



# AGENDA

## Ordinary Council Meeting Tuesday, 27 October 2020

**Date** Tuesday, 27 October 2020

**Time** 3pm

**Location** Council Chamber  
District Council Building  
King George Place  
Timaru

**File Reference** 1384150

## **Timaru District Council**

**Notice is hereby given that a meeting of the Ordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 27 October 2020, at 3pm.**

### **Council Members**

Mayor Nigel Bowen (Chairperson), Cllrs Allan Booth, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly, Sally Parker, Stu Piddington and Steve Wills

Quorum – no less than 5 members

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

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

Bede Carran

**Chief Executive**

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- 1 Opening Prayer and Waiata**
- 2 Apologies**
- 3 Public Forum**
- 4 Identification of Urgent Business**
- 5 Identification of Matters of a Minor Nature**
- 6 Declaration of Conflicts of Interest**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 22 September 2020**

**Author:** Jo Doyle, Governance Advisor

#### **Recommendation**

That the Minutes of the Council Meeting held on 22 September 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

#### **Attachments**

- 1. Minutes of the Council Meeting held on 22 September 2020**



# MINUTES

## Ordinary Council Meeting Tuesday, 22 September 2020

Ref: 1384150

**Minutes of Timaru District Council  
Ordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 22 September 2020 at 2pm**

**Present:** Mayor Nigel Bowel (Chairperson), Cr Allan Booth, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington

**In Attendance:** **Community Board Members**  
Temuka Community Board – Lloyd McMillan  
Geraldine Community Board – Janene Adams

**Council Officers**

Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Acting Group Manager Environmental Services (Jayson Ellis), Group Manager People and Digital/Acting Group Manager Community Services (Symon Leggett), Acting Group Manager Infrastructure (Erik Barnes), Land Transport Manager (Andrew Dixon), Strategy and Corporate Planning Manager (Mark Low), Senior Programme Delivery Manager (Ashley Harper), Drainage and Water Manager (Grant Hall), Programme Delivery Manager (Lili Delwaide), Business Development Manager (Frazer Munro), Communications Manager (Stephen Doran), Libraries Manager (Adele Hewlett), Manager of Property Services and Client Representative (Nicole Timney), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

**1 Opening Prayer**

Alistair MacNaughton of St Andrews Presbyterian Geraldine offered a prayer for the work of Council followed by the singing of the Timaru District Council Waiata.

**2 Apologies**

**Resolution 2020/41**

Moved: Cr Sally Parker  
Seconded: Cr Paddy O'Reilly

That the apologies received from Cr Peter Burt, Cr Steve Wills and Raewyn Hessel of Pleasant Point Community Board be accepted and leave of absence granted.

**Carried**

**3 Public Forum**

Council was advised that Steven Greenyer from Fire and Emergency NZ will attend the next Council meeting on 27 October 2020.

The following members of public addressed Council:



**Janya Lobb – Water Reform**

Mrs Lobb shared concerns with Council at the lack of publicity around the signing of the Memorandum of Understanding with Government on the 3waters Reform.

These are the largest reforms since 1989 which started with the Havelock North water contamination incident, and yet this is not being discussed with the community.

Assuming Timaru District Council follows the Governments plans, this will all be completed by 2023 and will have a significant impact including:

- The preferred option is to have only 3-5 water service providers
- Assets will be transferred to statutory bodies
- Enforcement penalties are significant
- TDC would still be responsible for reporting to supplier 3 yearly
- If supplier falls over, TDC would have to pick up and continue
- No assets will be retained and there will be no further income
- The area Timaru district will potentially be part of include West Coast, Nelson, Marlborough and Canterbury

Engaging in public consultation with the community was urged to determine support.

Council thanked Janya for her thoughts, and share her views, and advised that at this point there are more questions than answers. Council agree that the public need to well involved and informed with accurate information.

It was noted that the 1 December date was referred to as a deadline is not a timeline that was provided to Council and this should be clarified by Council Officers.

**Jock Anderson – Showgrounds Development**

Mr Anderson stated that this development was a decision made by prior Elected Members of Timaru District Council and Timaru District Holdings Limited to sell the showgrounds land without any public consultation.

It was felt that this was an ill-considered plan that can only mean crisis for the Timaru town centre, and the community were not told about the plan until it was too late.

Why is Timaru District Council going against two specialist reports that show significant adverse implications to the town centre, and that the original safeguards have now been abandoned.

Greypower requested the developer Tony Gapes to come and speak with them. He has advised that once the due diligence is finished he will do so.

Council is urged to consider instructing Timaru District Holdings Limited to pause the sale of the showgrounds site, with a view to stopping the sale and purchase immediately.

**Denise Fitzgerald – Showgrounds Development**

Mrs Fitzgerald shares the views of opposition to the proposed development of the showgrounds site.

It appears the development is no longer only restricted to big box. The current lovely rolling bank of land from bridge road, will be levelled out, and there is a concern that this land will be destroyed.

The amount of land purchased by the developer has intentionally been kept just below size that requires consent.

Council should be preserving sites, especially the CBD which should be a place people congregate, shop and relax and possibly live in developed apartments.

As the CBD is so close to the harbour, cruise ship passengers can enjoy the short walk, right in town and enjoy the new trend of returning to high street boutique shopping.

The Councillors were requested to speak up and give their views and provide transparency.

Cr Parker advised she is quite comfortable with the site, and sees the CBD enhanced as well and sees many options for boutique shops and café's. Supports both the Showgrounds Development and enhancement of the CBD.

Cr Piddington has found this situation awkward as not part of the previous Council's decision, and not being able to see the Sale and Purchase agreement for Showgrounds. Is in support of the Big Box development but does have concerns about the smaller shop sizes in plan.

Cr O'Reilly is in support of the Showgrounds but without the smaller shop sizes and foresees that the CBD could become a place that people can meet and talk in an area free of cars.

Cr Gilchrist is in favour of Showgrounds development, but also hugely in favour of a updated CBD, where people eat, walk and don't have traffic. Seeing boutique shops pop up recently is a good sign, and thinks a strong future for the CBD exists.

Understands that many people are also big box shoppers, so this provides an opportunity to cater for both.

Cr Oliver has always been supportive of the big box and is assured there is help in place to ease the gravitation from the CBD. With Kmart announcing they are going to Ashburton, there is concern that people will gravitate there. The opportunity to enhance the CBD is there for the future.

Cr Lyon supports the Showgrounds and looks forward to the outcome and the opportunity for business owners and people in CBD to be able to make two entities work together. There are challenges in the CBD, and Council can be supportive, but don't own buildings there, however Council can support developers with direction.

The Community deserves the showgrounds development and most people say get on with it. This is very positive for the Timaru district. Looking forward to response from CBD with positivity, exciting times.

Mayor Bowen summed up that in terms of transparency, this Council has listened and this subject was removed from Public Excluded in November and stakeholders were informed.

Previous council had 75% of reports held in public, and already this Council has a significant increase of 93% of reports in a public agendas.

#### **4 Identification of Urgent Business**

There were no urgent business items.

#### **5 Identification of Matters of a Minor Nature**

There were no minor nature items.

**6 Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

**7 Confirmation of Minutes****7.1 Minutes of the Extraordinary Council Meeting held on 5 May 2020****Resolution 2020/42**

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the Minutes of the Extraordinary Council Meeting held on 5 May 2020 be confirmed as a true and correct record of that meeting.

**Carried**

**7.2 Minutes of the Council Meeting held on 1 September 2020****Resolution 2020/43**

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

That the Minutes of the Council Meeting held on 1 September 2020 be confirmed as a true and correct record of that meeting.

**Carried**

**7.3 Minutes of the Tenders and Procurement Committee Meeting held on 1 September 2020****Resolution 2020/44**

Moved: Cr Gavin Oliver

Seconded: Cr Richard Lyon

That the Minutes of the Tenders and Procurement Committee Meeting held on 1 September 2020 be confirmed as a true and correct record of that meeting.

**Carried**

**7.4 Minutes of the Directors and Trustee Appointment Subcommittee Meeting held on 21 August 2020****Resolution 2020/45**

Moved: Mayor Nigel Bowen

Seconded: Cr Gavin Oliver

That the Minutes of the Directors and Trustee Appointment Subcommittee Meeting held on 21 August 2020 be confirmed as a true and correct record of that meeting.

**Carried**

## **8 Schedules of Functions Attended**

### **8.1 Schedule of Functions Attended by the Chief Executive**

#### **Resolution 2020/46**

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the report be received and noted.

**Carried**

### **8.2 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors**

#### **Resolution 2020/47**

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That the report be received and noted.

**Carried**

## **9 Reports**

### **9.1 Petition for Timaru Library**

Council was presented with a petition received from Wendy Newman with respect to the Rainbow Storytime event at the Timaru District Library.

An executive summary was read by Wendy Newman and is attached to minutes.

Council conveyed their concern that Wendy had received abuse for creating this petition and that freedom of speech is encouraged.

Discussion was held with Wendy about differing views on normalising behaviour and acceptance and that the ultimate decision of whether children attend events at the Timaru Library sits with their parents.

