

# Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee



## Mēneti Wātea | Open Minutes



Minutes of an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee held in the Council Chambers, 35 Kenrick Street, TE AROHA on Tuesday 24 October 2023 at 9.00 am.

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### Ngā Mema | Membership

#### Tiamana | Chairperson

Jaydene Kana

#### Independent Member

Joanne Aoake

#### Koromatua | Mayor

Adrienne Wilcock, JP

#### Koromatua Tautoko | Deputy Mayor

James Thomas

#### Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson



## Ngā whakapāha | Apologies

Deputy Mayor James Thomas

## Kaimahi i reira | Staff Present

Name	Title	Item No.
Don McLeod	Chief Executive Officer	
Kuljeet Kaur	Governance Support Officer	
Stephanie Hutchins	Governance Support Officer	
Erin Bates	Strategic Partnerships and Governance Manager	
Sandra Harris	Placemaking and Governance Team Leader	
Roger Lamberth	Property and Community Projects Manager	7.2
Manaia Te Wiata	Group Manager Business Support	7.2, 7.5
Ellie Mackintosh	Legal Counsel	7.3, 8.1
Niall Baker	Policy Team Leader	7.4, 7.5, 7.6, 8.2
Anne Gummer	Policy Advisor	7.5
Laura Hopkins	Policy Advisor	7.6
Larnia Rushbrooke	Finance and Business Services Manager	7.5, 8.3
Lesley Steeples	Risk Manager	8.5

## I reira | In Attendance

Name	Position/Organisation	Item	Time In	Time Out
Rene van Zyl	Audit Director, Audit NZ	7.5	10.00	10.29am
Claudia	Audit Manager, Audit NZ	7.5	10.00	10.29am

**1 Whakatūwheratanga o te hui | Meeting Opening**

Chair Jaydene Kana welcomed members and staff and declared the meeting open at 9.02am.

**2 Karakia**

Cr Gary Thompson performed the opening Karakia and acknowledged the passing of former Mayor Hugh Vercoe.

**3 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence  
WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION**

That the apology from Deputy Mayor James Thomas be accepted and leave of absence from the meeting be granted.

The apology for lateness from Cr Kevin Tappin be accepted. Cr Kevin Tappin joined the meeting at 9.09am via Microsoft Teams.

**Resolution number YV/2023/00001**

**Moved by: J Aoake**

**Seconded by: Mayor A Wilcock**

**KUA MANA | CARRIED**

**4 Pānui i Ngā Take Ohore Anō | Notification of Urgent/Additional Business**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting -

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

- (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

**5 Whākī pānga | Declaration of Interest**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

**6 WHAKAAETANGA MĒNETI | CONFIRMATION OF MINUTES**

**WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION**

THAT THE MINUTES OF THE MEETING OF THE ORDINARY MEETING OF KOMITI O TE MŌREAREA ME TE TŪMARU | RISK & ASSURANCE COMMITTEE HELD ON TUESDAY, 12 SEPTEMBER 2023, BE CONFIRMED AS A TRUE AND CORRECT RECORD OF THE MEETING.

**RESOLUTION NUMBER YV/2023/00002**

**MOVED BY: CR B DEWHURST**

**SECONDED BY: J AOAKE**

**KUA MANA | CARRIED**

**NGĀ PŪRONGO O NGĀ ĀPIHA | OFFICER REPORTS**

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7 Pūrongo me whakatau | Decision Reports

## 7.1 Chair's Update

CM No.: 2782873

### Te Kaupapa | Purpose

The purpose of this report is for the Chairperson to update the committee on activities following the last committee meeting.

### Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, in attendance to present the Chair's Update report (attached).

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information to be received.

Resolution number YV/2023/00003

Moved by: Mayor A Wilcock

Seconded by: J Aoake

**KUA MANA | CARRIED**

### Ngā Tāpiritanga | Attachments

- A. MPDC - RAC - Chairperson Report - October 2023

### Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
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Approved by	Sandra Harris Placemaking and Governance Team Leader	
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## 7 Pūrongo me whakatau | Decision Reports

### 7.2 Insurance changes

CM No.: 2774806

#### Te Kaupapa | Purpose

The purpose of this report is two-fold.

To advise the Risk and Assurance Committee of an officer operational decision between the Colab members of the Waikato Insurance Advisory Group.

To request consideration of a proposal to reduce premium paid for Material Damage insurance.

#### Rāpopotonga Matua | Executive Summary

A number of the member Councils of the WaiLASS insurance group (Colab) have previously held a “side-car” top up policy for infrastructure cover should central government not be able to meet its 60% contribution for rebuilding after an event.

Premiums for this cover are expected to rise approx 25% to maintain this cover (1 November 2023). Further, discussion amongst council officers agree that the perceived risk has abated and have agreed to cancel this policy.

Approximately 60% of MPDC insurance premiums is for Material Damage cover. (\$590,000 for 2022/23 year). As a way of reducing this, relatively lower value buildings could be removed from the schedule. If this was set at around \$1.0 million, the overall insured value of the portfolio would reduce by approximately 25% from \$206mill to \$158mill.

A prorate reduction on premium would be approximately \$140,000. If there were significant damage or total loss of an uninsured asset then discussions would be held to determine if it should be replaced. A schedule of these buildings is attached as an appendix.

## Tūtohunga | Recommendation

That:

1. The information be received
  2. Maintain current Material Damage Insurance Cover
- or
3. Remove Material Damage Insurance cover for all MPDC owned buildings whose value is less than \$1.0mill or close to but is of similar use to those that are under the suggested threshold

## WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The committee to maintain current Material Damage Insurance Cover and request staff to return with updated information at the next committee meeting on 5 December 2023.

Resolution number YV/2023/00004

Moved by: Cr B Dewhurst

Seconded by: Cr G Thompson

**KUA MANA | CARRIED**

## Horopaki | Background

For a number of years MPDC has carried a “Sidecar” Infrastructure Insurance Policy. Central Government had indicated that they would fund 60% of the cost of remedial work on infrastructure following a major event, with District and City Councils funding the remaining 40%. A number of councils had minimal confidence in this arrangement (especially for smaller amounts) so an additional cover (\$10m) cover was taken out.

Recent discussions between the Waikato Councils and AON (Broker) have resulted in greater confidence that Central Government will honour this arrangement, further the expected increase in premium for the new insurance year (1 November 2023) is in the order of 25%. The overall cost of insurance premiums for MPDC is likely to increase to over \$1.0mill.

Material Damage cover for all Council buildings accounts for over 50% of total premiums. Staff have looked at ways of reducing this but in a balanced way in respect to age of buildings, use by the community, requirement for core services and potential risks of not insuring.

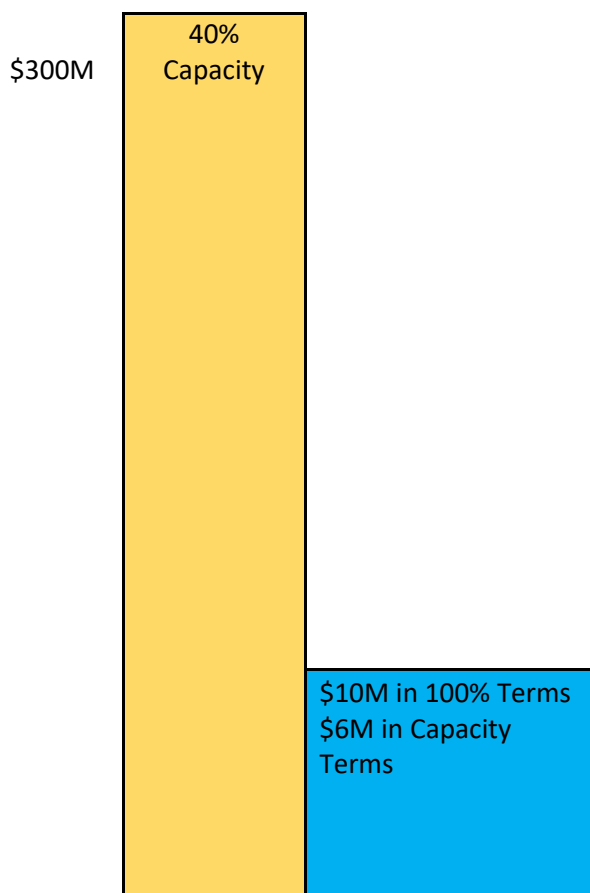
## Ngā Take/Kōrerorero | Issues/Discussion

AON NZ (Waikato LASS Insurance Broker) have previously spoken with Ken Morris (Waipa District Council) who is the Chair of the Insurance Advisory Group (IAG) and raised a question in regards to the continued viability of the Infrastructure “sidecar cover”. Subsequent to this it was discussed with IAG. Ken Morris agrees that this cover does need to be reviewed.

