided by the agency 	<p>To develop an induction package. Request information regarding competencies and complete the form. Review competencies- review ongoing training and input into the competency schedule. Ensure new staff get put through approvals with MPI.</p>
<p>Action Taken:</p> <ul style="list-style-type: none"> Detail on action taken to address the NC Refer to any supporting documents or evidence provided 	
<p>Assessor review of action:</p> <ul style="list-style-type: none"> Include status of NC and dates 	<p>IANZ response 25 June 2024 The proposed corrective action appears appropriate. Please provide evidence to show the corrective action has been implemented.</p>

8.3.3 Appendix 3 - Food Premises QSM Assessment MPI Report WPF 134560(Cont.)



2. RECOMMENDATIONS

No.	Recommendation
1	Ensure MPI Approvals is notified about Annette Munday, who has been verifying for the agency, and that the QMS is updated to ensure changes are notified [as required] to MPI approvals in addition to any other groups within MPI. Note – this may not be required if the verifier is working under council exclusivity.
2	It is recommended that the council include a standing item on meeting agendas to discuss conflicts of interest, in general, if there are no specific cases to discuss. This is to promote discussion and conversions around this topic.
3	WDC should review the forms and documents on its website, including the Terms and Conditions. The reference to the privacy act needs to be updated and fees may also need to be updated.
4	Now that WDC has a new trainee verifier, the agency should consider how it will keep records to confirm the QMS and associated procedures have been read and understood.
5	To ensure consistent understanding and adherence to procedures, the agency should establish a formal process for new staff to review and sign confidentiality agreements and/or clarify how this is managed by the wider council processes.
6	WDC should ensure that the terms and conditions explicitly state that certain information is reported to MPI.
7	It would be useful for auditors to verify during the audit that the information in the agency's QMS (related to IT and data security) is current and accurate by discussing with the ITC team their procedures and processes. The agency auditor could also confirm if the ITC team is subject to an audit or assessment of their data and protection processes and systems.
8	It would be useful for WDC to consider if an internal training log/record would be useful for recording all events and activities, in addition to Tiritiri.
9	WDC should ensure that on-site reviews of verifiers are completed in 2024 by someone competent in verification as an activity.
10	A reminder that peer review reports are most beneficial when they include comments on the process, performance and outcome of a verification.
11	WDC is reminded to review the expired registration status for WKT000245/1
12	WDC should review its open corrective actions report as it was missing a small number of open corrective actions from Titiro. As part of this, all open verifications should be checked in Titiro.
13	WDC should review how it manages cases where there have been three consecutive unacceptable outcomes for food businesses and how this is monitored/escalated.
14	WDC should contact MPI to discuss the expectations for enforcement processes and reporting enforcement action on Titiro
15	Actions from the 2023 QMS review should be closely reviewed in preparation for the 2024 review.
16	WDC should utilise the new verifier in peer-reviewing verification reports before release.
17	There were some data entry errors in the reports reviewed. As GoFormz was being introduced shortly, these should be reviewed to ensure that the new system helps address these errors.

8.4 Enterprise Risk Report

8.4 Enterprise Risk Report



To: **Risk and Assurance Committee**

Date: **Monday 19, August 2024**

Author: **G Connolly / CFO and General Manager Business Partnering**

Authoriser: **D Bewley / Acting Chief Executive**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The Quarterly Enterprise risk paper provides:

- A review of the current External and Internal Risk Environment highlighting the major factors impacting or likely to impact our risk environment, whether existing and volatile, or emerging (Section 4).
- A summary of any changes in our risk assessments, potentially due to changes in the risk environment (Section 5).
- A summary of our current enterprise risk assessment (Figure 2).
- A report on our enterprise risks providing assessment of the risk and our action to treat and control the risk as aligned with our business plan (Figure 3).

2. Recommendations - *Tohutohu akiaki*

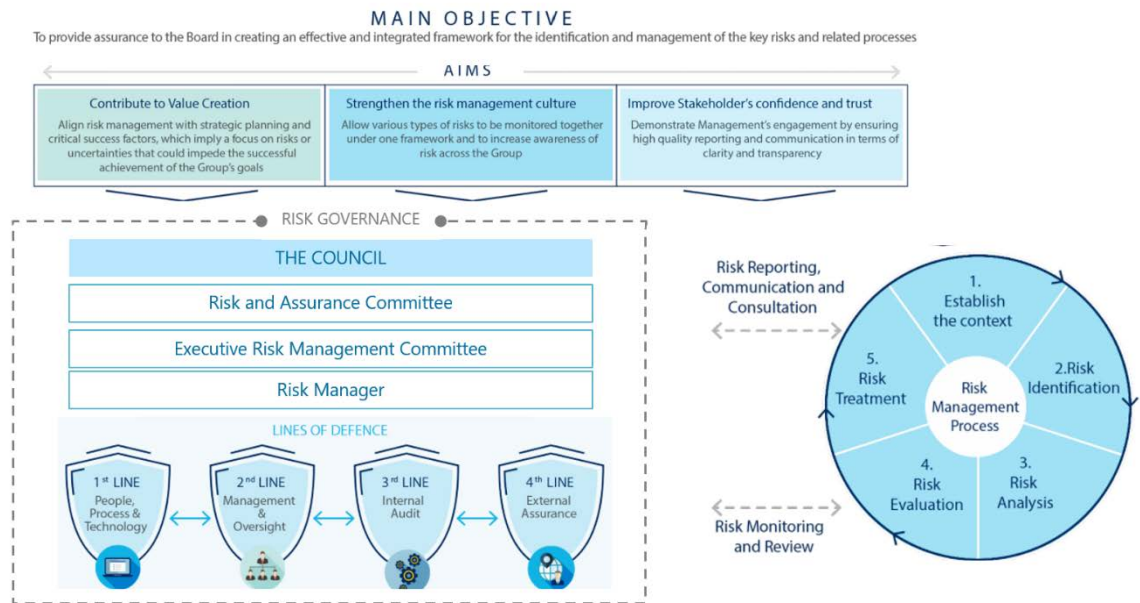
1. THAT the Enterprise Risk report dated August 2024 be **approved**; and
2. THAT changes in the risk assessment identified in Section 5 *Changes in Risk Rating*, if any are **agreed**; and
3. THAT the Risk and Assurance Committee **review** and **provide guidance** on our Enterprise Risks and responses to these risks including:
 - Key and Emerging Risk review.
 - Residual Risk Heatmap (Figure 1).
 - Risk Summary (Figure 2).
 - Actions to treat and control enterprise risk and the status updates (Figures 2 and 3).

3. Background - *He tirohanga whakamuri*

The Council has made a significant improvement in its Enterprise Risk Management Framework based on the oversight of the committee and management of executive. The current risk report framework was last reviewed with changes agreed in September 2022.

The Council has agreed to follow a good practice approach to the Enterprise Risk Framework largely based upon ISO Standard 31000:2009 Risk Management. This framework can largely be represented in summary form as follows:

8.4 Enterprise Risk Report(Cont.)



The full Council undertook a training workshop in December 2022 on Enterprise Risk Management Framework good practice in alignment with the current ISO standard.

3.1. Recent Risk Management Activities:

We have commenced investigating no/low-cost solutions that could be utilised to make the recording and updating of risk registers, especially at the activity level, more efficient and effective going forward. We hope to put an appropriate risk register solution in place during FY24-25.

4. Risk Environment Discussion - *Taiao mōrearea*

The below highlights some significant factors currently impacting our risk environment as assessed by management. Many of these are largely unchanged but evolving from what was presented in February:

4.1. Major economic / financial or social shock

- **Inflation: [Easing]** The consumer price index (CPI) for the June 2024 quarter was up 0.4%, with the annual rate moderating to 4.3%, down from 4.7% in December 2023. This deceleration was supported by a further 1.5% decline in food prices, with the annual inflation rate continuing to trend downward. The RBNZ's latest Survey of Expectations, released in August 2024, shows that one-year-ahead inflation expectations have decreased further to 3.0%, while two-year-ahead expectations have settled at 2.4%, suggesting that the inflation outlook is becoming more anchored within the central bank's target range.
- **Interest Rates: [Pausing]** Despite the ongoing moderation in inflation, the Reserve Bank of New Zealand (RBNZ) decided in its August 2024 Monetary Policy Statement to hold the Official Cash Rate (OCR) steady at 5.5%, citing the need for a sustained reduction in inflationary pressures before considering any rate cuts. Market sentiment has largely aligned with this cautious stance, with forward pricing indicating that any rate reductions are unlikely before mid-2025. However, the RBNZ remains vigilant, with Chief Economist Paul Conway reiterating on 3 August 2024 that

8.4 Enterprise Risk Report(Cont.)

"the path to the 1-3% inflation target remains challenging, and we will act as necessary to achieve price stability."

- **Wage Rates: [Moderating]** Wage growth has shown signs of moderation, with recent data indicating that the pace of increase is slowing. The average annual wage increase for the June 2024 quarter was 3.5%, reflecting a stabilisation following the rapid wage growth seen in previous years. The RBNZ's latest survey also suggests that wage expectations one year ahead have decreased slightly to 3.6%, with two-year-ahead expectations at 2.8%. This trend is partly driven by the expectation that unemployment will rise to 4.9% by mid-2025, a slight increase from the current rate of 4.4%.
- **Insurance Coverage and Cost: [Increasing]** The international reinsurance market continues to pose challenges for New Zealand, with insurance premiums continuing to escalate in 2024. The increased frequency and severity of natural disasters globally, combined with the country's unique risk profile, have led to tighter coverage terms and higher costs. These trends are particularly concerning for councils in Aotearoa New Zealand, given their significant infrastructure exposure and the critical nature of their responsibilities in managing and mitigating natural disaster risks.

From an economic impact perspective, the 2023-24 annual plan reflected the following economic sensitivities:

- Personnel Costs assumption 5% (+/- 1% - \$255k)
- Payments to Suppliers assumption 4.2% (+/- 1% - \$393k)
- Payments to Capital Programmes 5% (+/- 1% \$840)k

These perspectives have been factored into the interim financial assumptions of the LTP 2024-2034.

4.2. Political changes impact on council direction and delivery

[Increasing] The current Coalition Government continues to drive significant legislative reform. Since May 2024, additional bills have been introduced, further altering the regulatory landscape. Notably, the "Waters Done Well Bill," introduced in July 2024, has begun to provide some clarity on the future of water services management. However, the ongoing debate and potential amendments to this bill have sustained uncertainty for councils. This ambiguity affects long-term planning, with councils needing to remain adaptable as further legislative developments unfold.

4.3. Lack of infrastructure resilience

[Increasing] The resilience of council infrastructure remains under pressure as weather patterns continue to be unpredictable and severe. The frequency of extreme weather events has increased throughout 2024, with several instances causing significant disruptions to essential services. The ongoing demands of emergency response and recovery efforts are straining resources, delaying the implementation of other planned infrastructure projects. The challenge of maintaining and reinstating infrastructure under these conditions emphasises the need for enhanced resilience planning and investment in adaptive measures.

4.4. Image and Reputation

[Increasing] The potential for significant rate increases remains a critical concern for many councils, with the latest data indicating that around 75% of councils are considering increases between 10-20%, while 15% are contemplating hikes exceeding 20%. These proposed increases have triggered substantial public discourse, with growing scrutiny over council decisions and financial management. This

8.4.1 Appendix 1 - Council Consequence of Risk

heightened public awareness and concern are likely to affect the perception of councils, potentially impacting their image and reputation. Proactive communication strategies and transparent decision-making processes are essential to manage and mitigate these risks.