#### **Resolution 2020/48**

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

That Council receives the petition, noting its content and refers it to officers to inform their work.  
**Carried**

**Attachments**

- 1 Wendy Newman - Response to Library Petition - August 2020

**9.2 Affixing of the Common Seal**

Council was advised of the affixing of the Common Seal to Warrants of Appointment.

**Resolution 2020/49**

Moved: Cr Gavin Oliver  
 Seconded: Cr Barbara Gilchrist

That the affixing of the Common Seal to the following document be noted:  
 7 August Warrants of Appointment – Enforcement Officer.

**Carried**

**9.3 Contracts Let Under Delegated Authority**

Council was advised of contracts let by the Chief Executive under Delegated Authority.

**Resolution 2020/50**

Moved: Cr Sally Parker  
 Seconded: Cr Paddy O'Reilly

**That the following information on a contract let by the Chief Executive under delegated authority, be received.**

<b>Contract Description</b>	<b>Number of Tenders</b>	<b>Price Range</b>	<b>Successful Tenderer and Price</b>
<b>Contract 2441 – Geraldine Domain Swale and Network Improvement</b>	<b>5</b>	<b>\$166,570.00 to \$233,839.57</b>	<b>Ashburton Contracting Limited \$166,570.00</b>
Tenders for contract 2441 were evaluated using the Lowest Price Conforming Tender Method			
<b>Contract 2403 – Quotation Report to complete professional design service for Morgans Road to Kellands Hill Trunk Watermain</b>	<b>1</b>	<b>\$229,550.00</b>	<b>WSP</b>

All prices exclude GST

**Carried**

#### **9.4 Audit and Risk Committee Charter**

Council considered the Audit and Risk Committee Charter presented by the Group Manager Commercial and Strategy.

This charter requires Council approval and expands on the Committee's functions that were previously established by Council when the committee was established at the inaugural meeting in October 2019.

The Charter was considered at the last Audit and Risk Committee meeting and provides coverage of the full breath of Committee, as set out in the terms of reference.

The draft charter has been endorsed by the Audit and Risk Committee and now needs to be approved by Council.

#### **Resolution 2020/51**

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

To approve the Draft Audit and Risk Committee Charter.

To approve the expansion of the role and function of the Audit and Risk Committee, as approved on 31 October 2019, to include the additional responsibilities of the Committee set out in the Audit and Risk Committee Charter.

**Carried**

#### **9.5 Government 3Waters Stimulus Package Delivery Plan**

Council considered the delivery plan for the Governments Stimulus Package for Sewer, Stormwater and Potable Water activities.

As this topic was discussed earlier in the Public Forum, the Senior Programme Delivery Manager provided background for the members of the public.

Council provided an authorised signature for the Memorandum of Understanding in August and are on track to provide a delivery plan by the end of this month.

\$6.8 million will be made available for new work that must start by 31 March and be completed within 12 months.

A list of 19 projects has been prepared, and the emphasis is to do better in the provision of better drinking water, sewer and stormwater services.

The costs provided are estimates, and won't be determined until more work is completed, and should any projects come up against significant hurdles, other projects can be used from the list. It is imperative that these projects are resourced correctly.

It was discussed that wider consultation will be required on waters as a whole as these are significant assets of Council, and whether Timaru District Council will opt in or out of the next stage.

The prioritisation of the project list will be workshopped by Staff, and if need be, some projects will be referred to next year's Long Term Plan.

The details of what the public entity may look like is expected to be with the Mayor and Chief Executive within the week and whether it would be regional or multi regional. This will also show staffing implications.

### **Resolution 2020/52**

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

1. That the draft Government 3Waters Stimulus Package Delivery Plan inputs be considered and confirmed at this meeting.
2. That the Mayor, the Chair and Deputy Chair of the Infrastructure Committee and Chair of Environmental Services be delegated authority to work with staff to finalise the Delivery Plan and to modify the Delivery Plan as projects progress.
3. That Council's approved 2020-21 budget be modified to recognise the additional funding and expenditure associated with the Government 3Waters Stimulus Package.
4. That the 2021-22 draft budget include Government 3Waters Stimulus Package projects funding and expenditure.
5. That regular progress reports on the 3Waters Stimulus Package Delivery Plan be provided to the Infrastructure Committee.

**Carried**

### **10 Consideration of Urgent Business Items**

There were no urgent business items.

### **11 Consideration of Minor Nature Matters**

There were no minor nature matters.

### **12 Public Forum Items Requiring Consideration**

There were no public forum items requiring consideration.

### **13 Resolution to Exclude the Public**

### **Resolution 2020/53**

Moved: Cr Paddy O'Reilly

Seconded: Cr Barbara Gilchrist

- 1 That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p><b>13.1 - Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 25 August 2020</b></p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>
<p><b>13.2 - Legal and Process Update</b></p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p>	<p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p>

**Carried**

**Resolution 2020/54**

Moved: Cr Barbara Gilchrist

Seconded: Cr Paddy O'Reilly

That the meeting moves out of Closed Meeting into Open Meeting.

**Carried**



**13 Public Excluded Reports**

**13.1 Public Excluded Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 25 August 2020**

**13.2 Legal and Process Update**

**14 Readmittance of the Public**

**The meeting closed at 4.21pm.**

.....  
**Chairperson**

**7.2 Minutes of the Tenders and Procurement Committee Meeting held on 13 October 2020**

**Author: Jo Doyle, Governance Advisor**

**Recommendation**

That the Minutes of the Tenders and Procurement Committee Meeting held on 13 October 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Attachments**

- 1. Minutes of the Tenders and Procurement Committee Meeting held on 13 October 2020**



# MINUTES

## Tenders and Procurement Committee Meeting Tuesday, 13 October 2020

Ref: 1384150

**Minutes of Timaru District Council  
Tenders and Procurement Committee Meeting  
Held in the Chief Executives Office, District Council Building, King George Place, Timaru  
on Tuesday, 13 October 2020 at 8.30am**

**Present:** Nigel Bowen (Chairperson), Cr Peter Burt, Cr Barbara Gilchrist, Cr Sally Parker  
**In Attendance:** Chief Executive (Bede Carran), Group Manager Infrastructure (Andrew Dixon), Drainage and Water Manager (Grant Hall), Governance Advisor (Jo Doyle)

**1 Apologies**

There were no apologies.

**2 Identification of Items of Urgent Business**

There were no items of urgent business.

**3 Identification of Matters of a Minor Nature**

There were no matters of a minor nature.

**4 Declaration of Conflicts of Interest**

There were no conflicts of interest.

**5 Consideration of Urgent Business Items**

There were no items of urgent business.

**6 Consideration of Minor Nature Matters**

There were no matters of a minor nature.

**7 Exclusion of the Public**

**Resolution 2020/10**

Moved: Chairperson Nigel Bowen

Seconded: Cr Peter Burt

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<b>8.1 - Contract 2468 - Pareora Pipeline Section 1</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the	Commercial sensitivity

	making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	
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**Carried**

**Resolution 2020/11**

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the meeting moves out of Closed Meeting into Open Meeting.

**Carried**

**8 Public Excluded Reports**

**8.1 Contract 2468 - Pareora Pipeline Section 1**

**9 Readmittance of the Public**

**The Meeting closed at 8.37am.**

.....  
**Chairperson**

## 8 Schedules of Functions Attended

### 8.1 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors

**Author:** Alesia Cahill, Executive Assistant to the Mayor

**Authoriser:** Nigel Bowen, Mayor

#### Recommendation

That the report be received and noted.

#### Functions Attended by the Mayor for the Period 14 September 2020 to 16 October 2020.

<i>15 September 2020</i>	Attended Council workshop Attended and MC for Prime Minister Business lunch Attended Prime Minister visits and functions
<i>16 September 2020</i>	Spoke to Roncalli year 9 and 10 Social Studies group
<i>17 September 2020</i>	Attended visits with Minister Parker Chaired Safer Communities Committee meeting
<i>21 September 2020</i>	Attended and spoke at High School leadership day
<i>22 September 2020</i>	Attended Donations and Loans Subcommittee meeting Chaired People and Performance Subcommittee meeting Chaired Council meeting
<i>23 September 2020</i>	Attended Reignition Plan meeting Attended PrimePort Timaru AGM Attended Meet the Candidates evening
<i>29 September 2020</i>	Attended Timaru District Holdings Limited meeting Attended Council workshops
<i>30 September 2020</i>	Attended Rangitata Community Flood lunch
<i>1 October 2020</i>	Attended City Hub workshop
<i>5 October 2020</i>	Attended South Canterbury Chamber of Commerce luncheon Attended Temuka Community Board meeting
<i>6 October 2020</i>	Attended Director and Trustee Appointment Subcommittee meeting Chaired Council meeting Attended Downlands Upgrade public information session
<i>7 October 2020</i>	Attended visits with Hon. Kris Faafoi Attended Downlands Community meeting
<i>8 October 2020</i>	Attended visits with Hon. Jenny Salesa

- 9 October 2020* Spoke to OJ on the Breeze for monthly Mayoral Musings
- 12 October 2020* Attended Audit and Risk Committee meeting  
Attended dinner with Fulton Hogan New Zealand Executive team
- 13 October 2020* Attended Tenders and Procurement Committee meeting  
Attended Standing Committee meeting  
Attended Government 3 Waters Stimulus package working group
- 15 & 16 October 2020* Attended Zone 5 and 6 conference in Ashburton

In addition to these duties I met with 24 members of the public on issues of concern to them.