Historically we have had a placement for the Waikato Councils for an Infrastructure “side car” cover. This is a unique placement for the Waikato Councils and no other Council group that AON acts for takes this cover.

The cover was designed to provide limited cover for the 60% Central government contribution under the cost sharing arrangement. The cover afforded under this policy is for a maximum amount of \$10M (in 100% terms) so for the 60% this becomes \$6M, and is a shared limit across the Councils.

The diagram below shows this arrangement.



The existing infrastructure placement is shown for the 40% cover up to a limit of \$300M in yellow, with the “side car” cover being shown in blue.

At the time this was incepted, there were question marks over the 60/40 arrangement and whether Central Government would respond to small losses. However, there has been for other Council groups a number of smaller losses, and whilst there has been a process to go through, they seem to have received monies from Central Government.

The table below shows the increase in cost of this placement and an estimated price for this year has been added, although there are not confirmed figures for this yet.  
(renewal is 1 November 2023).

MPDC figures and total for Waikato participating Councils have been shown.

	2019		2020		2021		2022		2023	
	TDV	Prem	TDV	Prem	TDV	Prem	TDV	Prem	TDV	Prem
MPDC	\$229m	\$32k	\$238m	\$26k	\$293m	\$32k	\$304m	\$34k	\$349m	\$43k



Total	\$2,546m	\$476k	\$2,821m	\$404k	\$3,054m	\$498k	\$3,506m	\$549k	\$4,180m	\$690k
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(Note: TDC = Total Declared Value; Prem = Premium paid)

The increase in values and the premium rating impacts have slowly put the cost of this “side car” up significantly and given the current pressures on Councils AON felt it prudent to raise whether this was still offering value for money. *“This was a nice to have cover, but given the increasing costs this is looking to be less and less of an affordable option, and we would recommend that serious consideration is given as to the continued viability.”*

The cost per million dollars of cover is now becoming very expensive when compared to the standard infrastructure programme, and the thought is that Councils would be better off not purchasing this cover and rely on the Central Government contribution for the 60% and or other methods of debt financing should it be required.

The process of negotiating with the markets on this placement has just started and AON wanted to discuss if this should be continued. The removal of this cover and the flow on premium savings would go some way to mitigating the impacts in premiums that we are likely to see for the other core placements on the Councils insurance programmes.

A majority of Councils have made an operational decision to withdraw from this cover.

The second item the subject of this report relates to the Material Damage Insurance Cover.

On reviewing premiums paid against Building Stock Values the following option could be available. (I have excluded any changes to 3W buildings).

For the year 1 Nov 22-23 the replacement value is \$206,071,000 with a premium of \$590,421. This is for our buildings insurance.

If all the assets with a value of under \$1,000,000 are removed, the total value reduces to \$157,591,000.

On a prorate basis this would reduce the premium to \$451,520 - a \$139,000 “saving” however from previous conversations with AON there is no direct correlation between premiums and value of cover so the saving is likely to be nearer to \$115,000.

The potential buildings to become uninsured are attached as appendix A. This spreadsheet is extracted from the comprehensive MDBI insurance database.

Firth Tower Complex and 3 Waters buildings are not subject to this report.

## **Mōrearea | Risk**

The risk of Central Government not honouring the 60% infrastructure cover is minimal when measured against historic claims made by other Councils.

Averaged out over the last 10 years it is estimated that the MD claims paid out on buildings under a value of \$1,000,000 is approximately \$350k (\$35k pa).

This could be considered a low risk if the decision to remove buildings under \$1,000,000 is made.

The rider is however, if there is a major event that affects a number of buildings the cost could be significant – is this an acceptable risk to MPDC?

## Ngā Whiringa | Options

### Options

Option – <Insert Option>	
Description of option	
Remove Material Damage Insurance cover for all MPDC owned buildings whose value is less than \$1.0mill or slightly above but is of similar use to those that are under the suggested threshold.	
Advantages	Disadvantages
Mitigates increasing Insurance premiums	Uninsured buildings that Council may determine not to replace
A potential saving of \$115k per annum (current year) against an average cost of \$35k per year based on last 10 years history	Major event involving multiple buildings could affect the wider community

### Recommended option

Preferred option is to remove lower value buildings from MPDC portfolio, noting that there could be a year on year financial risk but unlikely over a longer period.

## Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

No identified Legal or Policy considerations

### Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	It is considered Interested parties are internal only
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a low level of significance.

Section 82 – this sets out principles of consultation.	None required
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### **Policy Considerations**

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

This is an operational internal decision

### **Timeframes**

Key Task	Dates
N/A	N/A

### **Ngā take ā-lhinga | Consent issues**

None

### **Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes**

The relevant Community Outcomes are set out below:

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

No funding is requested. This report is aimed at reducing budget requirements.

### **Ngā Tāpiritanga | Attachments**

- A. Property Assets below \$1.0mill

### **Ngā waitohu | Signatories**

Author(s)	Roger Lamberth <b>Property and Community Projects Manager</b>	
Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	

## 7 Pūrongo me whakatau | Decision Reports

### 7.3 Legislative Compliance Framework

CM No.: 2766465

#### Te Kaupapa | Purpose

The purpose of this report is to seek feedback from the Committee on the annual legislative 'warrant of fitness'.

#### Rāpopotonga Matua | Executive Summary

The legislative compliance 'warrant of fitness' (WOF) is completed annually by staff alongside the Annual Report, for review by the Risk and Assurance Committee. The WOF has been circulated separately.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received; and
2. The Committee provide comment on the legislative compliance 'warrant of fitness' for Council.

Resolution number YV/2023/00005

Moved by: J Aoake

Seconded by: Cr K Tappin

**KUA MANA | CARRIED**

#### Horopaki | Background

Committee members should note that all changes from the 2021/22 year to the 2022/23 year have been left tracked in the document (circulated separately). The key points for 2022/23 have been noted below.

#### What is the legislative compliance framework?

The Council's legislative compliance framework describes how the Council ensures its activities are undertaken within the law. In line with other Council frameworks (e.g. Delegations, Risk Management and Procurement) managers (Legislation Owners) have been assigned responsibilities to ensure Council compliance with relevant New Zealand legislation and associated regulations.

#### Why do we need a legislative compliance framework?

The Council could face severe penalties for failing to comply with legislation. Consequences can include:

- loss of reputation
- loss of accreditation
- civil and criminal proceedings
- investigation and censure from monitoring bodies
- breaches of banking and other key covenants

#### Who is a Legislation Owner?

A 'Legislation Owner':

- is usually a member of the Management Team
- is accountable for ensuring that requirements under legislation are met
- reviews changes to legislation and informs staff of any impact of these changes
- is responsible for reporting to Executive Team on an annual basis or when a serious breach is identified
- is someone who ensures that, on a day to day basis, compliance is achieved and has processes in place that enables regular monitoring to occur by, for example,
- providing access to training for key staff
- ensuring that inspections have been conducted and situations assessed as appropriate
- reports of instances of breaches including the outcomes of any such instance, what steps have been taken to prevent further breaches, and where there are on-going compliance issues

The WOF sets out:

- The key Acts and other legal obligations or requirements
- The general elements which have a duty or compliance requirement
- The member of staff responsible for each element, any delegations under legislation.
- What the Promapp process is to make sure Council is in compliance.
- Whether Council complies with the requirements or not and comments on this are provided.

For reporting on compliance, legislation has been grouped per the major functions of the Council. The reference to any Statute includes all relevant amendments.

Every effort has been made to identify the legislation which staff and others are likely to encounter in the normal course of their employment. It is imperative to note the requirements that the Council, its staff, agents and contractors must comply with all New Zealand statute law and common law obligations.

The list of statutes and other obligations set out in this Legislative Compliance policy cannot hope to be exhaustive. If staff and others learn of legislation (including new statutes or regulations) or relevance to their roles within the Council, such legislation should be referred to the Legal Counsel, for review and possible inclusion in this document.