All in all, it continues to be a time of heightened potential for increases in the risk environment. In that regard the importance of mitigating these potential impacts remains a key focus (Figure 3).

5. Changes in Risk Rating - *Inenga morearea*

Significant action continues to be delivered that advance the implementation of controls and treatments as reflected in the updates within the Council Risk Register in Appendix 3, however no substantive changes in risk rating have been identified.

Attached to this report:

- Appendix 1 – Council Consequence of Risk
- Appendix 2 – Council Likelihood of Risk
- Appendix 3 - Figure 1 - Risk Heatmap
- Appendix 4 - Figure 2 - Risk Summary
- Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status

8.4.1 Appendix 1 - Council Consequence of Risk

8.4.1 Appendix 1 - Council Consequence of Risk(Cont.)

APPENDIX 1: Council Consequence of Risk

Scale	Score	Financial	Health and safety	Legislative and regulatory	Operational and service delivery	Image and reputation
Catastrophic	5	A Capex overspend of >15% or an Opex overspend of >5% of the annual plan. Rates increase of >2pp above the limit on rate increase from the financial strategy in the LTP/Annual plan. Unanticipated costs or losses of over \$5 Million.	An incident resulting in multiple fatalities. Long term severe health impact on significant numbers of people.	Breaches result in severe penalties for Officers of the Council. Compliance failures result in severe restrictions placed upon all areas of the core Council business.	Key services not available to a large proportion of the community for one week or more. Severe service degradation for one month or more. Failure to achieve multiple community outcomes. Deterioration in majority of KPI >30% The majority of the critical assets are destroyed or rendered unusable for several months	National adverse political or media comment for more than one week. Requirement for (televised) public apology or defence A consistent and long term public outcry against policies or actions of the Council A long term irreconcilable loss of confidence in the Council's capabilities and standing
Major	4	A Capex overspend of >10% or an Opex overspend of >3% of the annual plan. Rates increase above the limit on rate increase from the financial strategy in the LTP/Annual plan. Unanticipated costs or losses of \$1M ~ \$5M.	An incident resulting in a single fatality. Long term severe health effects on multiple people.	Breaches result in legal action being taken against officers of the Council. Compliance failures result in substantial restrictions placed on several areas of core Council business.	Key service not available to a significant portion of the community for two days or more. Continued severe service degradation for one week or more. Failure to achieve a specific community outcome. Deterioration in multiple KPI of 15 ~ 30%. Majority of critical assets are destroyed or rendered unusable for several weeks.	National adverse political or media comment for more than two days. Regional adverse political or media comment for more than one week Prolonged public disaffection with the policies or actions of the Council Loss of confidence in the Council's capabilities and standing lasting for several months
Moderate	3	A Capex overspend of >5% or an Opex overspend of >1% of the annual plan. Rates increase close to the limit on rate increase from the financial strategy in the LTP/Annual plan. Unanticipated costs or losses of \$500K ~ \$1M.	A severe injury or multiple casualties requiring hospitalisation. Long term health effects on one or more people.	Breaches require significant attention or corrective actions Compliance failures result in restrictions placed upon limited areas of core Council business	Key service not available to some of the community for ten hours or more. Continued service degradation for two days or more. Significant difficulty introduced to achievement of community outcomes. Deterioration in some KPI of 5 ~ 15%. A range of assets, some critical, are destroyed or rendered unusable for a week.	Regional adverse political or media comment for more than two days Public disaffection with the Council's policies or actions lasting from days to weeks Loss of confidence in the organisation's capabilities lasting for several weeks
Minor	2	A Capex overspend of >2% or an Opex overspend of >0.5% of the annual plan. Rates increase considerably above the forecast from the financial strategy in the LTP/Annual plan. Unanticipated costs or losses of \$50K ~ \$500K	Injuries requiring medical attention. Short term negative health effects.	Breaches require attention or corrective action Compliance failures result in minor restrictions placed upon core Council business	Reduced service delivery that does not compromise the community's health and wellbeing. Service degradation at times during a week. Inconvenience or delay in achieving community outcomes. Deterioration in top key performance indicators of 1 ~ 5%. A number of assets are destroyed or rendered unusable, but can be replaced within acceptable timeframes.	Regional adverse political or media comment for one or two days Public disaffection with the Council's policies or actions is limited to a few days Short term loss in confidence regarding the Council's capabilities and or standing lasting for several days
Insignificant	1	An Opex or Capex overspend of the annual plan. Rates increase slightly above the forecast from the financial strategy in the LTP /Annual plan. Unanticipated costs or losses of \$10K ~ \$50K	Incident requiring simple first aid only. Momentary or limited health impact.	Breaches are insignificant in nature with no disruption to performance of duties Compliance failures result in negligible restrictions placed upon core Council business	Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing. There are minimal effects on the achievement of community outcomes. Assets receive little or minimal damage, or are only temporarily unavailable for use.	Short-term 'letters to the editor' (or online equivalent) commentary There is limited public disaffection with the policies and actions of the Council Public confidence in the council remains largely unaffected

8.4.2 Appendix 2 - Council Likelihood of Risk

8.4.2 Appendix 2 - Council Likelihood of Risk

8.4.2 Appendix 2 - Council Likelihood of Risk(Cont.)

APPENDIX 2: Council Likelihood of Risk

Likelihood	Score	Descriptor
Almost certain	5	<ul style="list-style-type: none">• >90% chance of occurring in next 12 months.• It is expected to occur in 9 of the next 10 years.
Likely	4	<ul style="list-style-type: none">• 70% - 90% chance of occurring in next 12 months.• It is expected to occur in 7 of the next 10 years.
Possible	3	<ul style="list-style-type: none">• 30% - 70% chance of occurring in next 12 months.• It is expected to occur in 3 of the next 10 years.
Unlikely	2	<ul style="list-style-type: none">• 5% - 30% chance of occurring in next 12 months.• It is expected to occur once in the next 10 years.
Rare	1	<ul style="list-style-type: none">• <5% chance of occurring in next 12 months.• It is expected to occur once in the next 30 years or more.

8.4.3 Appendix 3 - Figure 1 - Risk Heatmap

8.4.3 Appendix 3 - Figure 1 - Risk Heatmap

8.4.3 Appendix 3 - Figure 1 - Risk Heatmap(Cont.)

Appendix 3
Figure 1 - Council Risk Management Report
Risk Heatmap - Assessed (Residual) Risk

Risk Consequence (See appendix 1)	Catastrophic	2					Strategic Risk 1. Not achieving effective delivery 2. Health and Safety breach 3. Inability to attract, sustain, engage, and develop our staff capability. 4. Impaired Māori relationships 5. Lack of infrastructure resilience (community) 6. Loss of organisational effective systems and infrastructure for council operation including cyber-attack. 7. Non-compliance with legal and regulatory requirements. 8. Political changes impact on council direction and delivery. 9. Natural disaster management and mitigation including climate change 10. Lack of Community Support 11. Major economic / financial or social shock
	Major		5	9 11			
	Moderate			7 10	6 8	1 3 4	
	Minor						
	Insignificant						
		Remote Expected 1 out of 30 years	Unlikely Expected 1 out of 10 years	Possible Expected 3 out of 10 years	Likely Expected 7 out of 10 years	Almost Certain Expected 9 out of 10 years	
Risk Likelihood (See appendix 2)							

8.4.4 Appendix 4 - Figure 2 - Risk Summary

8.4.4 Appendix 4 - Figure 2 - Risk Summary

8.4.4 Appendix 4 - Figure 2 - Risk Summary(Cont.)

Appendix 4 - Figure 2 - Council Risk Management Report - Risk Summary as of July 2024

Risk Name Risk definition	Potential Risk Impact	Inherent Risk	Inherent Risk Direction	Treatment and Control Status	Residual Risk	Residual Risk Direction	Target Risk
<p>1. Not achieving effective delivery</p> <p>Risk that Council does not to meet its goals for the district including compliance with legislation, resulting from failure to implement change in strategic planning due to insufficient monitoring and decision-making processes</p>	<p>Unanticipated costs \$1m+</p> <p>Failure to achieve multiple community outcomes. Deterioration in multiple KPI 30%</p> <p>A range of assets, some critical are rendered unusable for more than a month</p>	Extreme	←	●	High	←	Medium
<p>2. Health and Safety</p> <p>Risk that serious harm or death of Council staff or other people at Council's workplaces occurs.</p>	Death of one or many staff/ Public	High	←	●	Medium	←	Low
<p>3. Inability to attract, sustain, engage, and develop our staff capability</p> <p>Risk that Council fails to maintain the necessary staff capacity and or capability to deliver the objectives of the organisation</p>	Contribute to 1 above	High	←	●	High	←	Medium
<p>4. Impaired Māori Relations</p> <p>Risk that failure to effectively engage with strong Iwi and Māori relations impedes that ability to deliver the Councils goals for success across economic, cultural, environmental, and social outcomes. This risk also includes failure to meet both legislative and moral responsibilities to build, maintain and nurture sound and trusted relationships with Māori partners.</p>	Contribution to 1 above	High	←	●	High	←	Low
<p>5. Lack of Infrastructure resilience (Community)</p> <p>Risk that infrastructure used by the community fails to an extent that it has a significant impact on residents in our community, along with businesses who are unable to function, if council infrastructure fails.</p>	Key services are not available to a large proportion of the community for more than a month.	Extreme	←	●	Medium	←	Medium
<p>6. Loss of organisational effective systems and infrastructure for council operation including cyber attack</p> <p>Risk that infrastructure, both physical and digital, used by Council to support the delivery of services to the community fails as an event, or through being unfit for purpose, to an extent that it has a significant impact continuity of services.</p>	Loss of organisational effective systems and infrastructure for council operation including cyber-attack resulting in operational systems not being available for more than one month.	High	↙ As approved in last meeting	●	High	←	Medium
<p>7. Non-compliance with legal and regulatory requirements</p>	Breaches result in legal action being taken against officers of council.	High	←	●	Medium	←	Low

8.4.4 Appendix 4 - Figure 2 - Risk Summary(Cont.)

Risk that changes to the rules and regulations we operate under occur to an extent or at a pace resulting in to keep up with these changes and ensuring ongoing compliance with existing legislation and frameworks exposes WDC to unplanned liability for non-compliance and cost.	Compliance failures result in substantial restrictions being placed on core council activities Loss of confidence in council's capabilities lasting several months						
8. Political changes impact council direction and delivery Risk that changes in political direction from local or central government can occur to a scale or speed which has a significant impact on the ability of the Council to deliver upon it stated goals for the community.	Unanticipated losses of over \$5m. Prolonged public dissatisfaction with policies or actions of Council.	Extreme	←	●	High	←	Medium
9. Natural disaster management and mitigation including climate change Risk that natural disasters, as one off or recurring events, along with ongoing continuous change in our natural environment, including but not limited to impacts of climate change, can have significant impact on Council business continuity, community infrastructure, and social and economic impacts.	Significant assets are destroyed or rendered useless for several months. Key services are not available to the community for several weeks. Long term severe health impact to a significant number of people.	Extreme	←	●	High	←	High
10. Lack of community support Risk that there is an insufficient level of support from our communities that has a significant impact on the ability of the Council to deliver upon it stated service levels and goals for the community	Prolonged public dissatisfaction with the policies or actions of Council.	High	←	●	Medium	←	Medium
11. Major economic/ financial or social shock Risk of unpredictable shifts in the global or domestic economies that would significantly impact on the ability of the Council to deliver upon it stated service levels and goals for the community.	Unanticipated costs of more than \$5m. Overspend of Annual Plan OPEX by 5%.	Extreme	←	●	High	←	Medium