**Functions Attended by the Deputy Mayor for the Period 14 September to 16 October 2020**

- 15 October 2020* Attended Heartland Potato Chips BA5

**Attachments**

Nil

**8.2 Schedule of Functions Attended by the Chief Executive****Author:** Bede Carran, Chief Executive**Authoriser:** Bede Carran, Chief Executive**Recommendation**

That the report be received and noted.

**Functions Attended by the Chief Executive for the Period 14 September 2020 and 16 October 2020.**

<i>14 September 2020</i>	Attended Canterbury Corporate Forum
<i>15 September 2020</i>	Attended Council Workshops Attended Prime Minister Business Lunch
<i>16 September 2020</i>	Attended Covid-19 Briefing from NZ Police
<i>18 September 2020</i>	Meeting with General Manager of Arowhenua Marae Attend Equip Ltd board meeting
<i>21 September 2020</i>	Panellist in Smart Cities discussion for University of Canterbury MBA course
<i>22 September 2020</i>	Attended People and Performance Sub Committee Meeting Attended Council Meeting
<i>23 September 2020</i>	Meet with representative of Audit New Zealand Attended Prime Port Timaru Limited Annual General Meeting
<i>24 September 2020</i>	Hosted meetings with representative of Department of Internal Affairs Meeting with Chief Executive Venture Timaru District Meeting with General Manager of Arowhenua Marae
<i>25 September 2020</i>	Meeting with representatives of Audit New Zealand Meeting with Three Waters Advisory Group
<i>29 September 2020</i>	Meeting with Chief Executive Waimate District Council
<i>30 September 2020</i>	Meeting with Chief Executive Ara Institute
<i>2 October 2020</i>	Attended Three Waters Reform Meeting Meeting with City Innovation Lead, Wellington City Council
<i>5 October 2020</i>	Meeting with Canterbury Councils representatives on Carbon Footprint
<i>6 October 2020</i>	Attended Director and Trustee Appointment Sub-Committee Meeting Meeting with Chief Executive Venture Timaru District



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	Attended Civil Defence Emergency Management Co-ordinating Executive Group Meeting
	Attended Council Meeting
<i>8 October 2020</i>	Welcomed officers and attendees to the Canterbury Civil Defence Emergency Management Emergency Officers Forum
	Attended Virtual Roundtable Discussion with Chief Executive, Department of Internal Affairs
<i>9 October 2020</i>	Meeting with Chief Executive of PrimePort Ltd
<i>12 October 2020</i>	Attended Audit and Risk Committee Meeting
<i>13 October 2020</i>	Attended Tenders and Procurement Committee meeting
	Attended Standing Committee Meetings
	Met with Executive Director Equip Ltd
<i>14 October 2020</i>	Attended Canterbury Three Waters Reform Sub-Committee Meeting
	Meeting with representative of Aoraki Environmental Consultants Limited
<i>15 October 2020</i>	Attended South Canterbury Chamber of Commerce Business after Five Event

Meetings were also held with various ratepayers, businesses and/or residents on a range of operational matters.

### **Attachments**

**Nil**

## 9 Reports

### 9.1 Contracts Let From Tenders and Procurement Committee

**Author:** Jo Doyle, Governance Advisor

**Authoriser:** Andrew Dixon, Group Manager Infrastructure

#### Recommendation

That the following information on a contract let by the Tenders and Procurement Committee, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price
Contract 2468 – Pareora Pipeline Section 1	6	\$5,695,381.21 to \$7,548,115.33	Rooney Group Limited \$5,695,381.21

Tenders were evaluated using weighted attributes method.

All prices exclude GST

#### Purpose of Report

- 1 To advise of contracts let by the Tenders and Procurement Committee.

#### Attachments

Nil

## 9.2 Council Meeting Calendar 2021

**Author:** Joanne Brownie, Governance Support Officer

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

### Recommendation

That the Council meetings calendar for 2021 be adopted.

### Purpose of Report

- 1 To approve the Council meetings calendar for the 2021 calendar year.

### Assessment of Significance and Engagement

- 2 This matter has been assessed as having low significance under the Council's Significance and Engagement Policy.

### Discussion

- 3 Under the Local Government Act, Council can adopt a schedule of meetings covering any future period the local authority considers appropriate. Adoption of a schedule constitutes notification of every meeting on the schedule (*Local Government Act 2002: Schedule 7:19*).
- 4 The draft meeting calendar for 2021, which has been reviewed by the Senior Leadership Team, is attached.
- 5 The calendar is generally based on a six weekly meeting cycle in respect of Community Boards, Standing Committees and Council meetings. The Audit and Risk Committee meets quarterly. Other committee meetings meet according to the cycles defined by their establishment and terms of reference.

### Options

- 6 The options are:
  - 6.1 To adopt the calendar as presented.
  - 6.2 To adopt the calendar with any amendments deemed necessary.

### Attachments

1. **Draft Council Calendar 2021**  

## COUNCIL MEETINGS - 2021

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MON												
TUE		1	2			1						
WED		3	3			2			1			1
THU		4	4	1		3	1		2			2
FRI	1	5	5	2		4	2		3	1		3
SAT	2	6	6	3	1	5	3		4	2		4
SUN	3	7	7	4	2	6	4	1	5	3		5
MON	4	8	8	5	3	7	5	2	6	4	1	6
TUE	5	9	9	6	4	8	6	3	7	5	2	7
WED	6	10	10	7	5	9	7	4	8	6	3	8
THU	7	11	11	8	6	10	8	5	9	7	4	9
FRI	8	12	12	9	7	11	9	6	10	8	5	10
SAT	9	13	13	10	8	12	10	7	11	9	6	11
SUN	10	14	14	11	9	13	11	8	12	10	7	12
MON	11	15	15	12	10	14	12	9	13	11	8	13
TUE	12	16	16	13	11	15	13	10	14	12	9	14
WED	13	17	17	14	12	16	14	11	15	13	10	15
THU	14	18	18	15	13	17	15	12	16	14	11	16
FRI	15	19	19	16	14	18	16	13	17	15	12	17
SAT	16	20	20	17	15	19	17	14	18	16	13	18
SUN	17	21	21	18	16	20	18	15	19	17	14	19
MON	18	22	22	19	17	21	19	16	20	18	15	20
TUE	19	23	23	20	18	22	20	17	21	19	16	21
WED	20	24	24	21	19	23	21	18	22	20	17	22
THU	21	25	25	22	20	24	22	19	23	21	18	23
FRI	22	26	26	23	21	25	23	20	24	22	19	24
SAT	23	27	27	24	22	26	24	21	25	23	20	25
SUN	24	28	28	25	23	27	25	22	26	24	21	26
MON	25	29	29	26	24	28	26	23	27	25	22	27
TUE	26	30	30	27	25	29	27	24	28	26	23	28
WED	27	31	31	28	26	30	28	25	29	27	24	29
THU	28			29	27		29	26	30	28	25	30
FRI	29			30	28		30	27		29	26	31
SAT	30				29		31	28		30	27	
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JULY												
AUGUST												
SEPTEMBER												
OCTOBER												
NOVEMBER												
DECEMBER												

- Community Boards
- Standing Committees
- Council
- Youth Initiatives Subcommittee
- P&P - People & Performance
- Local Arts Scheme Assessment Subcommittee
- Timaru District Holdings Ltd
- Audit & Risk Committee
- Safer Communities Committee
- Donations & Loans Subcommittee
- Sister Cities
- Public Holidays
- Downlands school holidays

Notes: Standing Committees refer to Commercial & Strategy, Community Services, Environmental Services and Infrastructure Committees  
 Tenders & Procurement Committee - where required, occur before Standing Committees at 8.30am  
 Hearings Committee, Director & Trustee Appointments Committee occur as required

### 9.3 Audit & Risk Committee Updates

**Author:** Donna Cross, Group Manager Commercial and Strategy  
Ernest Bernard, Risk and Assurance Manager

**Authoriser:** Donna Cross, Group Manager Commercial and Strategy

#### Recommendation

That Council:

- a. Receive and note this report;
- b. Approve the risk appetite statement; and
- c. Approve the internal audit plan for 2020/21.

#### Purpose of Report

- 1 To provide Council with a copy of:
  - 1.1 The public minutes from the Audit and Risk Committee held on 12 October 2020 meeting (unconfirmed minutes);
  - 1.2 The current Corporate Risk Register, considered at the last Audit and Risk Committee (noting there will be further updates as an outcome of the Audit and Risk Committee and further work being undertaken by officers);
  - 1.3 The draft risk appetite statement, for Council approval;
  - 1.4 The proposed internal audit plan for 2020/21, for Council approval.