## **Ngā Take/Kōrerorero | Issues/Discussion**

### New legislation

Changes to the Resource Management Act 1991 are underway with the recent adoption of the Spatial Planning Act 2023 and Natural and Built Environments Act 2023. There are currently no responsibilities for Council in the policy space.

The Construction Contracts Act 2002 has been added. This act provides additional rules around retentions held by contracts for Contracts. Council is now required check any special conditions regarding the holding of retentions against the act, to ensure it complies. The finance department was required to set up a trust account and process for regular is currently being put in place.

### Under Review/Underway

Council is in the process of obtaining compliance or reviewing the process to see if/how it can be better addressed.

- Resource Management Act – The District Plan has been operative since 2005 and Council operates a rolling review of the Plan.
- Hazardous Substances and New Organisms Act 1996 - Some sites are operating under a Provisional Improvement Notice while Location Compliance issues are resolved.

- Health Act 1956, Search and Surveillance Act 2012 and Council Bylaws - Council are currently in the process of developing an enforcement policy which will sit alongside the requirements for these pieces of legislation. A recent update has been circulated to staff for comment.
- Walking Access Act 2008 - There are numerous paper roads within the district. There is currently no enforcement of the compliance in place and council deals with compliance on a one off basis where complaints have been received.

### Not Compliant

There are other areas where Council is aware they are:

(a) not compliant and due to certain situations this may not change, OR

(b) are majority compliant for the reasons outlined below.

The areas where Council are non-compliant are:

- Public Bodies Leases Act 1969 - as a significant remainder of the land Council owns is not put out for public tender every time a lease ends as section 8 requires. This is mostly due to the costly process that would be involved for each piece of land.
- Biosecurity (National PA Pest Management Plan) Order 2022 – Staff are working on gathering the required data on where there are kauri trees on Council managed land. Once this is completed an action plan will be developed in order to comply.
- Building Act – in 2022/23 832 building consents were processed, 758 (91.10%) were completed within the statutory timeframe.
- Local Government Official Information and Meetings Act 1987 - in the 2022/23 year 95 LGOIMAs were received. 8 LGOIMA were responded to past the 20 day deadline.
- Public Records Act 2005 - Council are working towards complying with this Act by capturing logs on the MPDC website of who made changes, when, and what the change was. Council storage of hardcopy documentation onsite does not comply (this is the situation for most councils across the country). In a step towards compliance there is now an archiving solution that manages our social media and Council website.
- Resource Management Act 1991 – Resource Consent Applications - Due to the number and complexity of consents and current resources over the 2022/23 financial year a number of consents were processed outside of the statutory timeframe.

Please see the compliance document (circulate separately) detailing the remaining legislative requirements that are either under review or not compliant and the corresponding comments.

### **Mōrearea | Risk**

The key risk is legislative non-compliance which could have an impact(s) of:

- loss of reputation
- loss of accreditation
- civil and criminal proceedings
- investigation and censure from monitoring bodies
- breaches of banking and other key covenants

### **Ngā Whiringa | Options**

The Committee is invited to provide comment on the legislative compliance 'warrant of fitness' for Council.

### **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

For reporting on compliance, legislation has been grouped per the major functions of the Council. The reference to any statute includes all relevant amendments.

### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

The framework is updated on an annual basis.

### **Ngā take ā-lhinga | Consent issues**

There are no consent issues.

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

There are no costs, other than staff time.

### **Ngā Tāpiritanga | Attachments**

There are no attachments for this report.

### **Ngā waitohu | Signatories**

Author(s)	Ellie Mackintosh <b>Legal Counsel</b>	
Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	

7 Pūrongo me whakatau | Decision Reports

## 7.4 Council Policy reviews

CM No.: 2766519

### Te Kaupapa | Purpose

The purpose of this report is to inform the Risk and Assurance Committee of the status of Council's policy reviews.

### Rāpopotonga Matua | Executive Summary

The Risk and Assurance Committee chair has requested a list of current Council and Management Policies for review.

Council staff have created a Policy Register in our corporate system. The records of this are circulated separately. The details of the list can be discussed at the Committee meeting.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.

Resolution number YV/2023/00006

Moved by: Cr G Thompson

Seconded by: Mayor A Wilcock

**KUA MANA | CARRIED**

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Niall Baker <b>Policy Team Leader</b>	
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Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
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7 Pūrongo me whakatau | Decision Reports

## 7.5 Review Annual Report 2022/23

CM No.: 2780551

### Te Kaupapa | Purpose

The purpose of this report is to present the Annual Report 2022/23 and Annual Report Summary to the Risk and Assurance Committee for its consideration.

### Rāpopotonga Matua | Executive Summary

The Local Government Act 2002 (LGA) requires Council to adopt its Annual Report and Summary by 31 October each year. The Annual Report and Summary 2022/23 are presented to Council for adoption on October 25<sup>th</sup> 2023.

This report covers the following items, all of which will be circulated separately to this report:

- a. Annual Report and Summary 2022/23
- b. Draft Audit Opinions for the Annual Report and Summary 2022/23
- c. Warrant of Fitness for the Annual Report and Summary 2022/23
- d. Letter of representation for the Annual Report and Summary 2022/23 and staff review of representations made
- e. Misstatement schedule from the Annual Report final audit

Rene Van Zyl and Claudia Brink from Audit New Zealand in attendance to discuss the audit opinion for the Annual Report.

## **Tūtohunga | Recommendation**

That:

1. The following documents be received:
  - a. Annual Report and Summary 2022/23
  - b. Audit Opinions for the Annual Report and Summary 2022/23
  - c. Warrant of fitness for the Annual Report 2022/23
  - d. Letter of representation for the Annual Report and Summary 2022/23
  - e. Misstatement schedule from the Annual Report final audit

## **WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION**

That:

1. The following documents be received:
  - a. Draft Annual Report and Summary 2022/23
  - b. Draft Audit Opinions for the Annual Report and Summary 2022/23
  - c. Warrant of fitness for the Annual Report 2022/23
  - d. Draft Letter of representation for the Annual Report and Summary 2022/23
2. The final copies of the above documents and the misstatement schedule from the Annual Report final audit to be circulated to the Committee when received.
3. The Committee is satisfied with the documents and provide assurance to Council to adopt the Annual Report 2022/23.

Resolution number YV/2023/00007

Moved by: Chair J Kana

Seconded by: Cr G Thompson

**KUA MANA | CARRIED**

## **Horopaki | Background**

Under the Local Government Act 2002 (LGA), Council is required to:

- Complete and adopt its Annual Report, containing audited financial statements, within four months after the end of the financial year ie by 31 October each year.
- Make its Annual Report publicly available within one month of adopting it; and
- Make an audited summary of the Annual Report publicly available within one month of adopting the Annual Report.

The Annual Report and Summary must be audited, and an opinion on the Annual Report and Summary provided to Council and the report's readers.

## **Ngā Take/Kōrerorero | Issues/Discussion**

- a. Annual Report and Summary 2022/23

Please refer to documents, which are circulated separately.

**b. Warrant of Fitness for the Annual Report 2022/23**

The WOF has proven to be a useful tool for staff to check that significant matters have been considered in the preparation of the Annual Report. It is intended to provide some assurance to Council in this regard.

The Warrant of Fitness section 13 is to be completed by elected members.

**c. Draft Audit Opinions for the Annual Report and Summary 2022/23**

Under the Local Government Act 2002 Council is required to obtain an audit of its Annual Report and Summary. Rene Van Zyl and Claudia Brink from Audit New Zealand in attendance to provide details about the Audit and the Audit Opinion.

**d. Letter of representation for the Annual Report and Summary 2022/23 and staff review of representations made**

The representation letter sets out the Council's responsibilities under the LGA to report on the Council's financial position and activities; and quality of information presented in the Annual Report and Annual Report Summary.

The letter provides assurances to Audit in relation to the following requirements, which to the best of their knowledge, Council are of the opinion have been met:

- General responsibilities relating to the Councils actions
- Responsibilities for the financial statements and the statement of service performance
- Responsibilities to provide information
- Confirmation that Council is a going concern
- Responsibilities for the information presented in the Annual Report Summary
- Publication of information on our website.

To assist the Council in gaining assurance that these requirements have been met, staff have provided responses on what steps have been taken to meet the responsibilities outlined.

**e. Misstatement schedule from the Annual Report final audit**

The schedule of misstatements sets out the errors noted by Audit and those changes identified by staff in their QA process. Staff will be in attendance to discuss these with Council. Council's auditors will also be able to provide their view on the nature of the misstatements.