Assessment of Treatments and Controls to manage risk

- Exceed requirement – the risk management processes have been over-engineered for the level of risk involved
- Meet requirement – the risk management processes are appropriate for the level of risk identified
- Need strengthening (minor) – minor improvements in the risk management processes are necessary to reach “meet requirements”
- Need strengthening (important) – risk management processes need to be strengthened in important ways to reach “meet requirements”
- Need strengthening (critical) – risk management processes are clearly deficient in critical ways
- Unestablished – risk management processes have not yet been established. This will most likely be the situation in the case of a new business initiative

Definitions of risk directions:

- ← No change in risk direction
- ↙ Risk is decreasing
- ↖ Risk is increasing

Emerging Risks

Reflects risk that are either developing, or for which a risk assessment has not yet been undertaken, but it is likely this area will meet the standard of an Enterprise Risk in future

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

Appendix 5

Figure 3 – Council Risk Management Report - Register incorporating Management Action Status Report as of June 2024

For items showing as an inherent risk of **High** or above within the risk management report

Key to Status	[T-E] Treatment - effective	[T-PE] Treatment – partly effective	[C-E] Control - effective	[C-PE] Control – partly effective
What’s the distinction between a Treatment and a Control? [shades of grey]				
<p>A Treatment is something that reduces the inherent risk either in consequence or likelihood to avoid it from occurring or reducing its consequence if it does occur <i>[example: an alarm that sounds or alerts someone when a door is left unlocked reduces the likelihood of doors being unlocked for any length of time]</i></p> <p>A Control is something that improves the environment to reduce the residual risk of the consequence or likelihood <i>[example: a policy that lets all staff know that doors are to be locked]</i></p> <p>Both Treatments and Controls require ongoing monitoring to be effective.</p>				

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 01. Not Achieving Effective Delivery			
<p>Risk definition</p> <p>There is a risk that Council does not to meet its goals for the district including compliance with legislation, resulting from failure to implement change in strategic planning due to insufficient monitoring and decision-making processes (choosing the right projects, given financial constraints, and delivering them on time and on budget).</p> <p>The risk exists because there is a view the underpinning practices to support changes in strategic decision making are not as strong as they should be, specifically</p> <ul style="list-style-type: none"> Business processes including decision making, reporting, project management (including whole of project life financials, asset management and procurement). Staff capability and capacity to ensure consistent and focused delivery Improved financial and infrastructure strategies that guide decision making 	Potential Risk Impacts	<ul style="list-style-type: none"> Unanticipated costs \$1m+ Failure to achieve multiple community outcomes. Deterioration in multiple KPI 30% A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	Extreme ←	
	Residual Risk	High ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	Establishing an effective LTP that commits to develop robust decision making, project management process, tools, and capability at council to strengthen Councils long term sustainability and delivery of outcomes	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
1.1 Strategy and Policy [S. Perdia]			
2.01 - Corporate planning - long term plan, annual plan, annual business plan 2.03 - Review and develop council performance framework	<ul style="list-style-type: none"> WDC Long Term Plan 2021-2030 [Jul.21] LTP Steering Group established to oversee work programme [Mar 23] The Organisational Performance Report (OPR) is reported to Committee each quarter [Dec. 22] Annual Planning process complete and rates set. [June.23] Business Plan 23-24 complete [Aug 23] 		<ul style="list-style-type: none"> Complete LTP 2024-2034 [Aug. 24]. Review of the Organisational Performance Report, based on feedback from the Committee to improve the effectiveness of this control [Nov. 24].
1.2 Strategy and Transformation [S. Perdia]			
2.29 - Establish PMO and strengthen project discipline	<ul style="list-style-type: none"> Key projects (e.g. Matata Wastewater) are reported to Council Committees. [Feb. 23] Smartsheet approved as the Online Enterprise project tracking tool. [Dec. 22] Established a Project Culture Work Group [Jul 23] Project overview reporting to ELT and Governance in place [Aug 23] Updated EPMO Project Plan with a vision statement developed by the Project Working Group and approved by Finance and Performance Committee [Nov 23] Established a Working Group to develop an Infrastructure (Transport & Waters) PMO [Dec 23] 	<ul style="list-style-type: none"> Have completed recruitment for EPMO Manager [July 24] 	<ul style="list-style-type: none"> A 'Key Projects' reporting template for consistent reporting to Council [Mar 25] Infrastructure (Transport & Waters) PMO in place [Dec 24] New EPMO Manager to review and update project plan and internal Advisory Group [Dec 24]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 02. Health and Safety			
Risk definition	<p>There is a risk that serious harm or death of Council staff or other people at Council's workplaces occurs.</p> <p>The risk exists because of the nature of work undertaken by our staff, and our contractors et al, in the delivery of services on behalf of the Council. Inherent Risk reflects the existing Health and Safety framework and treatments being assessed as effective.</p>	Potential Risk Impacts	o Death of one or many staff/ Public
		Inherent Risk	High ←
		Residual Risk	Medium ←
		Target Risk	Low ←
		Risk Reduction General Approach	<p>Council must ensure all reasonable steps are taken to ensure the health and safety of Council staff and people at Council workplaces.</p> <p>Establishing an effective health and safety framework including multiple aspects such as strategy, policy and procedures, reporting, training, and resources to reduce the likely occurrence of such an event or the severity of impact if such an event occurs.</p>

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
2.1 People and Capability [E. Hatch]			
8.03 - Manage health and safety	<p>Event management – system provided for reporting and managing accidents, incidents and near miss events.</p> <p>Worker engagement – systems for including workers in health & safety decisions including an active Health & Safety Committee and Wellbeing Committee.</p> <p>Risk management – Vault software is used to capture and manage our risks. Critical risks are managed via Risk Control Groups of a cross section of staff working with that particular risk.</p> <p>Policy & process – policy and processes developed as required to support good health & safety practices/</p> <p>Contractor management -</p> <p>Staff training – H&S training has been identified for all roles and loaded against the role in Vault. Training, including refresher training, is scheduled by the H&S team.</p> <p>Health monitoring – roles where staff are exposed to health risks receive annual health monitoring through our provider Proactive.</p>	<ul style="list-style-type: none"> For this period, training has been coordinated and delivered in First Aid, Situational Safety with staff and elected members, Workplace Health & Safety, Vault incident and corrective actions, Wheels, Tracks & Rollers, GrowSafe, driver training, Contractor Overlapping Duties, Confined Spaces and Health & Safety Governance. Executive and Councillors Due Diligence activities put on hold while review of H&S audit and workplan are agreed and implemented. Draft Health & Safety Strategy written and currently with Executive team for review and finalisation. 	<ul style="list-style-type: none"> Following a change in requirements from FENZ, updated Fire Evacuation scheme for the Civic centre has been submitted to FENZ and is pending approval. Contractor Management framework currently being drafted. Formal project team to be established with extensive work programme being derived from recent audit.

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 03. Inability to attract, sustain, engage, and develop our staff capability			
<p>Risk definition</p> <p>There is a risk that we fail to maintain the necessary staff capacity and or capability to deliver the objectives of the organisation.</p> <p>The risk exists because the New Zealand labour market is extremely tight and furthermore WDC operates in a relatively small regional economy making it often challenging to attract high calibre candidates. Challenges can include ability to remunerate at levels, expected opportunity for personal development, jobs for partners, schooling, and housing availability.</p> <p>Additionally due to scale, succession planning is also challenging. Like many regions we have areas of the business (e.g., 3 waters) where our staff demographic is aged which increases our exposure.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> o Unanticipated costs \$1m+ Failure to achieve multiple community outcomes. o Deterioration in multiple KPI 30% o A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	High	←
	Residual Risk	High	←
	Target Risk	Medium	←
	Risk Reduction General Approach	<p>People and culture programme in place and monitored via Org Performance.</p> <p>Mitigation includes making a value proposition for Whakatāne being a great place to live and work along with effective staff engagement, an attractive and modern workplace, and a commitment to staff professional development.</p> <p>WDC has utilised contractor or consultants often where recruitment has not been successful or where the need is short term and highly skilled.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
3.1 People and Capability [E. Hatch]			
<p>8.02 - Enhance recruitment systems and processes</p> <p>8.04 - Develop and implement - people first project - organisation vision and values</p> <p>8.05 – Implement staff wellbeing strategies and policies</p> <p>8.07 - Develop workforce plan</p>	<ul style="list-style-type: none"> • Our Vision & Values have contributed to the development of our Employee Value Proposition (EVP) which ensures we utilise the right language in all documentation to attract top talent (including adverts, positions descriptions, interview questions etc). • Our recruitment processes allow increased flexibility in People Leaders thinking creatively about other benefits to attract great staff, including flexible workplaces and a focus on personal development. • Council attained Accredited Employer status with Immigration NZ and can now attract and recruit technical skills from overseas, and support migrants into our communities. • Council’s wellbeing group regularly meet and actively coordinate wellbeing events and initiatives for all staff. • Council staff are working closely with the EBOP Chamber of Commerce Young Professionals Group ‘The Ladder’ to support the development of young professionals in the region. • Hybrid Working Guidelines developed and presented to staff to support people working in a combination of in the office and at home, as appropriate. 	<ul style="list-style-type: none"> • Our Employee Value Proposition (EVP) continues to be regularly evaluated to ensure we are attracting quality staff through our placement of advertisements and language used. • Our accredited employer status is up for review later in the year, we are engaging an immigration service to assist us with this process to ensure we retain this status. • The next iteration of Council’s Performance Development project - ‘My Performance; is being rolled out in the coming quarter. Initial feedback from senior leaders is positive. The revised system will have a strong emphasis on setting goals which align to the organisations strategic objectives. • Leadership Development - Growing Greatness and Leading our People workshops have continued during this quarter. 	<ul style="list-style-type: none"> • A Learning & Development Framework is in development to ensure all training and development of staff aligns to strategic outcomes. This is anticipated to be completed by Q4 FY2024 The P&C team are continuing to work on key projects including the HRIS project, policy reviews, and a review of all internal people processes. • The focus with People Leaders for the next six months will be on developing and implementing action plans in response to the Staff Engagement Survey results in order to increase retention, and reviewing resourcing requirements across each activity to ensure fit for purpose.