#### Assessment of Significance


- 2 Low

#### Discussion

- 3 Minutes from the Audit and Risk Committee (Committee), together with the latest Corporate Risk Register will be reported to Council following each Committee meeting. These are attached. Please note the minutes from the Audit and Risk Committee meeting of 12 October are unconfirmed and will be ratified by the Committee at its next meeting.
- 4 The risk register has been recently updated following workshops held with the Senior Leadership Team and Council. It remains under development and is being further updated following the Committee meeting held on 12 October, and ongoing work by council's Senior Leadership Team and Risk and Assurance Manager.
- 5 Also attached is the draft risk appetite statement which is an outcome of a recent risk workshop held with Council.
  - 5.1 A risk appetite statement, is the amount and type of risk that an organisation is willing to take in order to meet its strategic objectives – this includes reference to both the organisation's risk appetite as well as its risk tolerance.

- 5.2 The risk appetite statement will help guide decision making and the management and governance response to risk.
  - 5.3 The risk appetite statement was considered by the Committee at its meeting on 12 October and is recommended to Council for approval.
  - 5.4 Council has the option of approving the risk appetite statement as drafted (preferred), approving it with amendments, or referring it back to officers with comments for further review.
- 6 Lastly, the internal audit plan for 2020/21 and associated information is attached, outlining the audits proposed to be carried in the current financial year.
- 6.1 Council's approval to the internal audit plan, to the extent it relates to the 2020/21 year, is sought. This was considered by the Committee at its meeting on 12 October and is recommended to the Council for approval.
  - 6.2 Please note that the audit plan for subsequent years continues to be reviewed. Audits required will be determined through risk identification, and a prioritisation process having regard to risk and resources available to carry out the audits.
  - 6.3 Council has the option of approving the internal audit plan for 2020/21 as proposed (preferred), approving it with amendments, or referring it back to officers with comments for further review.

### Attachments

1. **Unconfirmed Audit and Risk Committee Minutes 12 October 2020** [↓](#) 
2. **Corporate Risk Register** [↓](#) 
3. **Risk Summary Covid-19** [↓](#) 
4. **Draft Risk Appetite Statement** [↓](#) 
5. **Draft Internal Audit Plan 2020-2021** [↓](#) 
6. **Detailed Internal Audit Plan 2020-2021** [↓](#) 



# MINUTES

## Audit and Risk Committee Meeting Monday, 12 October 2020

Ref: 1379999

**Minutes of Timaru District Council  
Audit and Risk Committee Meeting  
Held in the Meeting Room 1, Timaru District Council, King George Place, Timaru  
on Monday, 12 October 2020 at 11am**

**Present:** Keiran Horne (Chairperson), Cr Peter Burt (Deputy Chairperson), Mayor Nigel Bowen, Cr Stu Piddington, Janice Fredric

**In Attendance:** Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Chief Information Officer (Justin Bagust), Acting Chief Financial Officer (Sandy Hogg), Risk and Assurance Manager (Ernest Bernard), Director Audit New Zealand (John Mackey), Executive Assistant Commercial and Strategy (Liz Law)

The chairperson advised the Committee that the meeting will be recorded for training purposes. Group Manager Commercial and Strategy welcomed Executive Assistant Commercial and Strategy (Liz Law) and Acting Chief Financial Officer (Sandy Hogg) to the meeting.

**1 Apologies**

Group Manager People and Digital (Symon Leggett) and Group Manager Infrastructure (Andrew Dixon).

**2 Identification of Items of Urgent Business**

There were no urgent business items.

**3 Identification of Matters of a Minor Nature**

There were no minor nature items.

**4 Declaration of Conflicts of Interest**

There were no declarations of conflicts of interest.

**5 Confirmation of Minutes**

**5.1 Minutes of the Audit and Risk Committee Meeting held on 16 June 2020**

There were a few corrections/amendments requested to be made (recorded below in the resolution).

It was noted that the Audit and Risk Committee Charter was approved by Council, but would need to be further updated to reflect the recent changes to the membership of the Committee.

**Resolution 2020/26**

Moved: Ms Keiran Horne



Seconded: Mayor Nigel Bowen

That the Minutes of the Audit and Risk Committee Meeting held on 16 June 2020 be confirmed as a true and correct record of that meeting, with the following amendments:

- Section 6.5, last paragraph – replace “independent director” with “independent member”.
- Section 6.10, second paragraph – replace “altercations” with “implications”.

**Carried**

#### **ACTION POINTS**

1. The actions schedule, outlining matters arising from each meeting and status, is to be attached to meeting agenda going forward.
2. The risk register is to be included in the next Council agenda.

## **6 Reports**

### **6.1 Audit and Risk Committee Work Programme**

The Committee was updated with the programme of work for the Committee which will be updated on a 12-month rolling basis and included with every agenda.

New and updated items are marked in red on the report.

#### **Resolution 2020/27**

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That the report be received and noted.

**Carried**

### **6.2 Corporate Risk Register Update (All Risks)**

The Risk and Assurance Manager updated the Committee on the Corporate Risk Register.

Two risk workshops (SLT and Council) have been held with similar risks identified – these have been captured in the report. The Risk and Assurance Manager is to work through a ranking process with the Senior Leadership Team. This will be reported at the next meeting.

A discussion was held as to whether the residual risk was the risk after mitigations, or the implementation of areas for development. It was clarified that the residual risk is the risk after mitigations, and that implementation of the areas for development would be expected to further reduce this.

The following comments and questions were raised in relation to specific risks:

- Risk 4 (climate change)
  - Clr Burt advised that the adaptation strategy is key for Council but is unaware of a set timeline.

- The Chief Executive advised that more work is being done through the Senior Leadership Team. This work will be reflected in the Activity Management Plans, which are one of the primary tools to identify issues in relation to climate change.
- In addition, the Office of the Auditor General has made clear that part of Long Term Plans will be “what are councils doing to address climate change and the ramifications and implications that arise”. The Chief Executive advised that extra resource is being put in place to help identify some of those climate change issues and the effects. There is currently no overarching strategy developed yet but it is something that is to be worked on.
- Risk 5 (natural disaster): It was noted this risk needs the areas for development included, and it's expected the Council would be seeking to reduce this risk (currently assessed as extreme).
- Risk 10 (minor injuries): It was noted that minor injuries are not a strategic issue, therefore a question was raised over whether this needs to be included on the strategic risk register.
- Risk 5 (natural or human induced disaster event) and risk 7 (major financial shock): These new items are a little vague and the Committee would like to see these risks updated to capture more specific detail.
- Risk 24 (legislative changes): Needs further development of the mitigations, for example, engagement and stakeholder relationship management etc.

With the following general comments/suggestions for improvements:

- Timelines – ensuring areas for development are time bound with reporting on items completed.
- Mitigations/areas for development: ensuring these are clear and specific, with further clarity of what is being done to mitigate the top risks, who is responsible, when it is expected to be done, and a status register was requested.
- There are a lot of things Council are doing that are not included. It would be good to see the entire list from the risk management framework included.
- Changes since the last report shown in another colour and possibly an up or down arrow on the residual rating to show direction of travel (is the risk severity increasing or decreasing).

#### **Resolution 2020/28**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the report be received and noted.

That a recommendation be made to Council to adopt the Risk Appetite Statement.

**Carried**

#### **ACTION POINTS**

- The risk register is to continue to be refined and improved taking into account the suggestions made by the Committee, with clear responsibilities, timeframes and tracking of areas for development.
- The risk appetite statement is to be referred to Council for approval.

### 6.3 Recommendations from Review of Risk Management Framework - Implementation Plan

The Committee was presented with a draft Risk Management Framework and given an update by the Risk and Assurance Manager.

The framework is now more detailed and has been updated using the new 2018 ISO Standard, and services as the supporting framework and guideline to the risk management policy. The Chair acknowledged the work done by the Risk and Assurance Manager.

A member inquired if an external audit was carried out to achieve compliance with the ISO standard. The Risk and Assurance Manager clarified that an audit has not been carried out and Timaru District Council is not accredited as such, rather the ISO standard has been used as a guiding document when developing the risk management framework.

It was pointed out that Quality Assurance and Annual Certification were in the contents but did not appear in the document. The Risk and Assurance Manager will look into whether these are meant to appear or could be removed.

It was asked if the figures under Appendix 3 Financial, had been aligned and checked that they are correct. Further work needs to be done as there appears to be some inconsistencies in the appendices.

There was discussion around if the preparation of risk treatment plan within 30 days was fast enough for an extreme event. It was agreed that the plan to be finalised in 30 days was reasonable as there was immediate notification in an extreme event.

Clarification was sought around who extreme and high risks and incidents were reported to. It was explained that health and safety events come from health and safety department and they report to the Risk and Assurance Manager to report to the Committee, with serious incidents reported to the Chief Executive. Anything that needs to be reported to Worksafe is reported directly to the Chief Executive.

In relation to capital projects, extreme/high risks, and adverse events are reported to the group manager and then a decision is made where to escalate further.