**Mōrearea | Risk**

The risk is that if Council does not adopt the Annual Report and Annual Report Summary at the Council meeting on October 25th, Council will not meet its statutory timeframe to adopt its Annual Report by October 31st.

**Recommended option**

That the Committee receive the draft Annual Report 2022/23 and Summary.

**Policy Considerations**

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

The Annual Report and Summary are set to be adopted by Council on 25<sup>th</sup> October 2023. The adopted documents will be made public on the Council website within one month of adoption, and publicly notified in the local newspapers.

### **Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes**

The Annual Report monitors progress towards all our community outcomes.

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

#### **Budget**

The production of the Annual Report and Summary has a budget of \$7,000. Annual Report audit fees have a budget of \$125,000.

#### **Funding Source**

The Annual Report cost is provided for within the Strategies and Plans activity budget. The Annual Report and audit are funded from general rates.

### **Ngā Tāpiritanga | Attachments**

- A. Annual Report WOF for year ending 30 June 2023

### **Ngā waitohu | Signatories**

Author(s)	Anne Gummer <b>Policy Advisor</b>	
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Approved by	Niall Baker <b>Policy Team Leader</b>	
	Larnia Rushbrooke <b>Finance and Business Services Manager</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	

7 Pūrongo me whakatau | Decision Reports

## 7.6 Non-Asset Activity Performance Management Framework

CM No.: 2782323

### Te Kaupapa | Purpose

The purpose of this report is to seek feedback from the Risk and Assurance Committee (the Committee) regarding the proposed draft performance measures for the non-asset activities to be included in Council's Long Term Plan 2024-34. Additionally, the Committee is asked to provide feedback with regard to the rating scale for Council's Annual Community Views Survey.

### Rāpopotonga Matua | Executive Summary

Council is required to prepare and adopt a Long Term Plan (LTP) under the Local Government Act 2002 (LGA) every three years. As part of this process, Council sets a Performance Framework. This Framework sets out what Council plans to do and why (what we are trying to achieve), and how Council plan to measure our progress.

The Committee is asked to provide feedback on the proposed performance measure framework for Council's non-asset activities as attached to this report. Additionally, the Committee is asked to provide feedback with regard to the rating scale for Council's Annual Community Views Survey.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The report is received.
2. The Risk and Assurance Committee provided feedback with regard to the draft performance management framework for Council's 2024-34 Long Term Plan.
3. The Risk and Assurance Committee provided feedback with regard to the rating scale for Council's Annual Community Views Survey.

Resolution number YV/2023/00008

Moved by: Cr K Tappin

Seconded by: Cr B Dewhurst

**KUA MANA | CARRIED**

#### NGĀ TĀPIRITANGA | ATTACHMENTS

A Performance Measure Framework 2023

### Horopaki | Background

#### Long Term Plan

Council is required to prepare and adopt a LTP under the LGA. The LTP sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next ten years, and the Infrastructure Strategy for the next 30 years. The LTP is updated every three years, with the last LTP approved in 2021 (available online at <https://www.mpd.govt.nz/plans/long-term-plan>).

The LTP is an important and complex document covering all of Council's activities, major strategic documents, financial policies, auditing and a large consultation component with the community. The LTP 2024-34 must be adopted prior to 30 June 2024.

### Performance Management Framework

As part of the LTP, Council is required to review its performance framework. Performance management is a process of determining objectives, measuring progress against those objectives (Council does this through its Annual Report), and using the results to improve delivery of services to the community.

This is our 'contract' with the community and explains what we plan to do and why, and how we will measure our performance and determine progress towards our goals and objectives. It helps Council to 'tell the story' about what we want to achieve and what we have achieved for our community.

Some of the performance measures are qualitative and measured through an Annual Community Views Survey (Survey) that is currently undertaken by an external provider (Versus Research (Versus)). Other measures are quantitative and measured through internal records (recording of visitor numbers is an example of this).

Taituarā notes that when developing a performance management framework, the following nine principles should ensure that we are delivering useful information to Elected Members, managers and the public

1. *horses for courses* – a performance management framework is a tool that should be developed against the background of your local authority's circumstances
2. *organisation wide* – performance management has financial, service delivery and capability implications and therefore should be approached in a systematic and transparent way across your local authority
3. *alignment* – your performance management framework should have a coherent flow of logic from strategic priorities down through service level decisions, performance measures and targets
4. *line of sight* – a staff member can see how performance management contributes to the council and the community. This brings meaning to performance management
5. *relevance* – the information generated by your framework should be used as a basis for action, and measure what people care about
6. *effectiveness* – performance management frameworks reflect your council's desired results
7. *efficiency* – performance management frameworks should collect only the information which is necessary to enable an informed assessment of the overall performance of your local authority by the community, elected members and management
8. *clarity and transparency* – performance frameworks should be clearly understood by all and the methodologies used clearly documented and available to all
9. *simplicity* – performance management frameworks should be designed to be as simple to operate and understand as possible (including collecting the right information in a cost-effective way).

Additionally, Council needs to consider relevant auditing standards, including the standard issued by the New Zealand Accounting Standards Board (XRB) that applied from 1 January 2022. The standard (Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting

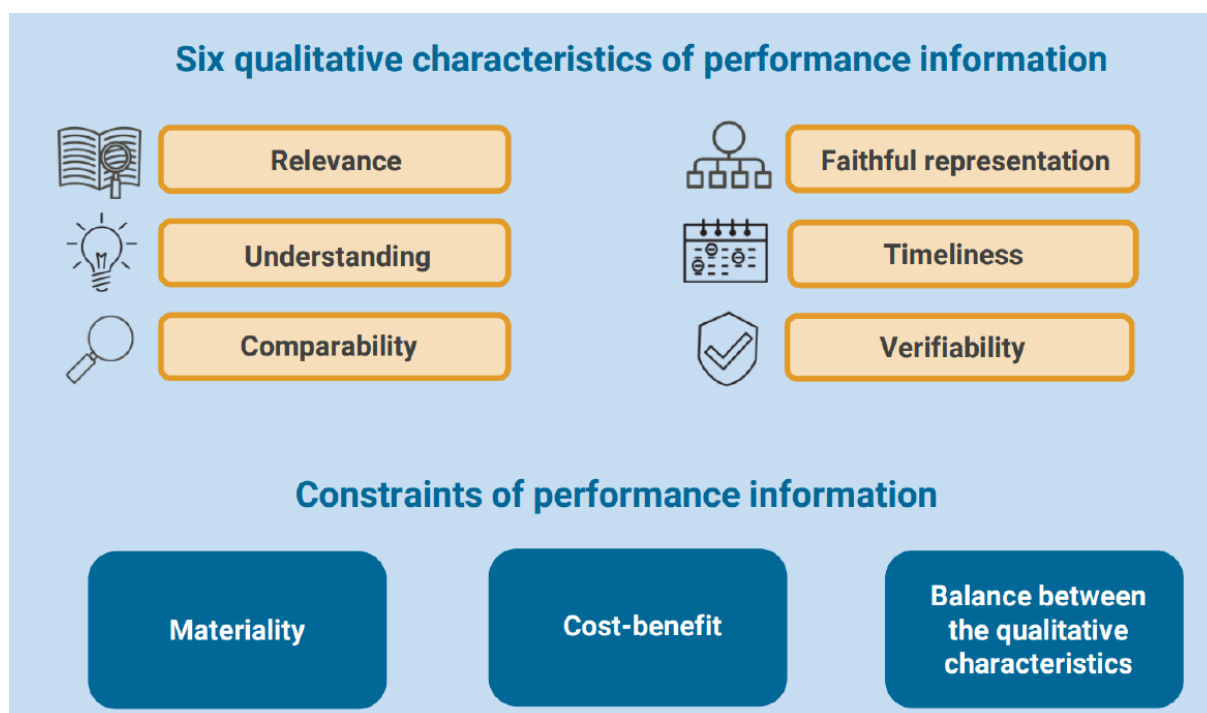
(PBE FRS 48)) provides principles-based requirements to selecting and presenting service performance information so that is appropriate and meaningful to users.

When selecting performance measures, the auditing standard requires Council to apply the qualitative characteristics of information, and the pervasive constraints on information. The key qualitative characteristics to consider are:

- **Faithful representation** – performance information must be faithfully representative of Council’s service performance. To provide the public with confidence that the information is presented in an unbiased manner that reports both favourable and unfavourable aspects of performance, the public needs to understand how each measure will be measured, reported on and evaluated.
- **Understandability** – measures should be clear about what they mean and how they are measured.
- **Verifiability** – To support reliability and to ensure the measure is faithfully representative of performance, the performance measures must be able to be independently verified. The reporting mechanisms should be disclosed to understand how the measure will be reported on and therefore service performance disclosed.