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 04. Impaired Māori Relations			
<p>Risk definition</p> <p>There is a risk that failure to effectively engage with strong Iwi and Māori relationships impedes that ability to deliver the Councils goals for success across economic, cultural, environmental, and social outcomes. This risk also includes failure to meet both legislative and moral responsibilities to build, maintain and nurture sound and trusted relationships with Māori partners.</p> <p>The risk exists because strong Iwi and Māori relationships are a key pillar to the districts strategic plans reflecting that Whakatāne District has a substantial Māori population of near 48%.</p> <p>Impaired relationships have multiple negative outcomes associated with them and impacts on other relationships (e.g., central government) and our ability to ensure strong resilient, connected communities across the district.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Unanticipated costs \$1m+ Failure to achieve multiple community outcomes. ○ Deterioration in multiple KPI 30% ○ A range of assets, some critical are rendered unusable for more than a month 	
	Inherent Risk	High ←	
	Residual Risk	High ←	
	Target Risk	Low ←	
	Risk Reduction General Approach	<p>Ensure we have an effective Māori Partnership plan in place. Guiding the Council is the Māori Relationship Strategy which is focussed at WDC being better and building our capacity and capability to engage effectively, as well as shared business planning, adding structure, consistency and investing time to the relationships.</p> <p>Due to the diversity of Council business, it is important to hold key relationships across a spectrum of Iwi/Māori partners including iwi, hapū and whānau, land holding entities, Māori education, health, and social service providers, ratepayers, and many others.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
4.1 Local Governance [E. Hatch]			
1.03 - Undertake representation review and establishment of Māori wards	<ul style="list-style-type: none"> • 3 Māori Ward councillors added to governance structure from 2022 elections [Oct. 22] 		<ul style="list-style-type: none"> • The next Representation Review for Whakatane District Council is not required to occur until 2027. <p>As of 30 July 2024, legislation passed to repeal the current Maori wards representation legislation, requiring Councils to hold a poll if they established a Maori ward without holding a poll previously.</p>
4.2 Māori Partnership [P. Warbrick]			
<p>1.06 – Develop cultural responsiveness strategy</p> <p>1.07 - Implement cultural responsiveness strategy</p> <p>1.08 - Deliver cultural competency programme</p>	<ul style="list-style-type: none"> • Te Kahupapa – Organisation’s Cultural Competency training programme: Treaty of Waitangi Training completed in December 2021.Councillor and Executive team monthly workshop.Te reo Training. • Increased oversight of WDC BAU and accuracy of Engagement. Including shared learning opportunities between WDC and Iwi Entities • BOF funding approved for IHW Participation and Town master planning lead by IWI. Progress to appoint Iwi Policy Hub Manager 	<ul style="list-style-type: none"> • MRS year 2 Outcomes to further advance WDC delivery of our Relationship and Legislative responsibilities. • Organisational Cultural Competency Training continues with Te Reo Lessons and Noho Marae completed for FY. • Treaty Settlement and MACA Impacts; WDC including relationship protocols. • Review of He Kahupapa WDC Cultural Competency Framework • Relationship and Engagement Advice continuous (BAU) across multiple Activities. 	<ul style="list-style-type: none"> • Partnerships: Matatā Wastewater, Tourism Product, Reorua Whakatane and Murupara. , Cycle Ways and support of IWI settlement aspirations; Tarawera awa Strategy group outcomes • Year 2 MRS outcomes underway, which covers focus areas of Leadership, Identity, Empowered Organization, relationships, Monitoring and design. • Continued progress with IHW across all WDC business, with relationship workshops to better understand and support each other. • Ngati Awa / WDC Reo rua Outcomes

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

<p>1.09 - Develop coordinated partnership work programme with iwi partners</p> <p>1.10 - Provide cultural advice and guidance to elected members and staff</p>	<ul style="list-style-type: none"> • Regular Executive hui between WDC and Iwi • Increased Organisational Awareness of Govt Maori Policy and impacts. • Relationship Excellence – Relationship leads in place to co ordinate and nurture relationships between Ngati Whare and Ngati Manawa. • FTE Manager Toi Kotuia recruited and supporting MRS and BAU outcomes • LTP 2024-34- Further funding secured through LTP to resource team to provide further relationship leads for other Iwi • LTP 2024-2034 funding secured to provide capacity and capability to Iwi to respond to the work of Council 	<ul style="list-style-type: none"> • Shared Business planning Iwi and WDC - to date Ngati Awa and Ngati Rangitahi. • Relationship Lead for Ngati Whare and Ngati Manawa in place with significant success. • Ngati Awa / WDC Reo rua Strategy and Outcomes underway. • Ngati Manawa/Murupara Reo Rua Strategy in the pipeline for implementation in 24/25, 25/26. DIA funding secured for Ngati Manawa. • Interim Guidelines / Policy developed for Internal procedures. • MRS Implementation and Training • Arts and Culture activities; Te Koputu and Taketake. 	<ul style="list-style-type: none"> • Murupara Reorua application – accepted in principal by DIA • Maori Policy intel to future inform WDC approach • Te Reo Policy – Linked to Reo rua and MRS outcomes • Shared Iwi / WDC Business Planning • BOF Iwi Policy Hub – resourcing iwi participation • System and Tools - support relationship Excellence • Oversight of Policy and Submissions WDC Maori lens.
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8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 05. Lack of Infrastructure resilience (Community)			
Risk definition There is a risk that infrastructure used by the community fails to an extent that it has a significant impact on residents in our community, along with businesses who are unable to function, if council infrastructure fails. The risk exists due to the significant scale upon which the delivery of services of the Council is dependent on a diverse, distributed and complex infrastructure base, and due the to the underlying age of much of the infrastructure.	Potential Risk Impacts	○ Key services are not available to a large proportion of the community for more than a month.	
	Inherent Risk	Extreme ←	
	Residual Risk	Medium ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	An excellent understanding of the state of our infrastructure, the demand on them along with appropriate maintenance and replacement plans will be critical in managing this risk. Risk reduction will also consider infrastructure readiness for planned growth and the potential impact of unplanned growth.	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
5.1 Strategy and Policy [D. Bewley]			
2.08 - Develop housing strategy 2.10 - Spatial plan engagement and development 2.11 - Future development strategy review (zoning) 2.12 – Preparing resource consents for council key projects	<ul style="list-style-type: none"> Spatial Plan Leadership Group established, with representation from Kawerau, Whakatāne District Councils and BOPRC, and Waka Kotahi, MHUD and Kāinga Ora. Ōpōtiki Districts Council is now a partner. Iwi Leaders have joined the meetings. Leadership Group approved modified Project Plan to recognise scope change with Opotiki District Council joining the Project. [May 2023]. Original Project Plan was adopted [Sep. 22]. Governance Group to meet quarterly commencing in June 2023. Spatial Plan funding secured through Annual Plan [July 2023] Additional funding secured through Better Off Funding [Nov. 22]. Minginui and Murupara Master Plans under way through BOF [complete June 2025] Resource consents are prepared by planners with relevant expertise. Housing Strategy to be brought forward to inform Spatial Plan work [2024/25]. Resourcing available in-house to prepare resource consents for Council Infrastructure projects 	<ul style="list-style-type: none"> Spatial Plan Project Plan reviewed against revised delivery model and contributions of staff time, particularly from BOPRC, have been significantly increased. Funding of Spatial Plan secured through LTP LTP includes funding for District Plan Review commencing in 2025 Iwi Spatial Plan being developed through Whakatane Iwi Policy Hub, concurrent with the Spatial Plan Project 	<ul style="list-style-type: none"> Future growth strategy to be completed once Spatial Plan further advanced. District Plan Review
5.2 Economic Development & Regeneration [S. Perdia]			
2.21 - Develop investment strategy	<ul style="list-style-type: none"> A property stocktake of all property that Council owns in the district [May 22]. 	<ul style="list-style-type: none"> Request made to Kanoa jointly with Ngāti Awa to investigate if reallocation of part of Te Ara Hou funding into the Boat Harbour is an option [May 23] 	<ul style="list-style-type: none"> CCTO and Commercial Investment feasibility phase completed [Aug 24]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

<p>2.22 - Reset town centre riverfront project (Te Ara Hou)</p> <p>2.23 - Review town vision 2008</p> <p>2.24 - Develop property strategy</p>	<ul style="list-style-type: none"> • GIS mapping of Council properties and property categories [May 22] • Workshop with Council covering Town Centre projects, iwi engagement and impacts of Floodwall on planning process [Dec 22] • CE Steering Group (WDC, BoPRC, Ngāti Awa) called Future Whakatāne established to co-ordinate floodwall improvements, river front development and Councils promenade area [May 23]. • Property Policy adopted by Council which sets out Property Categories (including commercial property) and strategic approach to planning and decision making at a property category level. [June 23] • CCTO and Commercial Investment strategy next steps workshop with Council [Jun. 23] • Council reviewed and approved a project plan for CCTO feasibility phase [Oct 23] 	<ul style="list-style-type: none"> • Floodwall height increase Stage 1 completion date delayed by BoPRC [Sept 24] • Floodwall Stage 2 Iwi and public engagement process underway [Mar 24] 	<ul style="list-style-type: none"> • If CCTO proceeds then develop a commercial property investment strategy [Oct 24]
<p>5.4 Three Waters [B. Gray]</p>			
<p>4.02 - Maintain network and reticulation renewals</p> <p>4.07 - Develop three waters strategy to meet increased standards and growth requirements</p> <p>4.09 – Plan and develop new assets for growth</p> <p>4.10 - Investigate and plan for new water source for Whakatāne-Ōhope scheme</p> <p>4.11 - Deliver Matatā wastewater project</p>	<ul style="list-style-type: none"> • We have invested through the stimulus funding from Central Government in CCTV'ing our underground assets to understand the condition of these assets. This information will be useful for developing maintenance programmes for the reticulation network. • The new water source investigation project is complete and will form a valuable input into the water strategy project. • Matatā Wastewater Co-governance Group established with iwi/hapu and Council representation. Projects and Services Committee receive regular seven weekly updates. Wānanga held with project team and iwi at Rangiaohia Marae (Ngāti Rangithi Marae) on 1 and 2 July 2022. Project to start to look at options for sites, with further discussion to occur on “non-negotiables” and criteria. Looking to start engagement with community and stakeholders. • Project plans have been developed for the renewal of all wastewater and water consents in 2026. Engagement on these renewals will start shortly. A timeline has been prepared with inputs from key projects such as the Spatial Plan identified. This was presented to the June 2022 Projects and Services Committee Meeting • Conversations with iwi have begun in relation to co-design of consent renewal plans. 	<ul style="list-style-type: none"> • Work started to develop an Infrastructure PMO to program and manage infrastructure projects. • Work has started to bring three waters back into the LTP and Infrastructure Strategy. • Specific growth projects have been identified in the LTP for the provision of appropriate infrastructure, this aligns with the review of the development contribution policy. 	<ul style="list-style-type: none"> • The Spatial Plan timeline has been pushed out. We will need to identify some growth related projects within the next three year period for inclusion into the LTP, and make some assumptions around growth in the Infrastructure Strategy. • A dedicated team for the consent renewals has been requested through the LTP budgeting process.