The Group Manager Commercial and Strategy suggested that the Risk and Assurance Manager prepare on a two monthly report with an aggregation of the risks across activity management plans, project plans etc. for the Senior Leadership Team to discuss at their operations meeting and then the agreed high and extreme risks will be reported to the Committee. If an extreme risk event happens outside of this timeline it will be reported separately.

Council subsidiaries are responsible for their own risk registers but it is currently being asked how these risks could affect Council. For Timaru District Holdings Limited, requirements around risk reporting are set out in letters on expectations and statements of intent.

Under the benefits section (section 3) there needs to be some mention of the upside risks, opportunities need to be captured.

The Risk and Assurance Manager is to confirm to the Committee if the risks assessed as high or very high under 4.3 of the Risk Management Framework are gross or residual. Also the last line under 4.4 needs to be updated.

The following corrections are to be made to the framework:

- Page 14 under Contingency Plans, "staff, students or contractors" amend to read "staff, community or contractors".

- Page 33 under Almost Certain and Possible, “9 or next 10 years” and “4 or next 10 years” amend to read “9 of the next 10 years” and “4 of the next 10 years”.
- Appendix 5 needs a heading on the same page.
- Appendix 5 under Risk Rating Health and Safety, second risk is not in line with Appendix 3 – the Risk and Assurance Manager to look into this inconsistency in thresholds.
- Appendix 6 is not consistent with Appendix 5 – Risk and Assurance Manager is to look into and update inconsistencies around who is to be notified – Group Manager or Chair.

The Risk Policy is meant to be the higher level but there is some information duplicated – duplication can be removed and policy elevated to a higher level document.

#### **Resolution 2020/29**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the report be received and noted, and the framework with revisions (taking into account the Committee’s feedback) will come back to the Committee to make a recommendation to Council to approve.

**Carried**

#### **ACTION POINTS**

- The Risk Management Framework is to be updated to take into account the comments and suggestions from the Committee noted above. The updated risk management framework will come back to the next meeting for review prior to it being recommended to Council for approval.

#### **6.4 Internal Audit Plan**

The Risk and Assurance Manager provided a more detailed audit plan for 2020/21 which outlined the resource required to carry out the proposed audits.

The Committee was provided a revised plan to prioritise key audits and risk management activities.

Risk and Assurance will review the Internal Audit Plan periodically and advise the Senior Leadership Team of any extreme/high risks matters and will propose for those areas to be prioritised for a review if required.

The Group Manager Commercial and Strategy advised the Committee that council has not undergone an independent risk maturity assessment.

There needs to be clarity around when checks will be carried out, particularly if an area identified for audit has not been or will not be audited within three years. One member asked officers to consider prioritisation of the following audit areas if not recently reviewed: procurement, assets (purchasing/disposals), leases, grants, privacy.

Group Manager Commercial and Strategy noted that these internal audits are in addition to the continuous improvement activities of each team within the organisation to ensure its own practices and procedures are compliant and consistent with good practice.

The Chief Executive noted that if we identified heightened risk we would move to do greater internal assurance.

It was noted that due to the resources available, not all areas can be audited every year. Further risk and resource based prioritisation of the risks will occur prior to confirming the future audit programme.

The Chair is satisfied with the process that is being taken for 2020/2021.

#### **Resolution 2020/30**

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That we recommend the Draft Internal Audit Plan to Council for approval.

**Carried**

#### **ACTION POINTS**

- The draft internal audit plan is to be referred to Council for approval, on the recommendation of the Committee.

#### **6.5 AuditNZ - Long Term Plan Audit - Letter of Engagement**

The Chair welcomed John Mackey, Director from Audit New Zealand (AuditNZ).

Group Manager Commercial and Strategy and the Audit Director have held discussions in regard to the letter of engagement mainly around timeframes which will differ from previous Long Term Plans due to COVID-19. These are not currently in the letter of engagement but will be added. Tools have been provided by AuditNZ to enable us to ensure that the way we are progressing is going to be useful when it comes time to do the audit.

The Audit Director elaborated further on the timeframes for Annual Reports. They have been moved out by two months to 31 December due to the need to prioritise the financial statements of government.

Long Term Plan (LTP) audits will not start until after Christmas. They will look at infrastructure strategy and asset management plans prior to Christmas. There is no action to defer the adoption date for the LTP at present which is still 30 June 2021, and timeframes will be difficult. While there is no penalty for late adoption of an LTP, it may become a problem for rating processes (the Committee also noted difficulties around interim decision making, and need to ensure good consultation).

The Chair asked officers what is being done to mitigate timing and other issues with the Long Term Plan. The Chief Executive advised the Committee that there is a LTP Project Control meeting being held next week to discuss any resourcing issues.

The Chair noted that there is a requirement for the Mayor to sign the engagement letter and was advised that there is no requirement for this to go to Council.

The Chair noted that the self-assessment document is to be reviewed by the Chief Executive and the Chair and is to be submitted by 22 October 2020.

#### **Resolution 2020/31**

Moved: Ms Keiran Horne

Seconded: Ms Janice Fredric

That the report be received and noted.

**Carried**

#### **ACTION POINTS**

- The Group Manager Commercial and Strategy will arrange for signing of the Letter of Engagement by the Mayor.
- The self-assessment document is to be completed and provided to the Chief Executive and Chair to review prior to submission to AuditNZ on 22 October.

#### **6.6 Probity Report**

The Committee was advised that there have been no incidents of wrong doing brought to the attention of the Chief Executive or other senior executives in Council.

#### **Resolution 2020/32**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the report be received and noted.

**Carried**

#### **6.7 Health and Safety Update**

Justin Bagust, Chief Information Officer advised the Committee he is standing in for the Group Manager People and Digital.

The Council's new Health and Safety Advisor is currently focussing mainly in the contractor space.

A question was raised in relation to a serious incident regarding a member of the public at CBay pool last year. What is being done to mitigate these types of risks. The Committee asked why this incident has not appeared in the reporting to the Committee.

The Chair requested that with the new Health and Safety Advisor coming on board, could he attend the next Committee meeting.

It was requested that additional content be included in this report in the future, including:

- What is the roadmap;
- What are the annual objectives;
- How are they measured and monitored (and performance measured);
- What are the lag and lead indicators;
- What is the benchmarking against other Councils;
- Other indicators (e.g. leave balances, staff turnover, exit themes), schedule of H&S observations and targets;
- The Chair would like clarification of critical safety risks within the organisation i.e. the risks of serious harm/death, what are the mitigations, the path forward, external reviews (what is the proposed programme for external review).

The Chief Executive noted that the People and Performance Committee receive reports on staff turnover, leave balances etc.

The Health and Safety Advisor’s main focus is in the contractor space at the moment – as the risk is quite high.

There is a Health and Safety Canterbury Managers’ Group so information could be obtained through that group.

Currently near misses are reported through a system called Safehold (likely to be updated).

**Resolution 2020/33**

Moved: Ms Keiran Horne

Seconded: Ms Janice Fredric

That the report be received and noted.

**Carried**

**ACTION POINTS**

- Kevin Rowell, Health and Safety Advisor is to be invited to the next meeting.
- A follow up report is to be provided in relation to the assault at Cbay last year with details of where this was recorded/reported.
- The next H&S report is to include additional reporting, including the items identified in the comments.

**7 Consideration of Urgent Business Items**

No items.

**8 Consideration of Minor Nature Matters**

No items.

**9 Exclusion of the Public**

**Resolution 2020/34**

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<b>10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 16 June 2020</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural	To protect a person’s privacy Commercial sensitivity Due to an obligation of confidence and to ensure the

	<p>persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>information avenue remains open, when it is in the public interest for it to do so</p> <p>Due to an obligation of confidence and to protect the public interest</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p>
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	s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
<b>10.2 - Health and Safety Update</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy
<b>10.3 - Cyber Security Report</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity
<b>10.4 - Employee Matters</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy
<b>10.5 - Recommendations Outstanding Register</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity
<b>10.6 - Legal Update</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information  s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege  s7(2)(i) - The withholding of the information is necessary to	Commercial sensitivity  To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.  To enable commercial or industrial negotiations

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	enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
<b>10.7 - Insurance</b>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p>
<b>10.8 - AuditNZ - Interim Management Report</b>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p>
<b>10.9 - Timaru District Council Draft Annual Report 2019/20</b>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p>

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	disadvantage, commercial activities	
<b>10.10 - Committee and Auditor only time (agenda placeholder)</b>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Due to an obligation of confidence and to protect the public interest</p> <p>To enable commercial activities</p>
<b>10.11 - Committee and Chief Executive only time (agenda placeholder)</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To protect a person's privacy</p> <p>To enable commercial activities</p>

Carried

**Recommendation**

That the meeting moves out of Closed Meeting into Open Meeting.

- 10 Public Excluded Reports**
- 10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 16 June 2020**
- 10.2 Health and Safety Update**
- 10.3 Cyber Security Report**
- 10.4 Employee Matters**
- 10.5 Recommendations Outstanding Register**
- 10.6 Legal Update**
- 10.7 Insurance**
- 10.8 AuditNZ - Interim Management Report**
- 10.9 Timaru District Council Draft Annual Report 2019/20**
- 10.10 Committee and Auditor only time (agenda placeholder)**
- 10.11 Committee and Chief Executive only time (agenda placeholder)**
- 11 Re-admittance of the Public**

The meeting closed at 2:20pm.