These characteristics are balanced with the pervasive constraints of reporting on performance measures. The pervasive constraints on information describe the need to balance the above characteristics with the cost of providing the information and to apply materiality.

Application of the qualitative characteristics and appropriate balancing of the constraints on information results in service performance information that is appropriate and meaningful to the community in understanding Council’s performance. This is depicted in the graphic below:



The contextual information about Council’s objectives and how it intends to achieve them should be drawn from governance and accountability documents. As such, the proposed performance measures are aligned with Council’s Strategic Objectives and Community Outcomes as depicted below:





In summary, service performance information shall:

- Provide users with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and,
- Provide users with information about what the entity has done during the reporting period in working towards its broader aims and objectives, as described in (a) above..

## Ngā Take/Kōrerorero | Issues/Discussion

### Proposed Non-Asset Activity Performance Measures for the 2024-34 LTP

The performance measures for each activity have been reviewed by Activity Managers. A separate report is attached to this report with proposed changes indicated in red text.

### Annual community views survey

Council's annual survey gauges residents' perceptions of, and attitudes towards, various Council services and facilities. An external provider (Versus Research) is commissioned to undertake the survey on Council's behalf and tenders for this contract every three years in line with the LTP.

400 randomly selected people from across the district are surveyed throughout the year using a mixed method approach (online interviewing and computer aided telephone interviewing using landlines and mobile phones). Measures are in place to ensure that respondents are representative of the overall district in relation to where they live, their sex, age, and ethnicity; therefore the results are not skewed by a particular demographic group.

The results from the survey are used to track performance against some of Council's performance measure targets set in the LTP. Activity Managers also use the results and verbatim comments from customers to target efforts and resources to service improvements, and to inform the prioritisation of work programmes.

### Rating scale

The contract for the survey provider is due to be re-tendered with confirmation of the schedule of questions and rating scale required. The schedule of questions will be confirmed with Activity Managers shortly, with Elected Members asked to confirm direction in regards to the rating scale.

Currently, respondents are asked to rate their satisfaction with a range of Council services and facilities on a six-point scale. The options to select from are shown below with 5 being 'very satisfied', to 1 being 'very dissatisfied'. There is a sixth option of 'don't know'.

☐ Very satisfied
 ☐ Satisfied
 ☐ Neither/nor
 ☐ Dissatisfied
 ☐ Very dissatisfied
 ☐ Don't know



Council staff have held informal discussions with Elected Members regarding the current rating scale. Staff have explored options utilised by other councils, with some of the preferred options detailed below:

Council	Survey	Rating Scale
Hauraki District Council	Residents Satisfaction Survey	Very satisfied Satisfied Somewhat satisfied Somewhat dissatisfied Dissatisfied Very dissatisfied
Ōtorohanga District Council	Annual Resident Survey	Very satisfied Satisfied OK Don't know Unsatisfied Very unsatisfied
Rotorua Lakes District Council	Community Satisfaction Survey (discontinued in 2019)	Very satisfied Satisfied Neither satisfied nor dissatisfied Dissatisfied Very dissatisfied Don't know
Taupō District Council	Resident and Ratepayer Governance Survey	Very satisfied Satisfied Somewhat satisfied Dissatisfied Very dissatisfied Don't know

Elected Members have indicated they would like to explore exclusion of the 'neither/nor' option within the rating scale. Council would like to achieve a more realistic picture and understanding of community satisfaction:

Scale	Result
6 – Very satisfied	Scoring a 4-6 would be recorded as 'satisfied' for the purposes of performance measure reporting.  Council would need to update its performance measure accordingly, for example:  Performance measure: The percentage of users who are <b>somewhat</b>
5 – Satisfied	
4 – Somewhat satisfied	

	satisfied/satisfied/very satisfied or the percentage of user satisfaction. Target: 90% somewhat satisfied/satisfied/very satisfied
3 – Somewhat dissatisfied	
2 - Dissatisfied	
1 – Very dissatisfied	

Staff have requested further advice from our survey provider on the above scale, particularly around the consequences for the removal of the 'neither/nor' and 'don't know' options.

The following risks have been identified if Council decide to change the rating scale:

- Council will lose several years of comparable data. This means that Council's performance information will not be comparable and we will lose the ability to compare historic data and analyse performance trends. This is a key concern shared by Audit NZ and our current survey provider.
- Council has previously changed the rating scale which resulted in reduced satisfaction/performance.
- If there is no 'neither/nor' option for respondents to choose from, the answer provided may not accurately reflect their views.
- The number of people who select the 'neither/nor' option is historically a significant percentage of the overall response (an average of 27%) as demonstrated in the graphic below (satisfaction with Council overall. It is unknown as to how any changes will affect Council's performance. What rating will those who would have selected the 'neither/nor' option choose, and how might this reflect in our achievement of performance measures/targets?



- If the rating scale is changed, the next opportunity for amendment will be when the LTP is reviewed in 2026 for the 2027/28 year and beyond.

The Committee is asked to provide feedback on this proposed change, which will be provided to Council.

## Mōrearea | Risk

Some general risks of setting a performance framework have been identified:

- Council may not meet the new auditing standards and could face and Council could face a modified audit opinion.
- Targets set may not be appropriate our realistic and do not reflect the level of service Council are wanting to achieve.
- Performance framework may not accurately reflect Council's Strategic Direction and Community Outcomes.
- The internal visibility of performance reporting information to support an organisational-wide focus on service improvement.

To mitigate the above risks, Council must carefully consider its performance framework, regularly review and adjust the metrics as needed, and ensure transparency and accountability in the process.

Staff have identified specific risks relating to changing to the rating scale for Council's annual community views survey and these are detailed above in this report.

## Ngā Whiringa | Options

The recommendation is for the Committee to provide feedback to Council on:

- a) The draft performance framework for its non-asset activities;
- b) Proposed changes to the rating scale for Council's Annual Community Views Survey.

## Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

The LTP and the proposals within it are deemed to be of high significance. However, the decisions associated with this report are considered to be of low significance.

### Local Government Act 2002 (LGA 2002) Decision-making requirements

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	A full consultation process will be undertaken in accordance with the LGA.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to	The LTP project is assessed as per Council's Significance and Engagement

the significance of the issue	Policy as having a high level of significance.
Section 82 – this sets out principles of consultation.	Consultation will be undertaken as per the legislative requirements using the special consultative procedure as prescribed in the LGA.

### **Policy Considerations**

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

No engagement is required at this time (as the decisions as described in this report have been assessed as having low significance). Once the performance measures are adopted as supporting material alongside the LTP consultation document in December 2023, and following an audit process, it will be consulted on with the community in accordance with section 93A of the LGA (use of the special consultative procedure).

The LTP is subject to a communications and engagement plan and a full consultation process in early 2024.

### **Ngā take ā-lhinga | Consent issues**

No consent issues have been identified.

### **Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes**

The draft performance measures for non-asset activities reflect Council's updated Strategic Direction and Community Outcomes.

### **JPānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

The costs involved in the LTP project are allocated for in existing budgets within the Strategies and Plans activity.

There is a cost to Council's Annual Community Views Survey, which is due to be re-tendered shortly. The current cost to undertaking the survey is 86,365.00 over three years.

### **Ngā Tāpiritanga | Attachments**

A. Non Asset Performance Measure Framework for Council

### **Ngā waitohu | Signatories**

Author(s)	Laura Hopkins	
	<b>Policy Advisor</b>	

Approved by	Niall Baker <b>Policy Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	

*Item 7.6 considered after item 7.7*

7 Pūrongo me whakatau | Decision Reports

## 7.7 Risk and Assurance Self-Assessment 2023 - Chair's Report on Results

CM No.: 2783007

### Te Kaupapa | Purpose

The purpose of this report is to provide the results of committee member's self-assessment, to enable the Matamata-Piako District Council's Risk and Assurance Committee to fulfil Section 7.5 of its Charter. Chairperson Jaydene Kana will provide a summary of results and comments in relation to them.