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 06. Loss of organisational effective systems and infrastructure for council operation including cyber attack			
<p>Risk definition</p> <p>There is a risk that infrastructure, both physical and digital, used by Council to support the delivery of services to the community fails as an event, or through being unfit for purpose, to an extent that it has a significant impact on continuity of services.</p> <p>The risk to physical infrastructure predominately exists mostly as being unfit for purpose due to the diverse, distributed and complex infrastructure base, and due to the underlying age of much of the infrastructure.</p> <p>The risk to digital exists partly from being unfit for purpose due to the to the increasingly diverse and complex nature of the organisational demands but also due to exposure to cyber-attack compromising or eliminating access to the infrastructure. Councils are increasingly the focus of cyber-attack as part of the global wide issue, and as a ‘front door’ to Central Government we face particular risk.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Loss of organisational effective systems and infrastructure for council operation including cyber-attack resulting in operational systems not being available for more than one month. 	
	Inherent Risk	High	←
	Residual Risk	High	←
	Target Risk	Medium	←
	Risk Reduction General Approach	<p>Mitigation of the risk includes ensuring both our physical infrastructure and digital infrastructure are fit for purpose to meet the demands of the organisation and have appropriate levels of monitoring and security to protect them from substantial damage from physical or electronic attack. Risk management will include ensuring an effective Information Systems plan is developed and being delivered.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
6.1 Corporate Information [G. Connolly]			
<p>8.23 - IT readiness for civic centre transition and upgrade</p> <p>8.24 - Develop IT governance and roadmap to prioritise organisation requirements</p> <p>8.25 -Refresh and implement cyber security plan</p> <p>8.27 - Investigate and replace enterprise resource planning (ERP) solution</p>	<ul style="list-style-type: none"> Executive Information Services Governance Group has been re-established and meets monthly in line with ToR [May 22] Microsoft 365 and Teams has been rolled out to all staff to allow them to work effectively from any location. [Nov. 21] Technology was decanted from Civic Centre with staff operating effectively from a mixed model [Nov. 21] To date progress in the technology delivery plans for Civic Centre rebuild remain on track as reported in the project status reports Information Systems strategy has been presented and approved by Council. [May 23] Establishment of an effective operating model incorporating resourcing will provide clarity for the ERP replacement project and wider applications and systems roadmap. [May 23] Completion of the technology infrastructure and re-establishment of staffing in the Civic Centre [Jun. 23] Development of a project plan as part of the wider ERP project has commenced and will be reviewed by Council [Jun. 23] Operational Model change with most recruitment completed [Nov. 23] ERP project manager and change manager have been recruited, final stage of project team recruitment of Bas anticipated in November. [Nov. 23] 	<ul style="list-style-type: none"> ERP project team undertaken workshops and received over a dozen responses to RFI, now undertaking panel review prior to RFP [Apr. 23] 	<ul style="list-style-type: none"> Development of an applications roadmap based on the ERP project plan will create a clear line of treatment of the wider application layer of the council being fit for purpose. [Dec. 24] RFI/RFP Vendor selection complete to Gate 1 of ERP Replacement project and delivered to council for approval [Oct.24] Delivery of the ERP replacement project will significantly reduce risk in technology not being fit for purpose and create foundation for roadmap associated with other applications throughout the council. [Sep. 25]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 07. Non-compliance with legal and regulatory requirements			
<p>Risk definition</p> <p>There is a risk that changes to the rules and regulations we operate under occur to an extent or at a pace resulting in to keep up with these changes and ensuring ongoing compliance with existing legislation and frameworks exposes WDC to unplanned liability for non-compliance and cost.</p> <p>This risk exists and is ongoing in nature due to the continuity of change within the legislative and compliance environment.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> Breaches result in legal action being taken against officers of council. Compliance failures result in substantial restrictions being placed on core council activities Loss of confidence in council’s capabilities lasting several months 	
	Inherent Risk	High ←	
	Residual Risk	Medium ←	
	Target Risk	Low ←	
	Risk Reduction General Approach	Mitigation of the risk will be based on establishing champion of legal / internal audit / risk which will include independent oversight through regular connection through Chair of the Risk and Assurance. This role will then champion and support the implementation of stronger and more consistent tools, techniques and register of oversight on compliance.	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
7.1 Corporate Information [G. Connolly]			
8.18 – Develop legal regulatory compliance framework	<ul style="list-style-type: none"> Risk reporting framework presented to Risk and Assurance Committee in September completed and will evolve with use. [Sep.21] Taken insurance advice from AON in renewals 2023 [Nov.22] [on agenda] Risk Framework training manual developed and workshopped with new Council and Committee in new Triennium [Jan.23] BCA Accreditation maintained [December 2023] Procurement and Risk Manager [Legal Champion] appointment [Oct. 23] Risk Management Framework Training induction for tier 3 manager group developed and commenced presentation [Oct. 23] Legal Issues Register developed based on current open issues with principle advisor, included in Risk and Assurance report [Nov. 23] Continue improvements to Legal Issues Risk register incorporating legal costs / insurance / recovery expectations, as well as extension to include all open issues include other advisors [Mar. 24] 	<ul style="list-style-type: none"> Development of a Register of Legal Opinions based on available historic opinions received [Jun. 24] Food Premises Quality Management System (QSM) audit [March 2024] 	<ul style="list-style-type: none"> We are current developing, with consultation of ELT, an action plan for the reestablishment of on effective Procurement function to support the delivery of our Social Procurement Framework [Dec, 24] Development of a Register of Legal Opinions based on available historic opinions received [Jun. 24] Delegations Register to be reviewed [2024/2025]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

7.2 People and Capability [E. Hatch]			
8.06 – Develop and implement leadership, learning and development programme	<ul style="list-style-type: none"> • Complete Leadership, Learning & Development programme in place. • Annual Performance Development programme in place. 	<ul style="list-style-type: none"> • Taituara Australasian Management Challenge 2024 team performed exceptionally well and were crowned the winners of the NZ competition. They will compete against the Australian state winners in early August. • Growing Greatness and Leading our People programmes began at the end of February and March 2024. There was an excellent uptake on these programmes and all cohorts are now full. • The next iteration of Council’s Performance Development project - ‘My Performance will be rolled out in the coming quarter. With a focus on goal setting, the improved version will also require self and manager evaluation on how individuals daily behaviours align with our values. • Several members of the P&C team have completed the ISL leadership training to become accredited in Smart Leader Psychometric Assessments. Planning is in progress to roll this assessment out to the wider organisation. 	<ul style="list-style-type: none"> • A Learning & Development Framework is in development to ensure all training and development of staff aligns to strategic outcomes. This is anticipated to be completed by Q4 FY2024 • The P&C team are continuing to work on key projects including the HRIS project, policy reviews, and a review of all internal people processes. • The focus with People Leaders for the next six months will be on developing and implementing action plans in response to the Staff Engagement Survey results in order to increase retention, and reviewing resourcing requirements across each activity to ensure fit for purpose.

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 08. Political changes impact council direction and delivery			
<p>Risk definition</p> <p>There is a risk that changes in political direction from local or central government can occur to a scale or speed which has a significant impact on the ability of the Council to deliver upon it stated goals for the community.</p> <p>This risk exists generally due to the three-year political cycle impacting the environment in which Council operates. The potential risk is currently higher however, as of 2020, as there is currently substantial potential change in the local government space being led by Central Government. This includes:</p> <ul style="list-style-type: none"> • Three Waters Reform • Local Government Reform; and • RMA Reform 	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Unanticipated losses of over \$5m. ○ Prolonged public dissatisfaction with policies or actions of Council. 	
	Inherent Risk	Extreme ←	
	Residual Risk	High ←	
	Target Risk	Medium ←	
	Risk Reduction General Approach	WDC is staying well connected into the sector, ensuring we have the internal systems and capability to respond as best as possible and planning to be fit for purpose. By doing so Council reduces risk by staying connected, informed, or ready to adapt.	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
8.1 Local Governance [E. Hatch]			
1.05 - Governance arrangements and induction for new triennium (includes ongoing programme of ensuring governance awareness and understanding of legislation and policy and other business impacts).	<ul style="list-style-type: none"> • All committees and council meetings have occurred as advertised. Regular workshops are held with Council to discuss matters, receive briefings and provide guidance to staff. • Council has successfully run hybrid council and committee meetings since May 2022 that allows people to attend meetings either on-line or in-person. This new way of working has evolved into a standard meeting practice that has proved a hugely successful way to keep people safe (as we experience a surge of COVID-19 and other winter illnesses) and maintain business continuity and decision making. • Ongoing programme of governance awareness and understanding of legislation and policy and other business impacts is underway. This included 2 x Council business away days and a workshop programme that is underway. 	<ul style="list-style-type: none"> • Training with Meeting and Governance Solutions Limited (Steve McDowell and Vern Walsh) has been scheduled (4 December 2023) to assist Elected Members in leading and participating in effective meetings. This is to create confidence within our Councillors as we focus on the Live Streaming of Council meetings (Project underway). • As part of the review into workshop practices conducted by the Chief Ombudsman Elected Members were briefed on the changes Council needs to make expected to see in this space. 	<ul style="list-style-type: none"> • Ongoing programme of governance awareness will continue. • Combined Community Board meetings are in place, providing our four community boards to collaborate, network, and receive relevant training/inductions (such as media training, LTP workshops, and strategic plan development) to enable a proactive approach to their involvement in their respective wards. • We are reviewing and planning to deliver further Stellar training sessions to our Elected Members over the new financial year 2023/24.
8.2 Strategy and Policy [S. Perdia]			
2.04 - Navigating reforms - local government futures	<ul style="list-style-type: none"> • Project Manager appointed for the 3 Reforms oversight. [Sept 21] • Internal Reforms Steering Group meets monthly. [Nov. 21] • Reporting framework for ELT, Council and public. [Feb 22] • Submission processes met FFLG [Feb 23] • New government elected and Working Group monitoring policy changes and Ministers direction [Oct 24] 		