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**Chairperson**

UNCONFIRMED

Register of Corporate Risks

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
<b>Achievement of the Vision and Community Outcomes</b>								
1	Failure to deliver capital works programme set out in the Long Term Plan/Annual Plan	Not meeting service levels, not aligning rates funding with project delivery, project complexities and dependencies leading to cost escalation, expected timeframes not being met A loss of trust and confidence, community not engaged Negative impact to safe, vibrant and growing community, and high-quality infrastructure objectives	Specific accountabilities introduced into Group Manager role and additional resource for new unit manager roles for capital delivery, risk and assurance and business systems improvement to ensure best project management practices are embedded and observed. Finance capability to assist with budgeting and cost management. Building Programme delivery function to improve project planning and project management, risk management function to ensure effective risk management within projects. Internal project managers in place for current capital projects and district plan project. Project control group in place for Pareora pipeline renewal. Appointment of external project manager and internal client rep for external project manager for Theatre Royal/Heritage Centre project. Better scheduling of project delivery to align with resource availability. Factor in/account for the impact of historical non- delivery and carry forwards. Set realistic goals and expectations with Governance. Programme Delivery Team actively working with project sponsors and project teams in relation to acceleration within programmes and projects, introduce agile methodologies, and to reduce barriers to	4	4	High	Lifting organisation wide project management capability (people and systems). Ensure project performance through good project management, risk management and cost management. Robust planning, budgeting and cost management. Review resource requirements within key projects.	SLT

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
			project delivery. Feasibility assessments in relation to programme for 2020/21. Ongoing reporting to Council improving ability to monitor.					
2	Ineffective organisation planning and budgeting processes (LTP/Annual Plan/Activity Management Plans/Projects/District Plan)	Difficulties in maintaining levels of service and delivering LTP/Annual work programme, increased costs/financial loss, loss of reputation, community dissatisfaction, staff morale/turnover	Good LTP and Annual Plan expertise and development processes – highly skilled Corporate Planning team. Regular reporting against LTP and Annual Plan, review of capital projects. Monitoring of AMP work improvement plan delivery. Recruiting for Programme Delivery Manager. Review planning, maturity, processes and effectiveness. Identify areas for development, and develop programme for improvement. Review major understanding and use of these tools, knowledge and ability to deliver	3	2	High	Develop improved financial systems /processes for LTP and Annual Plan. Deliver capex plan. Project management training and support. Development of improvement programmes yet to be completed. See 61 below regarding key LTP projects.	SLT and Unit Managers
3	Physical disasters and pandemics	Inability to deal with a major incident, difficulties in maintaining levels of service, financial loss, injuries/death, damage to property and infrastructure, ineffective emergency management.	Lifelines project (being led by Group CDEM), Civil defence and Emergency Management team, ongoing staff training, insurance, physical means (such as firefighting equipment), specialised and trained technical staff and volunteers, health & safety policy Business Continuity Plans/Disaster Recovery Staff training and back up tutorials Preparedness "Live" test on work from home.	2	4	High	Robust business continuity planning. CD staffing to be reviewed. CD Recovery Plan Recommendations from CD Controller training to be implemented. Work within Canterbury Group to be reviewed. Communication plans/or a Welfare Plan (80%). Resilience planning for people and assets at TDC. STEC as lead welfare centre now well established.	SLT

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
							Obtaining EPB assessments for STEC and Civic. Review resource requirements (starting to train external volunteers to back up our EOC).	
4	Climate change  Changing climate and stronger weather events impact on community wellbeing and Council infrastructure	Change in or loss of infrastructure development, economic impacts, increased compliance costs or restrictions on operations. [impact on local industries and economy also noted.] Community wellbeing - ability for Council to deliver core services to impacted settlements. Rebuilding or resettlement of impacted communities. Water service delivery impacted (a third source of water needed). Financial cost of response, rebuild.	Monitoring of inundation projections, overland flow paths, network capacity, rising sea levels and their impact on coastal settlement, communication with Ecan, monitoring zoning.  Adaptation strategy to be developed	4	4	Extreme	Activity management plans (AMPs) to continue to be developed to identify how to enhance resilience in networked and community infrastructure. Climate change strategy work initiated. Factor into next LTP. Mitigation through District Plan.	SLT and Unit Managers
5	A natural or human-induced disaster event.	Loss of key infrastructure in the community and disruption in the ability to provide community services. Significant staff resource required to respond.	Insurance. EOC to have a targeted plan in place to increase community resilience.	4	5	Extreme		SLT and Unit Managers

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
		Financial impact to Council and community in response and recovery.						
<b>Financial</b>								
6	Insufficient and/or ineffective insurance cover	Financial loss, loss of reputation, possible impacts on ability to provide expected levels of service	Use of insurance broker, valuations for insurance purposes, regular reviews of assets insured, participant in LAPP, Local Government Risk Agency being considered, staff training on obligations to insurer to observe terms of the policy.	2	4	High	Council workshop to strategically review future property/insurance requirements.	Group Manager Commercial and Strategy
7	A major financial shock	<ul style="list-style-type: none"> <li>Reduced revenue</li> <li>Revision of strategic priorities for investment decisions</li> <li>Borrowing funds implications</li> </ul>	Keep a strong financial position. Deliver on budget.	5	2	Medium	Apply effective financial strategy.	SLT and Unit Managers
<b>Health and Safety (Customers, public, staff, contractors and elected members)</b>								
8	Death or serious injury to public, staff, volunteers, contractors or elected members.	Injury, Death, legal action, financial loss, reputational damage, major disruption at facilities.	Health and Safety policies and procedures, Health and Safety Committee, Health and Safety advisor, external advisors, staff and volunteer training, contractor engagement procedures, risk registers, relevant controls, internal audits and verification Driving and vehicle monitoring policy in place. Site specific risk plans as appropriate. Increased membership of Health and Safety Committee and increased training and task allocation across the wider business. Standard Operating Procedures (SOP's) Improve due diligence and notification of activity – shift culture to have a greater focus on behaviour instead of the paper.	2 3	5 4	High	To review the structure of the current Health and Safety Committee to better align with Act? Done. Currently updating the H&S manual to the NZS45001 standard. This includes revitalising policies, procedures, permits to work, standard operating procedures and verification activity. Confirmation of new supplier of vehicle monitoring systems imminent. Manual H&S	SLT and Unit Managers



Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
							processes in place in interim.	
9	Physical attacks against staff	Abuse, Injury, death	Physical security measures, staff training (ongoing), security cameras, panic alarms, office lockdown procedures, regular checks of at risk staff and procedures, debrief in case of near miss. Case by case risk assessment.	3	3	High	Sites outside of TDC main office still need reviews/upgrades. The key sites outside of the main building have been assessed and security measures implemented. Further site assessments are ongoing. Security cameras and updated processes in place at Timaru Library.	SLT and Unit Managers
10	Minor Public injuries at Council facilities	Injury, legal action, financial loss, reputational damage, loss of ACC accreditation	Health and Safety policies and procedures, by-laws, "Pool Safe" policy, staff and volunteer training, contractor engagement procedures, hazard registers, monitoring, signage, external reviews, auditing of facilities, building and facility maintenance programmes, defibrillators, access to specialised services, updated hire agreements.	5	2	High	On site H and S team being implemented at CBAY as a higher risk facility.	Group Manager Community Services
<b>Service Delivery to the Community</b>								
12	Failure to develop and maintain a positive relationship with the community.	A disengaged community with a loss of trust. Lack of business confidence/ investment. Affect voter turnout.	Long Term Plan – formal strategic direction Elected members carry a responsibility on how they are representing Council Community engagement Significance and engagement policy	3	4	High		Elected Members and SLT
13	Failure of water supply systems, including inability to obtain sufficient.	Illnesses, death, loss of reputation, financial loss, difficulties in meeting level of service, Government inquiries.	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing programmes, physical security, industry standards, Water Safety Plans, contract specifications, telemetry systems, insurance, public education, monitoring	2	5	High		Group Manager Infrastructure

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
	water or provide safe drinking water		possible water sources, water restrictions, liaison with high water users, Business Continuity Planning, Health and Safety Policy, Bylaws.					
14	Failure of sewerage systems	Illnesses, death, abatement notices, prosecution, loss of reputation, financial loss, difficulties in meeting level of service, adverse environmental impact	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing and monitoring programmes, physical security, industry standards, contract specifications, telemetry systems, insurance, public education, Business Continuity Planning, Health and Safety Policy, Bylaws.	1	5	High		Group Manager Infrastructure
15	Inadequacy of stormwater systems	Illness, death, abatement notices, prosecution, loss of reputation, financial loss, difficulties in meeting level of service, flooding	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing and monitoring programmes, physical security, industry standards, contract specifications, telemetry systems, insurance, public education, Business Continuity Planning, Significant investment through LTP in relation to stormwater systems.	2	4	High		Group Manager Infrastructure
16	Sabotage or vandalism at multiple locations or severe in nature	Death, Injury, Financial loss, loss of services, difficulties in maintaining level of service, loss of reputation	Physical security, surveillance cameras in some locations, physical deterrents/locking of some facilities, staff monitoring, zero tolerance approach, insurance	2 4	4 2	High	Further security improvements at critical sites.	SLT
17	Power and/or telecommunication failures	Difficulties in maintaining level of service, financial loss	Generators at critical sites, UPS for critical IT equipment, cell phones, landline and wireless networks, engagement with key suppliers	3	3	High	Generator being added at STEC. Generator in place, instructions on use in place, training conducted with staff at STEC and Welfare team. Looking at diesel storage onsite. Strengthening of Civic Building - EOC to IL4.	Group Manager People and Digital