### Rāpopotonga Matua | Executive Summary

In line with the establishment of the new Risk and Assurance Committee on 9 November 2022 for the 2022-2025 triennium and subsequent revised Charter, the self-assessment was revised and updated at the previous meeting (12 September) of the Risk and Assurance Committee.

The self-assessment is to be undertaken annually by the committee and includes a questionnaire followed by a rating system with comments. A survey monkey link was distributed to all members and requested to be completed by 6 October 2023.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee and Chair to review and discuss the trends of the self-assessment at their next meeting on 5<sup>th</sup> December, 2023.

Resolution number YV/2023/00009

Moved by: Chair J Kana

Seconded by: J Aoake

**KUA MANA | CARRIED**

### Horopaki | Background

Each year as part of its work programme the Risk and Assurance Committee completes a self-assessment of its performance during the calendar year.

All members of the Risk and Assurance Committee were asked to complete the assessment.

The assessment was circulated through a Survey Monkey link, the results will be reviewed by the Committee Chair, who will provide further comments and recommendations as part of the assessment process.

The results from the self-assessment are attached.

### Ngā Tāpiritanga | Attachments

- A. RAC - Self-assessment results 2023

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**Ngā waitohu | Signatories**

Author(s)	Stephanie Hutchins <b>Governance Support Officer</b>	
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Approved by	Sandra Harris <b>Placemaking and Governance Team Leader</b>	
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*Item 7.7 considered after item 7.5*

*The meeting adjourned at 10.35am for morning tea and reconvened at 10.55am.*

## 7 Pūrongo me whakatau | Decision Reports

# 7.8 Schedule of Meetings 2024

CM No.: 2782998

## Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with meeting dates for 2024.

## Rāpopotonga Matua | Executive Summary

Annually, Council and Committees are required to confirm dates for meetings for the following year. This report outlines the established committees and their identified dates for confirmation. The full proposed Meeting Planner for 2024 is attached (Attachment A).

### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee confirms the meeting dates for 2024.

Resolution number YV/2023/00010

Moved by: Chair J Kana

Seconded by: Cr B Dewhurst

**KUA MANA | CARRIED**

## Horopaki | Background

At the first ordinary meeting (9 November 2022) of the 2022-2025 triennium, Council confirmed its meeting structure. As a result the frequency of Council and Committee meetings is proposed as:

### Council

- Meet monthly, every fourth Wednesday with extra meetings for hearings and adoption of documents as required.

### Risk and Assurance Committee

- Meet quarterly on Tuesday, based on Council meeting dates.

### Te Manawhenua Forum Mo Matamata-Piako

- Meet every two months, on the first Tuesday of the relevant month.

### Waharoa (Matamata) Aerodrome Committee

- Meet two or three times a year, on the third or fourth Thursday of a month.

## Workshops



- All are indicative dates – first and second Wednesday of the month are scheduled and the third Wednesday if needed in addition. Workshops will be confirmed closer to each identified date.

Using the above frequency as a guide, the meeting dates for 2024 are proposed as:

Name of Committee	Frequency	Dates
<b>Council</b>	4 <sup>th</sup> Wednesday of every month.	14 Feb 6 March 27 March 24 April 8 May ( <i>Council Hearing</i> ) 9 May ( <i>Council Hearing</i> ) 29 May 26 June (LTP) 24 July 28 August 25 September 30 October 27 November 11 December
<b>Risk and Assurance Committee</b>	Tuesday, quarterly per annum.	5 March 18 June 10 September 29 October 10 December
<b>Te Manawhenua Forum mo Matamata-Piako</b>	1 <sup>st</sup> Tuesday, bi-monthly per annum.	13 February <i>*20 March – joint Council and TMF workshop</i> 9 April 11 June 6 August 1 October 3 December
<b>Waharoa (Matamata) Aerodrome Committee</b>	2-3 per annum.	4 April 24 October

The committees identified above will have a similar report to consider at their respective meetings.

## Ngā Tāpiritanga | Attachments

A. 2024 Meeting Planner

## Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins <b>Governance Support Officer</b>	
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Approved by	Sandra Harris <b>Placemaking and Governance Team Leader</b>	
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*Item 7.8 considered after item 7.6*

## 8 Ngā Pūrongo Whakamārama | Information Reports

# 8.1 Review Delegation Policy and Delegation Register

CM No.: 2777944

## Te Kaupapa | Purpose

The purpose of this report is to seek Committee feedback on the Delegation Policy and Delegation Register 2022/23 prior to being provided to Council for approval.

## Rāpopotonga Matua | Executive Summary

Under the Local Government Act 2002, Council may delegate its statutory powers and its functions to Council officers. The Delegation Policy and Delegation Register provide the framework for this.

### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee provided feedback to Council on the delegations prior to the delegations being submitted to Council.

Resolution number YV/2023/00011

Moved by: Chair J Kana

Seconded by: J Aoake

**KUA MANA | CARRIED**

## Horopaki | Background

### The Local Government Act 2002

Section 48 of the Local Government Act 2002 (LGA) provides that delegations must be carried out in accordance with Part 1 of Schedule 7 of the LGA. Clause 32(1) of Part 1 to Schedule 7 of the LGA provides that, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, or member or officer of the local authority any of its responsibilities, duties, or powers excepting the powers specified under paragraphs (a)-(f) of that sub-clause.

These delegated powers fall broadly in to three categories:

- Financial
- Warranted powers
- Statutory

## Ngā Take/Kōrerorero | Issues/Discussion

### Delegations Policy

The Policy focuses on two policy issues:

- Efficient and effective decision making - good management practice is to encourage delegation of decision making to the lowest competent level.
- Managing risk - Council has identified the 'top five risks' which are to be considered by Council and staff when making a delegation.

The Policy contains information on:

- Powers retained by Council
- Mayoral Powers under the LGA
- Powers delegated to Council committee's under its governance structure

- Powers delegated to Council's hearing commission under its governance structure
- Financial delegations (held by finance)
- Warranted Power appointments
- Statutory delegations (delegations where the highest risk has been initially assessed have been highlighted throughout the delegations document)

Amendments made to Delegations Policy and Register 2023 include:

- Delegation Policy - wording/legislation/replacement updates. Reflect up to staff changes.
- Committee delegations - updated to reflect the change in the Waharoa Aerodrome delegations.
- Financial delegations – (held and managed by the finance department)
- Statutory delegations – reviewed alongside the legislative compliance checklist. The building department had an external audit for their IANZ accreditation and some changes were made to reflect the feedback from that audit.

**Options considered**

The Committee has the option of recommending to Council further amendments to the delegations.

**Legal and statutory requirements**

Details of the legislative framework have been set out above in this report.

**Impact on Significance and Engagement Policy**

This matter is not considered significant.

**Timeframes**

There are no timeframes, the delegations are expected to be updated as and when legislation is introduced or amended by central government.

**Mōrearea | Risk**

This is a high risk activity, due to the fact that if there is a mistake it could mean that duties undertaken by staff are not valid and potentially illegal.

This risk is mitigated through the continuous ongoing review and yearly item to this committee.

**Policy Considerations**

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

**Ngā Tāpiritanga | Attachments**

[A⇒](#). Delegation Policy and Delegation Register 2023 - Tracked Changes Included (*Under Separate Cover*)

**Ngā waitohu | Signatories**

Author(s)	Ellie Mackintosh	
	<b>Legal Counsel</b>	

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Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
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## 8 Ngā Pūrongo Whakamārama | Information Reports

### 8.2 Long-Term Plan 2024-34 Update

CM No.: 2782653

#### Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with an update on the Long Term Plan 2024-34 (LTP) project to Council.

#### Rāpopotonga Matua | Executive Summary

The LTP outlines the Council's plans including major projects, levels of service and forecast budgets for the next ten years. The current LTP covers the period 2021 – 2031. The next LTP, which this Council is underway with, is the 2024 – 2034 LTP.

The first elements which were completed were review of the strategic statements which express the Council's vision and areas of the focus: the vision, mission, strategic priorities and community outcomes. These are intended to inform the development of the Infrastructure Strategy, Financial Strategy, Levels of Service and Performance Framework, and Asset and Activity Plans amongst other components.

During October 2023, Council will discuss the budget issues which are part of the LTP. Council's decisions on these matters will be incorporated into the draft LTP Consultation document and plan itself.

The timeline for the project centres on key dates for completion of the draft documents in December 2023, auditing in January / February 2024 and consultation in March / April 2024.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The Committee provided feedback on the Long-Term Plan 2024-34 project, including the external review process.