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

8.3 Resource Management Policy [D. Bewley]			
2.13 - Navigating reforms – Resource Management Act	<ul style="list-style-type: none"> Spatial Planning Act and Natural and Built Environment Act repealed December 2023 	<ul style="list-style-type: none"> Monitoring change in Government and proposed amendments and review of RMA. Engaging in conversations across Councils in the region about approach 	<ul style="list-style-type: none"> Impact of RMA Reform on staff to be assessed.
8.4 Three Waters [B. Gray]			
4.01 - Navigating reforms - three waters 4.01 - Navigating reforms - three waters	<ul style="list-style-type: none"> Effective participation in Entity B Leadership Transition Team on a weekly basis. Participation in appropriate reference groups and workstreams. We have an established internal steering group and a dedicated Programme Manager overseeing this work. The Steering Group has a work programme schedule, and all milestones are being met across the 3Reforms. There is also an Executive, Council and website based public reporting and updates system in place. A collaboration agreement between WDC and TCC was developed to utilise shared resources in programme management, change management, and communications. This will be transition focussed only, and will report to a Programme Steering Group made up of WDC executives. Government has signalled a new direction change for three waters. Ownership will remain with Councils and we will be required to include three waters into our LTP's and Infrastructure Strategies. Planning for this is well underway as it was an expected scenario that was modelled anyway. 	<ul style="list-style-type: none"> Water Services Acts Repeal Act 2024 enacted [Feb. 24] 	<ul style="list-style-type: none"> Local Waters Done Well Bill expected to be tabled - legislation change proposal [Jun / Jul 24] Local Waters Done Well Legislation long term plan expected to be enacted [Dec.24]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 09. Natural disaster management and mitigation including climate change			
<p>Risk definition</p> <p>There is a risk that natural disasters, as one off or recurring events, along with ongoing continuous change in our natural environment, including but not limited to impacts of climate change, can have significant impact on Council business continuity, community infrastructure, and social and economic impacts.</p> <p>The risk exists due to the nature of change in the natural environment but is increased due to scale and speed of change noted at present.</p> <p>The Whakatāne District is particularly exposed to this risk due to its geography. It has a history of significant natural disasters including landslides, debris flows, volcanic eruptions, earthquakes, flooding, and coastal storms.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> ○ Significant assets are destroyed or rendered useless for several months. ○ Key services are not available to the community for several weeks. ○ Long term severe health impact to a significant number of people. 	
	Inherent Risk	<p>Extreme ←</p>	
	Residual Risk	<p>High ←</p>	
	Target Risk	<p>High ←</p>	
	Risk Reduction General Approach	<p>Risk reduction is based on the 4R's of Emergency Management – Reduction, Readiness, Response and Recovery. This recognises that we can reduce the risk of impacts from natural hazard events (and climate change) through adaptation of our land use, informed land use planning into the future, and preparedness for events through building community resilience and coordination of emergency and other agencies.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
9.1 Strategy and Policy [S. Perdia]			
<p>2.06 - Develop climate change adaptation plan</p> <p>2.07 - Coordinate implementation of climate change strategy incl. energy management programme</p>	<ul style="list-style-type: none"> • Climate Change Strategy review completed [December 2023] 	<ul style="list-style-type: none"> • Project Plan for Climate Change Adaptation Project [March 2024] • Final Climate Change Strategy (mitigation & adaption) adopted by Council [June 24] 	<ul style="list-style-type: none"> • Climate Change implementation plan [Dec 24]
9.2 Resource Management Policy [D. Bewley]			
<p>2.09 - Natural hazard risk investigations (EQ, tsunami, landslide, coastal hazards)</p>	<ul style="list-style-type: none"> • Toi Moana BOP Climate Change Adaptation Review complete. This highlights the relative exposure to hazard risks in the region and by district. is undertaking a survey of areas of concern for communities within the region about climate change [mid 2023]. • Monitoring progress of the Climate Adaptation Bill. Awaiting confirmation of timeframe from Central Government. • CDEM Group Plan review completed [December 2023]. 	<ul style="list-style-type: none"> • Climate Change Adaptation Plan commenced [March 2024] • Flood risk from breach or overtopping of Whakatane River - trigger levels for Emergency Management Planning [2024] 	<ul style="list-style-type: none"> • Plan Changes to the District Plan, and other emergency management readiness activities [2024/2025] • Further evidence-based investigation of local hazards risks is underway, including liquefaction, tsunami, coastal inundation and landslide risk, and in relation to EQPB. Investigations to be completed during 2024 and 2025 financial years
9.3 Waste Management & Minimisation [B. Gray]			
<p>5.04 - Implement (new) waste management and minimisation plan (WMMP)</p>	<ul style="list-style-type: none"> • MFE approved waste diversion project with Crew, implementation started in May. 	<ul style="list-style-type: none"> • Planning for service delivery changes included into the LTP. • Consultation items being prepared for options for the LTP. 	<ul style="list-style-type: none"> • Waiting to understand if there are any changes proposed from the new government. Waste Minister is not part of cabinet, so changes may take some time to come through.

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

<p>5.08 - Implement local organic waste processing plant - 3-year project</p> <p>5.10 - Implement resource recovery park model at Murupara refuse transfer station</p> <p>5.11 - Implement construction and demolition waste diversion project in collaboration with crew – dependant on funding (pending)</p> <p>5.12 - Work with whānau, hapū and iwi on waste minimisation initiatives</p> <p>5.13 - Consultation and implementation of regulatory changes – waste minimisation act, NZ waste strategy, litter act</p>	<ul style="list-style-type: none"> Legislated reporting through to MFE started, WDC were already well positioned with data and reporting requirements. We have needed to review and revise the delivery plan outlined in this LTP due to some legislation changes coming from Central Government. It will no longer be appropriate to implement local organic waste processing plants ahead of food waste collection changes. We will defer this and incorporate into the implementation of that collection service. Composting and worm farm scheme successfully run at the end of 2022. Review of food waste collection started in collaboration with ODC and KDC, and will ultimately end in S17A review process. Collection contract renewed [Oct.23] 	<ul style="list-style-type: none"> Collaboration options considered across the Eastern Bay of Plenty. Eunomia report prepared. 	
<p>9.4 Civic Defence Emergency Management [D. Bewley]</p>			
<p>6.08 - Manage programme for emergency management and EOC responsibilities</p> <p>6.09 - Support community readiness programmes</p>	<ul style="list-style-type: none"> EOC rosters are maintained, and training needs are continually being assessed. Training is being provided along with EMBOP. WDC is an active member of the Group at Joint Committee, CEG and Sub-Committee levels. Maintaining Annual Plan requirements across the Group. Development of Community Response Plans are progressing and are on-going. T. Better Off Funding to support resilience building [2024/25], including alternative EOC. Maintain EOC functionality in Civic Centre [July 2023] Participated in Exercises e.g. Shakeout [October 2023] 	<ul style="list-style-type: none"> CDEM Group Assurance Framework being developed [Feb. 2024] Additional resource in place (January 2024) 	<ul style="list-style-type: none"> Linking Climate Change Adaptation work with Emergency Management Planning internally [July 2004]

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 10. Lack of community support			
<p>Risk definition</p> <p>There is a risk that there is an insufficient level of support from our communities that has a significant impact on the ability of the Council to deliver upon it stated service levels and goals for the community.</p> <p>This risk exists due to the diverse, distributed and complex nature of the communities in which deliver the services of Council, and the extent of implementation of change and improvement reflected in Council plans, along with the increasing demand on people’s time and ability to engage in local service unless it has a direct impact on them.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> o Prolonged public dissatisfaction with the policies or actions of Council. 	
	Inherent Risk	High	←
	Residual Risk	Medium	←
	Target Risk	Medium	←
	Risk Reduction General Approach	<p>Effective communication to, and consultation with, our communities will be critical to managing this risk.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
10.1 Local Governance [E. Hatch]			
<p>1.05 Governance arrangements and induction for new triennium (includes ongoing programme of training, support, and development for elected members).</p>	<ul style="list-style-type: none"> • Pre-Election Report Issued • Briefing for Incoming Council completed [Nov. 22] • Governance Solutions delivered Councillor Training [Nov. 22]: <ul style="list-style-type: none"> o LGS o Wellbeing’s o Being an elected Member o Decision Tree and Meeting Know how o Standing Orders • Fortnightly Council workshops being utilised in addition to BAU as methodology to provide induction to new councillors on specific issues [Nov. 22 – Jun. 23] 		<ul style="list-style-type: none"> • Fortnightly Council workshops will continue to be utilised, in addition to covering BAU, as methodology to provide induction to new councillors on specific issues, including particularly through Annual Plan 2023-34 and LTFP 2024-2034 [Jun. – Sept. 23] • Consideration to upskill additional (2) Elected Members with RMA certification via the Making Good Decisions Programme through Ministry of the Environment within the current triennium, both panel and chair certification. (Expected to occur in FY 2024/25)
10.2 Communications & Engagement [E. Hatch]			
<p>1.11 - Manage media relationship and deliver external communications</p> <p>1.12 - Support internal communications</p> <p>1.13 - Manage digital and social media</p>	<p>Facebook Followers 13,536</p> <p>Instagram Likes 1,347</p> <p>Campaigns / consultation</p> <ul style="list-style-type: none"> • Procurement communications • Project Enterprise (ERP replacement) • Digital Services relaunch 	<p>Annual Report</p> <ul style="list-style-type: none"> • Tiny Homes • Three Waters consent replacement media • Plan Change 6 withdraw (audible bird scarers) • Ferry Road wastewater pumpstation • Hinemoa stormwater improvements • Three Waters BAU – pipe replacements programme • 144 The Strand purchase media • Climate change 	<p>Rose Gardens + Farnworth Crescent Playground upgrades</p> <ul style="list-style-type: none"> • June weather event(s) • Te Pūaha Fund campaign • Muriwai Drive Speed Bumps • Footbridge maintenance • Toitū Te Tiriti Hikoi • Loud in the Library • Māori Wards Bill • NZ Civil Defence Emergency Mobile Test • Whakaari Unrest

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

<p>1.14 - Provide corporate design and publications support</p>	<ul style="list-style-type: none"> • Service Desk Portal • Objective upgrade • Solid Waste • Rates rebates • Grants and funding • Murupara Community Board by-election • NZVD2016 • Suspicious package incident • Online property files • Road safety • Long Term Plan consultation and engagement, communications activities + documents • Climate Change • Future Proof • 2 The Strand • Dog registration campaign • Animal control – roosters • Matatā Wastewater • ePlan – Whakatāne District Plan goes digital • Coastal inundation • Coastal hazard mapping • Plan Change 8 • Wharfside • Cycleways • Road Naming and Addressing Policy • Spatial Plan • 	<ul style="list-style-type: none"> • Road naming policy • Tree Strategy • Arts Strategy • Procurement templates • Code of conduct • Holiday Park whakataukī options • Matariki internal activities • Internal Reo lesson videos • Mimiha Stream Bridge upgrade • Ko Kōnei newsletter x3 • Murupara Community Board Newsletter • Rangitāiki Community Board Newsletter • School holiday programme – July - Te Koputu • Matariki promotions (Te Koputu & internal WDC promotions) • Public holiday information signage • CE recruitment brochure and 100 day plan documents • Aquatics Centre signage refresh • Locky docs digital screens • Holiday park rebranding and collateral • District Plan - ePlan live campaign • He Waka Hono Hapori Community Connections • Anzac programme and socials • Resource Recovery Centre signage • Tourism – ‘Discover our winter’ campaign • Tourism – Brochure updates (multiple) • Event – light up promotion • District entrance signage (Ōhope + Cheddar valley + Nukuhou) • Matatā community plan support • Exhibitions: <ul style="list-style-type: none"> o Ao te Pō – Pō te Ao exhibition o Not to represent, but memorialise exhibition o Moemoea o Tokainiua Devatine o Landmarks for the Landless • Pest control reserve closure • Satellite towns footpath maintenance programme • Peace Street Stormwater and Road Safety Upgrade • District-wide Road maintenance BAU campaign 	<ul style="list-style-type: none"> • Stanley Road storm damage repair • Pink Shirt Day • Edgcombe Basketball Court • Mataatua Reserve Bollards • Sand Fuse lowering • April weather event(s) • Braemar Road storm damage repair • Whakatāne River Bar dredging • Whakatāne Aquatic & Fitness Centre Maintenance Closure • Whakatāne Fitness Centre 6 week challenge • Taituarā Awards • Reorua ki Whakatāne Fund opening • River access improvements at Wairaka Centennial Park • Road safety interventions – Blueberry Curves • Tree Policy
<p>10.3 Community Development [E. Hatch]</p>			

8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

<p>1.17 - Support development and implementation of community plans</p>	<ul style="list-style-type: none"> • Community planning activities have been taking place in Edgecumbe, Murupara and Awatapu. • The Edgecumbe Community Plan and Awatapu Community Plan are finalised and have moved into delivery phase. • A first draft of the Murupara Community Plan is well underway. • Early conversations have been taking place in Taneatua and Coastland regarding community plans. • Communities with completed plans submitted to the LTP. 	<ul style="list-style-type: none"> • The Community Partnerships Team continues to support planning processes in each of these communities as required. • This includes community-led hui, workshops, events and engagement activities planned for 2024 linked to these community planning processes. 	<p>Funding for Community Plan support activities will be confirmed through the LTP process.</p>
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8.4.5 Appendix 5 - Figure 3 - Risk Register incorporating Management Action Status(Cont.)