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
							Be active members of Lifelines project. Create business continuity plans to ensure sufficient power generation for at least 5 days. Develop 'capability' list at various sites (where do we have back up)	
18	IT failures (including on line applications used and cyber-attacks)	Difficulties in maintaining levels of service, financial loss, loss of data and information, altered or corrupted records, privacy breach, reputational loss	Regular backups and off site storage of backups, passwords, external reviews, IT policies, Business Continuity Plan, discussions with suppliers, regular maintenance of equipment including upgrades, multiple redundancies, latest cyber security suites, firewalls, staff security requirements, staff training and awareness <ul style="list-style-type: none"> <li>• Information breach or loss of data – Information management strategy</li> <li>• Cyber security review and actions</li> <li>• Maturity with cyber security</li> <li>• Staff training ongoing</li> </ul>	2	5	High	Review business continuity plans. Ongoing maintenance of cyber security measures, including regular updates, patches and training. Ongoing awareness of international trends and threats. Ongoing review of internal compliance measures.	Group Manager People and Digital
<b>Organisational Capability and Capacity</b>								
19	Staff mistakes or staff providing incorrect advice.	Legal challenge, financial loss, damage to Council reputation.	Staff training, Corporate Policies, Delegations, insurance, legal advice sought where appropriate. Peer/management review of outputs and reports. Performance framework, coaching and staff development. Assessment, monitor, review, discuss and develop.	3	3	High	Documented procedures in high risk areas. Continuous improvement culture development process at debrief following poor decision making to share learnings and update processes. Quality assurance framework to be developed under Risk and Assurance function.	SLT and Unit Managers

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
20	Loss of institutional knowledge	Failure to meet statutory obligations or key Council accountabilities as set out in performance measures due to the loss of knowledge and know-how from departure of key staff. Reduced engagement could be an affect that increases churn rate of staff.	Documenting processes and systems, mentoring and training and development for all staff, increased substantially the accountability and capability within the finance team.	3	3	High	Documented procedures in high risk areas as a priority. Managers have implemented succession and retention planning activity as required. Completed a Talent Matrix assessment to identify key staff.	SLT and Unit Managers
21	Council buildings deemed to be unusable	Difficulties in meeting levels of service, financial loss, low staff morale	Assessments being undertaken, remediation plans being developed, additional resource engaged, ability to relocate services if needed, remote access availability, budget included within 2018-28 draft LTP for structural work on known Earthquake Prone buildings.	3	3	High	Ongoing strengthening programme to be considered in next LTP. EPB strategy and programme for TDC owned buildings to be finalised, including for IL3 and IL4, EOC buildings.	Group Manager Commercial and Strategy and Property Manager
22	Officers fail to effectively manage operational risks therefore they become strategic issues	Untimely or incomplete reporting to EM's. Lack of confidence from EM's to staff. Inability to deliver effectively or efficiently LTP objectives. Negative media attention.	Performance Framework enables effective management of operational risks.	2	2	Low		SLT and Unit Managers
<b>Legislative/Regulatory Compliance</b>								
23	Failure to comply with Legislation	Prosecution, financial loss, loss of reputation, modified audit opinions, requirement for rectifying legislation.	Legal and other specialist advice sought as required, use of SOLGM Legislative Compliance programme, Tax Policies and procedures, qualified staff, staff and elected member training, external reviews.	3	3	High	Activity and Reserve Management Plans (including legislative compliance obligations), Ongoing legislative training, Documentation	SLT and Unit Managers

Risk No.	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development	Responsibility
							of critical processes, Use of software such as ComplyWith.  Development statutory compliance framework under Risk and Assurance programme (for implementation across the organisation), subject to approval of business case.	
24	Legislative changes requiring implementation in a short timeframe or are complex and require significant consideration prior to implementation.	<ul style="list-style-type: none"> <li>Significant staff resource required to assess and respond to changes</li> <li>Inadequate implementation of legislative changes can result in a loss of trust by the community and central government by failing to deliver services to expectations</li> <li>Financial impact to Council</li> </ul>	<ul style="list-style-type: none"> <li>Oversight from Committees</li> <li>GM drives assessment and management of changes</li> </ul>	5	3	Extreme	GM keeping a view of what's happening Update by local government group and SOLGM	SLT and Unit Managers