Resolution number YV/2023/00012

Moved by: Chair J Kana

Seconded by: Mayor A Wilcock

**KUA MANA | CARRIED**

#### Horopaki | Background

Council is required to prepare and adopt a LTP under the Local Government Act 2002 (LGA). The Long Term Plan sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The LTP is required to be updated every three years, with the last LTP being approved in 2021 (available online <https://www.mpd.govt.nz/plans/long-term-plan>).

The LTP:

- describes the type of district our communities have told us they want – our community outcomes
- identifies the key projects to take place over the next 10 years

- provides an overview of each activity we will carry out and the services we will provide for the next ten years determines how much this will cost and how it will be funded.

It also provides communities the opportunity to have a say on where Council are heading and to ensure planning is robust. In completing the plan Council are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

The LTP is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community.

The LTP must be adopted prior to 30 June 2024. The project timeline for LTP is typically 18 months or more, and involves staff across the whole organisation, elected members and the community. A high level overview of the timeline is set out under Communication and Timeline heading below.

### Ngā Take/Kōrerorero | Issues/Discussion

Council workshops are scheduled on a weekly basis on a Wednesday (other than when formal Council meetings occur) through to December 2023 to provide adequate opportunities for members to discuss and consider issues relevant to the project.

#### Quality review

For the 2021-31 LTP, Council commissioned an independent review of the LTP as a quality review mechanism. Consideration is being given to the most appropriate quality review process for the 2024 LTP.

If similar exercise is undertaken, it is suggested the goals of an independent review of the LTP consultation document and supporting material (also referred to as the draft LTP) would be to:

1. Consider the continuity and consistency of the strategy and key messages throughout the LTP as a whole, providing an external and independent assessment of how well the LTP package hangs together. For example, have the assumptions been applied consistently?
2. Assess completeness against legislative requirements.
3. Assess the LTP against Local Government sector best practice guidance.

This would specifically include:

- Compliance cross check with the requirements of Part 6 and Schedule 10 of the Local Government Act 2002, to assess completeness of component parts.
- Assessment against the most recent Taituara LTP guidance.
- Review of the Office of the Auditor General, *Matters arising from our audits of the 2021-31 long-term plans*, and assessment of MPDC LTP against matters arising report.
- If supplied, a review of the MPDC LTP project plan (*i.e.* if it identifies areas for improvement) and/or any internal debrief or reporting from the MPDC 2021 LTP, to cross check whether improvement items have been carried into the 2024 LTP.
- A light review of the 2021 LTP and most recent Annual Plan to check on continuity of direction of travel and any commitments made in those documents to the 2024 LTP.

- If supplied, a review of the Audit NZ Management Report from the 2021 LTP audit to cross check whether improvement items have been carried into the 2024 LTP.
- If supplied, any pertinent internal working documents and/or Council reports (and new Strategic Direction for Council adopted in early 2023) which outline the strategic direction of Council for this coming LTP, and a cross check to identify consistency of strategy and direction.

Feedback is sought from the Committee on this process.

#### Audit

The following are the proposed audit dates (to be confirmed):


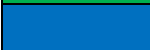


Steps	Proposed Timetable
<b>Self-assessment provided to MPDC</b>	<i>To be confirmed</i>
<b>Self-assessment returned to audit team for consideration</b>	<i>To be confirmed</i>
<b>First interim visit (initial assessment)</b>	11 December 2023
<b>Proposed consultation document available</b>	29 January 2024
<b>Second interim visit</b>	30 January to 13 February 2024
<b>Audit and Risk Committee</b>	5 March 2023
<b>Audit opinion on consultation document</b>	6 March 2024
<b>Draft management report on consultation document engagement</b>	<i>To be confirmed</i>
<b>Finalised management report on consultation document engagement</b>	<i>To be confirmed</i>
<b>Final LTP visit</b>	6 June to 13 June 2024 Draft LTP Available for audit
<b>Proposed LTP for adoption available</b>	14 June 2024
<b>Audit opinion on adopted LTP</b>	26 June 2024
<b>Draft management report on LTP engagement</b>	29 August 2024
<b>Finalised management report on LTP engagement</b>	<i>To be confirmed</i>


#### Overall timeline

The timeline for the project centres on key dates for completion of the draft documents in December 2023, auditing in January / February 2024 and consultation in March / April 2024.

The Project on a Page (attached) provides an overview of the different building blocks and the associated timelines for the project. The below table provides a summary of key milestones and timelines.

#### **Key**

	= in progress / on track
	= completed
	= completion delayed / some issues
	= not on track / not started

Description	Start	Finish	Comments	Status
<b>Briefing Papers</b>	Mid-2022	January/ February 2023	Completed and distributed to elected members	



Description	Start	Finish	Comments	Status
<b>Demographic/Growth/Economic/Assumptions</b> <ul style="list-style-type: none"> <li>- NIDEA/</li> <li>- FutureProof (demographic projections)</li> <li>- Infometrics (economics)</li> </ul>	Oct 2021	May 2023	<p>Completed - Workshop with technical experts held on 9 August.</p> <p>Te Ngira: Institute for Population Research Prof. Michael Cameron (demographic projections)</p> <p>Alchemists: Tony Fenton (for land use projections)</p>	
<b>Revaluation of Assets</b>	Jan 2023	September 2023	Completed.	
<b>Community Outcomes/Vision Review</b>	February 2023	June 2023	Completed – new strategic direction has been formally adopted by Council	
<b>Rates Structure</b>	April 2023	June 2023	Council has indicated it does not wish to make any changes to the rating structure. To be formally confirmed.	
<b>Activity Plan review</b>	April 2023	Aug/Sep 2023	This process is almost completed. Performance framework to be confirmed.	
<b>Asset Management Plans</b>	Feb 2023	Oct 2023	Work underway. Council has workshopped key issues, and capital project list.	
<b>Budgets</b>	August 2023	November 2023	Council budget workshop scheduled for 18 October 2023.	
<b>Right Debate (pre engagement – possible level of service review)</b>	April 2023	Aug 2023	No longer planned	
<b>Infrastructure and Financial Strategy</b>	April 2023	Oct 2023	Work underway, process on hold pending budget discussions.	
<b>Policy Review</b>	April 2023	Oct 2023	<p>Significance and engagement policy has been adopted.</p> <p>Workshops on revenue and financing policy workshops took place in September 2023. Some updates needed to the Policy and Fees and Charges schedule to align.</p>	
<b>Council controlled</b>	July 2023	Nov 2023	Not yet commenced.	

Description	Start	Finish	Comments	Status
<b>organisation section</b>				
<b>Māori participation in decision making</b>	July 2023	Oct 2023	Iwi aspirations have been discussed with Te Mana Whenua Forum and Council – further engagement between Council and Forum to occur.  Staff will commence work on this section of the LTP shortly.	
<b>Document development</b>	July 2023	Dec 2023	Work underway, preparing draft LTP. Internal discussions on the Consultation Document are also underway with elected members having provided some direction on potential topics.	
<b>Quality checks and administration</b>	July 2023	Dec 2023	Not yet commenced.	
<b>Communications Strategy and implementation</b>	Feb 2024	Dec 2024	The engagement approach will be determined by the topics of the Consultation Document.	
<b>External Audit Process</b>	Jan 2024	June 2024	Refer schedule of audit dates above.	
<b>Special Consultative Procedure</b>	Jan 2024	June 2024	Engagement will be undertaken in early 2024.  Consultation is scheduled to commence mid-March through to mid-April. Hearings and deliberations in May, with final plan adoption in June 2023.	

### Three Waters

The Government's Water Services Reform (previously known as Three Waters) aims to improve the safety, affordability and reliability of drinking water, wastewater and stormwater services. It involves a new service delivery model, and quality, economic and consumer protection regulation for the sector.

The Water Services Entities Act 2022 established the Water Services Entities and their functions, objectives and accountability arrangements. It also sets transitional oversight arrangements with the Department of Internal Affairs (DIA) to review and where applicable confirm local government

decisions if these will prejudice the water services reform, or have a negative impact on assets or liabilities that will be transferred to the new entities. These oversight arrangements have now taken effect.

The Government announced a reset of the reform in April 2023. The changes include increasing the number of water services entities from four to ten and establishing them in a staged approach from 2024 to 2026 (i.e. 'go live' between 1 July 2024 and 1 July 2026).

The new water services entity that will serve Matamata-Piako District are scheduled to transfer to a new entity on 1 July 2025.