RISK 11. Major economic/ financial or social shock			
<p>Risk definition</p> <p>There is a risk of unpredictable shifts in the global or domestic economies that would significantly impact on the ability of the Council to deliver upon it stated service levels and goals for the community.</p> <p>The risk exists and is ongoing due to the nature of market shifts and cycles, however, is higher at present due to increased volatility and speed of change within inflation / interest rate, labour cost and supply chain economics. The change is exacerbated by political drivers especially the Russian/Ukraine war.</p>	Potential Risk Impacts	<ul style="list-style-type: none"> o Unanticipated costs of more than \$5m. o Overspend of Annual Plan OPEX by 5%. 	
	Inherent Risk	Extreme	↖
	Residual Risk	High	↖
	Target Risk	Medium	←
	Risk Reduction General Approach	<p>Maintenance of a strong financial reporting and planning framework to ensure the delivery of regular, business context informed, transparent insight to Council’s financial performance to support effective executive management and decision making by Elected Members.</p> <p>WDC also reduces risk in this area by being relatively well positioned with lower debt levels compared to many councils giving us debt financing as a method to manage some shocks, though itself needs an effective treasury planning to itself be effective as a risk mitigation.</p>	

Control and Treatments by Focus Areas:			
	Existing Controls / Treatments Delivered	New Controls / Treatments Delivered	Future Controls / Treatments Planned
11.1 Finance (G Connolly)			
<p>8.13 - Review treasury policy</p> <p>8.14 – Review financial management reporting</p> <p>8.15 - Review/develop financial strategy and policies (DCP and FCS) to fund infrastructure for growth</p> <p>Additional focus areas:</p> <p>Effective Accounts Receivable Management Practices impacting on collections and Councils Bad Debt</p>	<ul style="list-style-type: none"> • Reporting framework redeveloped based on modified FIS to ensure it is effective for provide clear performance measurement, transparent insights on a quarterly basis to guide decision making across executive and council to demonstrate clear control of the risk [Dec. 22] • Projects reforecast methodology implemented as a temporary placeholder to improve 2023-34 and ahead of systemic EMPO improvement for 2024-25; improving phasing identification and borrowing requirements. With 24-25 reforecast presented including basis of methodology to Finance and Performance Committee. [Dec. 23] • Sensitivities on interest rate shifts - Finance team developed a quick sensitivities model that enables faster assessment of LCI (wage) / PPI (operating cost) / OCR (interest cost) sensitivity within the forecast framework and included in report to Risk and Assurance [Oct. 23] • Fraud Policy reviewed and adopted [Nov.23] • Completed invoicing of all share of Joint Venture losses to Ministry of Transport [Dec.23] 	<ul style="list-style-type: none"> • Q4 2023-24 Indicative Financials completed demonstrating strong consistency of opex back to annual plan process and capex back to Q1 [Aug.24] • FitchRating AA- rating secured for increases availability and optionality around borrowings capacity for the LTP2034 [July.24] • Financial Strategy adopted within LTP2034 [Aug.24] • Revenue and Financing Policy adopted as part of legislative requirement for LTP2034 incorporate desktop review finding for LG consultant and good practice identified in Taituara Guides and aligned with other councils including Funding Needs Analysis [Aug. 24] • Treasury Policy covering Investment Policy and Liability Management Policy developed adoption [Aug.24] 	<ul style="list-style-type: none"> • Sensitive Expenditure Policy developed to presented to committee / council for adoption [Nov.24] • Commenced scoping for Account Receivable sundry debtor reporting, tracking, insights and management tool to ensure more effective and proactive management and response to debtor issues. [Dec.24] • Develop accounts receivable debt management policy [Nov.24]

8.5 Treasury Management Reporting (June 2024)

8.5 Treasury Management Reporting (June 2024)



To: **Risk and Assurance Committee**

Date: **Monday, 19 August 2024**

Author: **J Caverhill / Manager External Reporting**

Authoriser: **G Connolly / Chief Financial Officer & GM Business Partnering**

Objective: **A2723489**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to inform the Risk and Assurance Committee of Treasury Management position as at 30 June 2024.

2. Recommendation - *Tohutohu akiaki*

THAT the Treasury Management report as at 30 June 2024 be **received**.

3. Subject - Kaupapa

3.1. Treasury Management Summary

With the recent decrease in swap interest rates, Council is currently looking at actioning some blends and extends to the existing swaps to take advantage of this decrease. This will effectively reduce and spread the overall interest costs. An update of this will be tabled at the meeting.

The balance of the Interchangeable Facility Agreement (IFA) and LGFA funding issued on 30 June 2024 is \$153.5 million (\$153.5 million 31 March 2024).

- The council borrowed \$10 million from LGFA during the June quarter to maintain liquidity requirements. The council also repaid \$10 million of LGFA loans due in April 2024.
- Council has \$16m of LGFA loans due to expire in April 2025. Council will prefund this debt by borrowing at the August 2024 LGFA tender. The funds will then be placed on term deposit until required.
- The summary below provides the overview of key Treasury Management insights as of 30 June 2024.

Attached to this report Appendix 1 lists loan facilities, loan drawdowns and the current interest rate swap portfolio.

8.5 Treasury Management Reporting (June 2024)(Cont.)

Summary Highlights of Treasury

1 April 2024 - 30 June 2024

Movement of loans at a glance

		April (NZD \$M)	May (NZD \$M)	June (NZD \$M)	Total (NZD \$M)
	Loans at beginning of period	153.50	153.50	153.50	153.50
plus	Loans drawn down	0.00	0.00	10.00	10.00
less	Loans repaid	10.00	0.00	0.00	10.00
	Loans end period	<u>153.50</u>	<u>153.50</u>	<u>163.50</u>	<u>153.50</u>

Net Loans for the Quarter

0.00

Liquidity Ratio:

Jun-24

Net Drawn Loans (net of \$3.4m borrower notes)	\$150m
Committed Facility	\$20m
On-call account & Term Deposit	\$16m
Total Available Funds	\$186m
Divided by Drawn Loans	\$150m
Liquidity Ratio - June 2024	124%

Net Effective Borrowings:

Net Drawn Loans (\$153.5m loans less \$3.4m borrower notes)	\$150m
Committed Facility	\$ -
On-call account	(\$16 m)
Net Effective Borrowings - June 2024	\$134m

8.5 Treasury Management Reporting (June 2024)(Cont.)

Fixed v Floating Interest % Compliance - Corridor approach

Term	Policy Limits	June Qtr	
Current - 1 year	40%-90%	51%	✓
Year 2	40%-90%	55%	✓
Year 3	35%-85%	51%	✓
Year 4	30%-80%	44%	✓
Year 5	25%-75%	34%	✓
Year 6	20%-70%	28%	✓
Year 7	0%-65%	15%	✓
Year 8	0%-60%	7%	✓
Year 9	0%-50%	4%	✓
Year 10	0%-50%	4%	✓

Liquidity Risk

Terms of Loan Compliance

Term	Policy Limits	April	May	June
Overall Liquidity	>= 110%	126%	115%	119%
		✓	✓	✓
0-3 years	15%-60%	40%	60%	60%
		✓	✓	✓
3-7 years	25%-85%	60%	40%	40%
		✓	✓	✓
7 years plus	0%-60%	0%	0%	0%
		✓	✓	✓

Counterparty credit limits

Counterparty	Total exposure	Total limit	Compliant?
ANZ	\$22,024,057	\$40,000,000	✓
BNZ	\$7,555,647	\$40,000,000	✓

8.5 Treasury Management Reporting (June 2024)(Cont.)

Debenture Trust Deed Compliance (Based on Actual Income Extrapolated)

LGFA Foundation limit for credit rated councils	WDC Policy limit	April	May	June
Net debt as percentage of annual income not to exceed 280%	Net debt as percentage of annual income not to exceed 175%	170% ✓	159% ✓	170% ✓
Net interest expense of external borrowing not to exceed 30% of annual rates income (budget)	Net interest expense of external borrowing not to exceed 15% of annual rates income (budget)	10% ✓	11% ✓	13% ✓
Net interest expense of external borrowing not to exceed 20% of annual operating income (budget)	Net interest expense of external borrowing not to exceed 15% of annual operating income (budget)	6.3% ✓	7.2% ✓	8.6% ✓

4. Background - *He tirohanga whakamuri*

4.1. Mark to Market Value Interest Rate Swaps

As of 30 June 2024, the unrealised losses on Interest Rate Swaps mark to market value is \$610,592. The market value of swaps is obtained from banks monthly, and the gain/(loss) is reported in the monthly financial result. This is purely an indication of the current position. An independent valuation is obtained at year end, which is incorporated into the Annual Report and does impact the financial result.

Council's funding maturity profile is compliant. Depending on Council's capital programme (size and timing), and borrowing requirements going forward, the overall funding strategy will be to maintain policy compliance and mitigate refinancing risk.

5. Options analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report.

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1. Assessment of Significance

The recommendations of this report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and community views

Due to the low significance of the matters of this report, public participation is not required to inform decision-making, as set out in Section 6.1(a) of the Council's Significance and Engagement Policy.

8.5.1 Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024

7. Considerations - *Whai Whakaaro*

7.1. Financial/budget considerations

There are no budget considerations associated with the recommendations of this report.

With the LTP 2024-34 now being passed, the interest strategy will now be tailored towards the debt forecasts set within the LTP so that the council continues to remain compliant and responsive to the impacts of change.

7.2. Strategic alignment

This report serves to assure council that all loans are within policy limits and required debenture trust deed ratios.

7.3. Climate change assessment

The matters of this specific report do not have an impact on the District biodiversity and ecology.

Based on this assessment, the decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles.

7.4. Risks

The ratios in comparison to policy and debenture trust deed requirements demonstrate that the loan portfolio is low risk and is comfortably within all ratio requirements.

Attached to this report:

- Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024

8.5.1 Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024

8.5.1 Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024(Cont.)

LOAN AND SWAPS SUMMARY
For the month ended 30 June 2024

Schedule of Cash & Investments

Account Suffix	Description	Interest Rate	30-Jun-24 \$	31-May-24 \$	30-Apr-24
00/03	ANZ Current Account	0.00%	443,838.85	763,984.41	1,116,331.75
023	ANZ Investment Account	3.50%	16,176,702.42	14,935,917.85	9,605,366.51
Total Cash & Investments			16,620,541.27	15,699,902.26	10,721,698.26

Loan Facilities

Lender	Maturity Date	Facility Maximum	Loans Drawn Down	Facility Available	Interest Rate	Margin	Line Fee
ANZ Facility	31/07/2026	20,000,000	-	20,000,000	Floating	0.95%	0.30%
Floating Rate Loans							
LGFA	15/04/2025	4,000,000	4,000,000		6.47%	0.82%	
LGFA	15/04/2025	4,000,000	4,000,000		6.37%	0.72%	
LGFA	15/04/2025	3,000,000	3,000,000		6.33%	0.68%	
LGFA	15/04/2025	5,000,000	5,000,000		6.27%	0.62%	
LGFA	15/04/2026	3,000,000	3,000,000		6.37%	0.72%	
LGFA	15/04/2026	5,000,000	5,000,000		6.52%	0.87%	
LGFA	15/04/2026	3,000,000	3,000,000		6.37%	0.72%	
LGFA	15/04/2026	3,000,000	3,000,000		6.18%	0.53%	
LGFA	15/04/2026	5,000,000	5,000,000		6.33%	0.68%	
LGFA	15/04/2026	3,000,000	3,000,000		6.41%	0.76%	
LGFA	15/04/2026	10,000,000	10,000,000		6.14%	0.49%	
LGFA	15/04/2027	4,000,000	4,000,000		6.59%	0.94%	
LGFA	15/04/2027	5,000,000	5,000,000		6.51%	0.86%	
LGFA	15/04/2027	3,000,000	3,000,000		6.22%	0.57%	
LGFA	15/04/2027	3,000,000	3,000,000		6.34%	0.69%	
LGFA	15/04/2027	5,500,000	5,500,000		6.49%	0.84%	
LGFA	15/04/2027	5,000,000	5,000,000		6.31%	0.66%	
LGFA	15/04/2027	5,000,000	5,000,000		6.41%	0.76%	
LGFA	15/05/2028	2,000,000	2,000,000		6.51%	0.87%	
LGFA	15/05/2028	10,000,000	10,000,000		6.53%	0.89%	
LGFA	15/05/2028	4,000,000	4,000,000		6.37%	0.76%	
LGFA	20/04/2029	5,000,000	5,000,000		6.83%	1.18%	
LGFA	20/04/2029	5,000,000	5,000,000		6.28%	0.63%	
LGFA	20/04/2029	3,000,000	3,000,000		6.30%	0.65%	
LGFA	20/04/2029	3,000,000	3,000,000		6.44%	0.79%	
Fixed Rate Loans							
LGFA	15/04/2027	2,000,000	2,000,000		2.13%	0.40%	
LGFA	15/04/2028	5,000,000	5,000,000		1.06%	0.40%	
LGFA	15/04/2028	5,000,000	5,000,000		2.24%	0.40%	
LGFA	15/05/2028	10,000,000	10,000,000		5.74%	0.40%	
LGFA	15/05/2028	5,000,000	5,000,000		2.12%	0.40%	
LGFA	20/04/2029	10,000,000	10,000,000		5.66%	0.40%	
Commercial Paper							
LGFA	20/09/2024	6,000,000	6,000,000		5.81%	0.20%	
TOTAL		173,500,000	153,500,000	20,000,000			

Wholesale Interest Rates

ANZ Swap rates at	30-Jun-24
1 year	5.50%
2 years	5.14%
4 years	4.75%
5 years	4.68%
7 years	4.64%

Bank bill rates at	30-Jun-24
90 day term	5.63%

Existing Hedge Portfolio

Interest Rate Swaps	Pay / receive	Bank	Deal Date	Start Date	Maturity Date	Principal \$	Fixed Rate
Interest Rate Swap	fixed rate						
Interest Rate Swap	pay	ANZ	13/09/2010	22/09/2010	22/09/2024	1,000,000	5.000%
Interest Rate Swap	pay	ANZ	24/06/2014	21/12/2015	20/12/2024	2,000,000	4.730%
Interest Rate Swap	pay	ANZ	20/08/2015	22/09/2016	22/09/2025	3,000,000	4.800%
Interest Rate Swap	pay	ANZ	20/10/2016	30/12/2016	30/03/2025	2,000,000	3.780%
Interest Rate Swap	pay	BNZ	21/10/2016	22/01/2021	22/07/2026	2,500,000	3.190%
Interest Rate Swap	pay	BNZ	21/10/2016	23/06/2021	23/09/2026	1,000,000	3.240%
Interest Rate Swap	pay	ANZ	15/04/2021	24/01/2023	24/01/2028	4,000,000	1.835%
Interest Rate Swap	pay	ANZ	26/06/2017	22/03/2023	22/06/2027	1,700,000	3.750%
Interest Rate Swap	pay	ANZ	26/06/2017	20/07/2023	20/04/2027	2,000,000	3.760%
Interest Rate Swap	pay	ANZ	15/04/2021	20/07/2023	20/07/2027	2,000,000	1.860%
Interest Rate Swap	pay	ANZ	16/02/2022	15/01/2024	15/09/2030	2,000,000	3.190%
Interest Rate Swap	pay	ANZ	26/09/2023	15/03/2024	15/03/2030	5,000,000	5.060%
Interest Rate Swap	pay	ANZ	26/09/2023	15/03/2024	15/03/2031	5,000,000	5.050%
Interest Rate Swap	pay	ANZ	26/09/2023	15/03/2024	15/03/2032	5,000,000	5.050%
Interest Rate Swap	pay	ANZ	4/04/2018	22/03/2024	22/03/2028	1,000,000	3.700%

Risk and Assurance Committee - AGENDA

8.5.1 Appendix 1 - Treasury Report Loan and Swap Summary as at 30 June 2024(Cont.)

Swaps Continued	Pay / receive fixed rate	Bank	Deal Date	Start Date	Maturity Date	Principal \$	Fixed Rate
Interest Rate Swap	pay	BNZ	28/07/2022	17/04/2024	15/04/2030	3,000,000	3.690%
Interest Rate Swap	pay	ANZ	4/04/2018	20/04/2024	20/04/2028	2,500,000	3.710%
Interest Rate Swap	pay	ANZ	16/02/2022	15/06/2024	15/03/2031	2,000,000	3.198%
Interest Rate Swap	pay	BNZ	20/12/2023	16/12/2024	15/12/2030	10,000,000	4.080%
Interest Rate Swap	pay	ANZ	16/02/2022	15/03/2025	15/03/2030	2,000,000	3.190%
Interest Rate Swap	pay	BNZ	20/12/2023	16/06/2025	15/06/2030	10,000,000	4.015%
Interest Rate Swap	pay	ANZ	16/02/2022	15/09/2025	15/09/2031	3,000,000	3.185%
Interest Rate Swap	pay	ANZ	16/02/2022	15/01/2028	15/01/2032	4,000,000	3.178%
Interest Rate Swap	pay	BNZ	28/07/2022	17/04/2028	17/04/2034	5,000,000	3.775%
Interest Rate Swap	pay	BNZ	28/07/2022	17/04/2028	16/04/2035	5,000,000	3.775%

8.6 Insurance Progress Report for 2024/25

8.6 Insurance Progress Report for 2024/25



To: **Risk and Assurance Committee**

Date: **Monday, 19 August 2024**

Author: **J Caverhill / Manager External Reporting**

Authoriser: **G Connolly / Chief Financial Officer & GM Business Partnering**

Reference: **A2723488**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to update the Risk and Assurance Committee of the insurance progress for the 2024/25 year.

2. Recommendation - *Tohutohu akiaki*

THAT the Insurance Progress report for 2024/25 be **received**.

3. Subject - *Kaupapa*

Council is currently in the process of updating the replacement asset value schedules to supply to AON for the next round of insurance renewals. Unlike the financial year, the insurance year runs from 1 November 2024 to 31 October 2025. AON report that the market is currently softening and so they are not expecting insurance placement to be as difficult as the last few years.

AON and some council representatives will be presenting to underwriters during September 2024 and Council have provided them with an update on the progress of our District Climate Change Adaption Programme. AON report that in previous meetings with the underwriters, not only are the underwriters interested in risk mitigation projects that councils are engaged in, but that AON are able to negotiate more favourable terms by giving these presentations.

Particular attention is being paid to the cover on infrastructural assets (underground pipes) as this has not been reviewed for a few years. Unlike assets covered under the Material Damage Policy where cover automatically increases as asset values increase, infrastructure has loss limits. Each council must specify a loss limit, but a second layer is also added whereby all the councils within BOPLASS can share a central fund /cover. This is on the assumption that disaster will not strike all the regions at the same time or within the same insurance year.

With infrastructural insurance, an assumption is made that Central Government will fund up to 60% of the losses if a significant event should occur. It is then up to council to decide what level of cover should be provided for the other 40% value of the assets. Matters such as what percentage of the total assets might be affected in any given event must be taken into account. Meetings with AON are currently underway amongst all the councils to ascertain what loss limits would be most suitable. Obviously as loss limits increase, so too will insurance premiums, but to a lesser extent when councils share risks and the procurement process.

8.6 Insurance Progress Report for 2024/25(Cont.)

A programme is rolling out for those councils who wish to get risk modelling undertaken based on such matters as proximity to the sea, fault lines, river locations in relation to the town and other such risk factors. At this point in time only about 1 in 5 councils have commissioned this Risk Modelling and Council are engaging further in this process to ascertain whether it would be beneficial for future risk management.

4. Background - *He tirohanga whakamuri*

As part of the monitoring and mitigation of risk process, this report has been provided to give Risk and Assurance committee members and wider council, an update on the progression of the insurance process for the council for the 2024/25 year.

The insurance year runs from 1 November 2024 to 31 October 2025.

Council is currently submitting schedules of assets, at replacement values so that AON can represent the councils at the Underwriters meeting in London and obtain the best possible premium prices from the insurers.

Whakatāne District Council is a member of the BOPLASS (Bay of Plenty Local Authority Shared Services) Insurance Group. The group's aim is to get the best possible coverage and premium prices by the nine councils together sharing in the procurement process. This is done in conjunction with AON Brokerage, who currently hold the procurement contract. The councils and CCOs in the BOPLASS Insurance group are:

- Bay of Plenty Regional Council
- Gisborne District Council
- Gisborne Holdings Ltd
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua District Council
- Rotorua Regional Airport Ltd
- Taupō District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatāne District Council

5. Options analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report. This report is designed to share information.

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1. Assessment of Significance

The recommendations of this report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy.

8.6 Insurance Progress Report for 2024/25(Cont.)

6.2. Engagement and community views

Due to the low significance of the matters of this report, public participation is not required to inform decision-making, as set out in Section 6.1(a) of the Council's Significance and Engagement Policy.

7. Considerations - *Whai Whakaaro*

7.1. Financial/budget considerations

There are no budget considerations associated with the recommendations of this report.

7.2. Strategic alignment

This report serves to update council on the current insurance progress.

7.3. Climate change assessment

The matters of this specific report do not have an impact on the district biodiversity and ecology.

Based on this assessment, the decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles.

7.4. Risks

A risk exists that some insurance cover may be increasingly difficult to obtain or be obtained at a much higher premium price in future years.

9 Resolution to Exclude the Public - *Whakataunga kia awere te marea*

9 Resolution to Exclude the Public - *Whakataunga kia awere te marea*

9.1 Resolution to Exclude the Public

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

1. Confirmation of Risk and Assurance Committee Public Excluded Minutes 17 May 2024
2. Legal Update Report August 2024
3. Boat Harbour Project Update August 2024

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 in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.	Confirmation of Risk and Assurance Committee Public Excluded Minutes 17 May 2024	Good reason to withhold exists under Section 7.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
2.	Legal Update Report August 2024	Good reason to withhold exists under Section 7.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
3.	Boat Harbour Project Update August 2024	Good reason to withhold exists under Section 7.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No	Interest
1, 2	Maintain legal professional privilege (Schedule 7(2)(g))
1, 2	Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a))

9.1 Resolution to Exclude the Public(Cont.)

Item No	Interest
1, 3	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(a))

1 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui*

1 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui*

1.1 Public Excluded Minutes - Risk and Assurance Committee Meeting - 17 May 2024

1.1.1 PX Minutes of the Risk and Assurance Committee Meeting 17 May 2024

1.2 Action Items

2 Reports - *Ngā Pūrongo*

2.1 Public Excluded – Legal Proceedings August 2024

2.1.1 Appendix 1 - Legal Spend Analysis

2.1.2 Appendix 2 - Legal Issues Register

2.1.3 Appendix 3 - Summary of Position - IAG Edgecumbe

2.2 Public Excluded – Boat Harbour Update Report