Three other Bills to implement the reform and incorporate the reset have now completed the Parliamentary process: The Water Services Entities Amendment Bill, the Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill.

The key features of the transitional arrangements with respect to the LTP are:

- The transitional provisions include planning and reporting obligations reflect that council responsibilities for water services will continue for part of the period covered by the 2024-34 LTP, and detailed information would only be required for the first two financial years.
- The 2024-34 LTP, and associated consultation document, must explain to communities that water services are to be transferred to a water services entity during the 2024/25 or 2025/26 financial years; the implications of, and any significant risks associated with, the transfer; and how the council is planning to deal with these implications and risks.
- The transitional provisions set out the minimum information that needs to be included about water services in the LTP, for up to two years, only – ensuring there is continued transparency and accountability to communities about things like proposed levels of service and expenditure.
- Transitional provisions inserted into the Local Government (Rating) Act clarify that local authorities should set and that local authorities should set and collect rates for water services the whole financial year. If responsibilities are transferred to a entity part-way way through that year, any unapplied rates revenues would also be transferred to entity.

#### Provisions affecting the 2024-34 LTP

- Must plan to at least maintain existing levels of service
- The LTP must include information in Schedule 10 for groups of activities –for the first two years:
  - capital expenditure for groups of activities (Schedule 10 of the Local Government Act 2002, clause 3)
  - statement of intended levels of service provision (Schedule 10, clause 4)
  - funding impact statement for groups of activities (Schedule 10, clause 5)
  - forecast financial statements (Schedule 10, clause 12)
  - funding impact statement (Schedule 10, clause 15)

[This information is not required for 2025/26 if responsibilities are being transferred on/before 1 July 2025].

Councils are not required to:

- include information on DIA non-financial performance measures for water services (though still need to comply with PBE FRS48 Service Performance Reporting)
- include information on water services in infrastructure strategies
- estimate the effects of any uncertainty relating to water services reforms

In addition, Councils are not required to amend an adopted LTP to deal with any change or decision on entity establishment dates.

### **Mōrearea | Risk**

Risk management involves the identification and assessment, then avoidance, mitigation or elimination of risks. An LTP risk register has been developed, and will be monitored and updated throughout the project.

The Project Team is also maintaining an Issues Register to capture issues as they arise and ensure issues are considered and reviewed in a timely manner as they relate to the project.

A key risk for the LTP remains the transition phase for the water reform. Also, the Water Services Reform may be repealed or significantly changed if there is a change in government following the general election.

### **Ngā Whiringa | Options**

Council may wish to consider providing any feedback or comments on the Project Plan and timeline.

### **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

#### Requirement for a Long Term Plan

The preparation of the LTP is a requirement under the Local Government Act 2002. [Schedule 10](#) of the LGA sets out the requirements for a LTP. The LTP must include information about;

- Community Outcomes
- Implementation of regional spatial strategy *[note: new addition following passage of the Spatial Planning Act 2023]*
- Groups of Activities
- Capital Expenditure for groups of activities
- Statement of service provision
- Funding impact statement for groups of activities
- Variation between territorial authority's longer term plan and assessment of water and sanitary services and waste management plans
- Council controlled organisations
- Development of Māori capacity to contribute to decision-making processes
- Financial strategy and Infrastructure Strategy
- Revenue and financing policy
- Significant and engagement policy
- Forecast financial statements
- Financial statements for previous year
- Statement concerning balancing of budget
- Funding impact statement
- Rating base information
- Reserve funds
- Significant forecasting assumption

#### Mayoral Powers

Under LGA [s41A](#), “it is the role of a mayor to lead the development of the territorial authority’s plans (including the long-term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority.”

#### Council policies and strategies

As part of the preparation of the LTP, Activity and Asset Management Plans will be checked against Council’s key strategic and policy documents and wider regional and national documents for strategic fit. The preparation of the Long Term Plan may lead to the review of some Council policy documents.

#### **Local Government Act 2002 (LGA 2002) Decision-making requirements**

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	This report provides the Committee with an update; there are no options to consider at this stage.
Section 78 – requires consideration of the views of Interested/affected people	The LTP is subject to a consultative process
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above.  This issue is assessed as having a Low level of significance, as this report is an information update. The LTP overall has higher significance
Section 82 – this sets out principles of consultation.	<Insert text>  The LTP is subject to a consultative process and these principles will be considered as part of the consultation/communications plan.

#### **Policy Considerations**

To the best of the writer’s knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

#### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

Views of residents are sought via the resident’s survey every quarter and have been utilised in preparing the LTP alongside other information.

The LTP project is one of Council's key opportunities to engage with our communities to find out what their aspirations and priorities are.

The LTP is subject to the special consultative process under the LGA ([s83](#)). The special consultative process is a structured one month submission process with a hearing for those who have submitted and wish to speak to their submission.

Further detailed plans on engagement for the LTP consultation period will be brought to Council for consideration early in the New Year.

Formal consultation for the LTP will take place in March-April 2024.

### Ngā take ā-lhinga | Consent issues

There are no consent issues.

### Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

<b>Connected Infrastructure</b>	Infrastructure and services are fit for purpose and affordable, now and in the future.	Quality infrastructure is provided to support community wellbeing.	We have positive partnerships with external providers of infrastructure to our communities.
<b>Economic opportunities</b>	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.
<b>Healthy communities</b>	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
<b>Environmental Sustainability</b>	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.
<b>Vibrant Cultural values</b>	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

The development of and consultation on the LTP is funded from the Strategy and Engagement Activity Operating budget.

### **Ngā Tāpiritanga | Attachments**

There are no attachments for this report.

### **Ngā waitohu | Signatories**

Author(s)	Niall Baker <b>Policy Team Leader</b>	
Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	



8 Ngā Pūrongo Whakamārama | Information Reports

## 8.3 Review of progress with external and internal audit recommendations

CM No.: 2782867

### Te Kaupapa | Purpose

To update the Committee on progress with recent external and internal audit recommendations

### Rāpopotonga Matua | Executive Summary

There have been no additional internal or external audit reports received since the last update to this committee.

Progress is reviewed against the following reports;

- Audit New Zealand's Report to the Council on the audit of Matamata-Piako District Council for the year ended 30 June 2022 (issued August 2023), and
- KPMG's internal audit report on cash handling and non-cash refund processes (issued May 2023).

Progress with the recommendations made in these reports is presented in the attached document. Changes since the last report are updated in blue. Items previously noted to the committee as resolved have been dropped off the list.

### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information is received.

Resolution number YV/2023/00013

Moved by: Chair J Kana

Seconded by: J Aoake

**KUA MANA | CARRIED**

### Ngā Tāpiritanga | Attachments

- A. Update on progress with recommendations made by external and internal audit reviews – as at 13 October 2023

### Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke <b>Finance and Business Services Manager</b>	
Approved by	Don McLeod <b>Chief Executive Officer</b>	

8 Ngā Pūrongo Whakamārama | Information Reports

## 8.4 Risk and Assurance Work Programme 2023 - Update October 2023

CM No.: 2782875

### Te Kaupapa | Purpose

The purpose of this report is to provide an update to the committee on the work programme as confirmed for 2023.

### Rāpopotonga Matua | Executive Summary

This is an additional meeting not originally scheduled. Staff have developed an update on the Work Programme for the Committee using reports previously scheduled and standing items. It is intended this is a standing item for each Committee meeting.

#### WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.

Resolution number YV/2023/00014

Moved by: Chair J Kana

Seconded by: Cr G Thompson

**KUA MANA | CARRIED**

### Horopaki | Background

Prior to the commencement of each calendar year the Committee sets a work programme.

While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee members to set their direction and to allow staff to understand the work priorities that need to be achieved.

### Ngā Tāpiritanga | Attachments

- A. Risk and Assurance Committee Work Programme 2023 - Update October 2023

### Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
Approved by	Sandra Harris Placemaking and Governance Team Leader	

## 8.5 Risk Update

Lesley Steeples in attendance to provide the committee with a quick verbal update on Risk reporting and software following the previous meeting.

12.27 pm

Cr Gary Thompson performed the closing Karakia and blessed the food.

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
OF THE MEETING OF KOMITI O TE MŌREAREA  
ME TE TŪMARU | RISK & ASSURANCE  
COMMITTEE HELD ON 24 OCTOBER 2023.

**KO TE RĀ | DATE:** .....

**TIAMANA | CHAIRPERSON:** .....