Risk #	Risk Title	Risk Description	Causes	Consequences	Mitigation Measures Currently In Place	Residual Risk		
						Likelihood	Consequences	Rating
1	Extension/return to, or changes to alert levels and lockdown	There is a risk that: <ul style="list-style-type: none"> <li>The lockdown is extended or re-introduced by central government, through a cycle back to alert 4; or</li> <li>The criteria for operating under lower alert levels are changed to require more stringent remote-working environments for extended timeframes;</li> <li>Loss of revenue (e.g. if facilities required to close or restrict capacity).</li> </ul>	<ul style="list-style-type: none"> <li>Current social/physical distancing measures become unsuccessful through either social irresponsibility or change in viral facts/evolution such as timescales it remains active on surfaces;</li> <li>Border controls are opened too early to enable tourism or BAU to operate.</li> <li>Leading to reinfection/second wave and increases in COVID-19 cases, with potential staff cases.</li> </ul>	<p>This would impact Council in a number of ways including:</p> <ul style="list-style-type: none"> <li>This risk would heighten/cause risks #2 &amp; 3. I.e. Delays to capital programme, staff/stakeholder wellbeing.</li> <li>Compromised remote working environment through impacts on IT team and supply-chain infrastructure/procuring.</li> <li>Broad Council objectives/ITP are not achieved   Reputation and regulatory consequences.</li> </ul>	<ul style="list-style-type: none"> <li>Staffing training programmes.</li> <li>Provision of screens and sanitizers in all Council facilities.</li> <li>Facilitation of working remotely opportunities for staff.</li> <li>Provision of PPE for staff.</li> <li>Displaying QR code at all Council public facing facilities.</li> </ul>	3	3	High
2	Capital programme suffers significant delays	There is a risk that: <ul style="list-style-type: none"> <li>A number of significant and important capital projects are delayed for extended periods.</li> <li>Shovel ready projects funded by central government are delayed or forced to defer.</li> </ul>	<ul style="list-style-type: none"> <li>Risks #1, 3 cause this risk. I.e. lockdown extension/phases and significant impact on staff/stakeholder wellbeing.</li> <li>We are dependent on external providers, and overseas suppliers and supply chains, that ultimately fail or delay in resource delivery</li> <li>Quality of supply materials suffers due to materials being sourced from countries impacted significantly from COVID, such as US and China supply risk severely impacted.</li> <li>Council fail to effectively manage capital project resents and shovel-ready projects</li> </ul>	<p>This would impact Council in a number of ways, including:</p> <ul style="list-style-type: none"> <li>This could cause/lead to risks #2 &amp; 3, i.e. delayed regional recovery and Councils effective recovery.</li> <li>Capital project delays cause:  <ul style="list-style-type: none"> <li>Increased financial costs</li> <li>Council unable to support contractors and contribute to economic recovery.</li> </ul> </li> <li>Affects capital maintenance programme and levels of service   Reputation and environmental consequences.</li> <li>Costs go up due to inflation with demand</li> </ul>	<ul style="list-style-type: none"> <li>Procuring, consulting and construction work at cost or reasonably practicable to ensure contractors and contractors commit to the TOD work programme.</li> <li>Briefing contractors every 3 months on the TOD work programme including details on the forward procurement programme</li> </ul>	4	2	High
3	Significant impact on Staff/Stakeholder health and wellbeing.	There is a risk that: <ul style="list-style-type: none"> <li>Increased adverse impact on staff/stakeholder well being, mental health issues/family hardship and family ill health/poor wellbeing outcomes</li> <li>Loss of staff engagement and resignation of competent staff (looking for other jobs)</li> </ul>	<ul style="list-style-type: none"> <li>Risks #1, 3, 5 could cause this risk. I.e. extension of lockdown, delayed/extended economic recovery, Council failing to effectively recover.</li> <li>Perception and/or requirement for significant cost reduction within Council, impacting on staff salaries/wages.</li> <li>Exacerbation of existing negative economic, social, community and environmental trends (especially on vulnerable/at risk community members - lower income/education success communities/poor health outcomes from pandemic lockdown and lack of community/business/social activity during lockdown period.</li> </ul>	<p>This would impact Council in a number of ways, including:</p> <ul style="list-style-type: none"> <li>Increased dependency on central/local government welfare services/support and increased requirement for funding for community development programmes and/or increased funding sought for continuing community wellbeing/wellness initiatives and social organisations/support services</li> <li>Significant reduction on staff engagement &amp; productive/effective Council operations, with consequences extended broadly to Council objectives/ITP.</li> </ul>	<ul style="list-style-type: none"> <li>Regular staff briefings (fortnightly) and enhanced staff engagement through regular COVID specific communications.</li> <li>Staff support services being more widely available.</li> </ul>	2	6	Medium
4	Delayed/extended economic national & regional recovery	There is a risk that: <ul style="list-style-type: none"> <li>National and regional economic recovery is delayed and extended beyond predictions...</li> </ul>	<ul style="list-style-type: none"> <li>Risks #1 &amp; 5 i.e. extended lockdown and Councils agile/effective recovery (circular relationship)</li> <li>Lack of focus by Central Government on development/coordination of onshore core/essential resource/manufacturing/primary industry jobs, whilst maintaining based barriers for up to 12 months (Treasury Scenario 1)</li> <li>Exacerbation of existing negative economic, social, community and environmental trends (especially on vulnerable/at risk community members - lower income/education success communities/poor health outcomes from pandemic lockdown and lack of community/business/social activity during lockdown period.</li> </ul>	<p>This would impact Council in a number of ways, including:</p> <ul style="list-style-type: none"> <li>This could cause/lead to risks #2, 3 and 5, i.e. Capital programme delay, significant wellbeing impact &amp; Councils agile/effective recovery.</li> <li>Breakdown in coordination between government departments and Council, leading gaps in support services and communication/engagement with vulnerable/at-risk community members</li> </ul>	<ul style="list-style-type: none"> <li>Councils £2m COVID Stimulus Fund has been fully allocated which will assist with kick-starting the local economy.</li> <li>Stimulus of the governments 20water Stimulus package has been activated by signing the Government MoU and submitting a draft Delivery Plan by the 30th September deadline.</li> <li>Receiving £1.6m approval for the Theatre Royal and Heritage Centre shovel ready application.</li> </ul>	4	2	High
5	Council fails to be agile and effectively respond/recover	There is a risk that: <ul style="list-style-type: none"> <li>Council fails to effectively and responsibly respond to the pandemic situation, considering its regional leadership role, and longer term consequences.</li> <li>Council decision making fails to adequately consult or seek/inform decisions through planning, strategy and underpinning principles.</li> </ul>	<ul style="list-style-type: none"> <li>Risks #1 &amp; 4, i.e. extended lockdown and delayed economic national/regional recovery.</li> <li>Emphasis on short term cost reduction and broad citizen financial relief, without sufficient broader and longer term considerations, such as factoring availability of central government hardship relief, loan ratio requirements or influence based on incomplete advice.</li> <li>Lack of timely/re-assessment/re-alignment of performance measures/goals and KPIs in light of post-COVID19 considerations</li> </ul>	<p>This would impact Council in a number of ways, including:</p> <ul style="list-style-type: none"> <li>This could cause/lead to risks #2 &amp; 3, i.e. Capital programme delay and significant staff/stakeholder wellbeing impacts.</li> <li>Redund decisions - uneconomic and/or ineffective decisions which have longer term significant impacts financially economically and socially on Council operations and Treasury Duties.</li> </ul>	<ul style="list-style-type: none"> <li>SLT awareness that decision making and approvals must be agile and prompt.</li> <li>Elected Members continued to meet during lockdown and made governance decisions relating to COVID-19. For example, following initial considerations of the Annual Plan 2020/21 on March 25, elected members reviewed the impact of COVID-19 on the Annual Plan and budget and adjusted, including a change to the proposed rate increase.</li> <li>An Emergency Committee was established to enable decision making to occur in the event a normal quorum couldn't be met, and meetings moved to video-conference/Zoom per the enabling legislation.</li> </ul>	2	2	Medium
6	Impact on existing work programme	There is a risk that: <ul style="list-style-type: none"> <li>Council's existing work programme is impacted by the redirection of resources to address Covid-19 related responses and that existing significant work streams fail behind their delivery schedule and dates.</li> </ul>	<ul style="list-style-type: none"> <li>Risks #5: Council fails to be agile and effectively respond/recover</li> <li>Council has inefficient resources in some business units to support the increased work load from recalibrating work stream to address Covid-19 implications</li> </ul>	<p>This would impact Council in a number of ways, including:</p> <ul style="list-style-type: none"> <li>Jeopardy of delivery within statutory timeframes of key accountability documents such as the Annual Report and the Long Term Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Getting the highly feasible component of the capital expenditure work programme, 55% of the total, locked in as soon as possible.</li> <li>Reporting to the Infrastructure Committee and the Commercial and Strategy Committee every 6 weeks on specific progress on 5 Key Projects, and a summary status report covering all 148 projects.</li> </ul>	3	2	Medium
7	Supply Chain risk	There is a risk that the supply chain in all areas of operations is affected due to the inability to deliver and provide the goods and services expected by TOD	<ul style="list-style-type: none"> <li>Risks #5: Council fails to be agile and effectively respond/recover</li> <li>Council has inefficient resources in some business units to support the increased work load from recalibrating work stream to address Covid-19 implications</li> </ul>	<ul style="list-style-type: none"> <li>Project delays.</li> <li>Possible cost increase.</li> <li>Potential use of inferior products.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring client supplied items are available before installation commitments are made</li> <li>Being aware of supply chain market conditions through regular liaison with suppliers, allow appropriate lead times for supply chains to respond to operational and contractual requirements.</li> </ul>	4	2	High

8	<b>Inability to deliver essential services</b>	<ul style="list-style-type: none"> <li>Council asset managers become unavailable to manage the assets that provide essential services such as water and sewer networks as a whole</li> <li>Council's essential services operations staff, particularly water and wastewater operators become unavailable.</li> </ul>	<ul style="list-style-type: none"> <li>Staff and/or contractors staff catch COVID 19 and become unavailable for work.</li> <li>Staff and/or contractors staff become reluctant to provide essential services because of fear of catching COVID 19.</li> <li>Council and/or contractors have insufficient resources to operate and provide essential services.</li> </ul>	<ul style="list-style-type: none"> <li>Available Council or contractors staff become overwhelmed with subsequent diminishing effectiveness</li> <li>Essential services become less available with the consequence being that the community loses faith in Council being the provider of essential services.</li> <li>Significant reputational risk.</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining infrastructure assets in a safe and stable operating condition.</li> <li>Ensuring adequate staff are available to provide asset management services.</li> <li>Ensuring trained operational staff are available and rostered to provide continuous and reasonable coverage under each COVID level.</li> </ul>	2	4	High
9	<b>Inability to balance books</b>	There is a potential risk that Council may not meet its financial obligations.	Extraordinarily high cost of providing essential services combined with a diminishing revenue stream	Staff, suppliers, and contractors do not get paid, or payments are delayed.	<ul style="list-style-type: none"> <li>No unauthorised expenditure</li> <li>Refuse all discretionary expenditure</li> </ul>	1	3	Low
10	<b>Keeping up with changing legislation</b>	There is a potential risk that Council may not be aware of legislative changes.	Parliament passes new legislation unknown to Local Government.	Potentially legislative non compliance.	Membership of Local Government NZ and the Society of Local Government Managers that provide membership services including updates on Parliamentary Activity.	1	3	Low

**Risk Appetite Statement and Summary | Timaru District Council | October 2020****Risk Appetite Statement**

TDC's risk appetite is the shared view of the Councillors, its Committees and the senior leadership team, and refers to the type and amount of risk that TDC is prepared to accept or avoid to achieve its strategic objectives.

The risk appetite statement influences and guides decision making, clarifies strategic intent and helps to ensure choices align with the capacities and capabilities of TDC.

In pursuing its vision, mission and strategic objectives TDC will accept a level of risk proportionate to the expected benefits to be gained, and the impact or likelihood of damage.

The Council's risk appetite is the shared view of the Councillors and the Senior Leadership Team and refers to the type and amount of risk that the Council is prepared to accept or avoid to achieve its strategic objectives. The risk appetite statement influences and guides decision making.

In pursuing its vision and strategic objectives the Council will accept a level of risk proportionate to the expected benefits to be gained, and the impact or likelihood of damage.

The Council has a high appetite for risk in the context of:

- Supporting areas of economic and district growth.
- Promoting integrated, highly liveable communities.

The Council has a low appetite for risk where there is a likelihood of:

- Significant financial damage.
- Harm to the public and our staff.
- Breach of regulatory obligations.

TDC shall seek to formally identify and appropriately manage all potentially major and significant risks. Thresholds for identifying and managing less significant risks shall take account of the time and resources required for such activities.

The risk classification and rating tables that support the Risk Management Framework also provide guidance regarding TDC's appetite for risk.



**Risk Appetite Statement and Summary | Timaru District Council | October 2020**

Risk Appetite Summary									
	Low Appetite			Moderate Appetite			High Appetite		
	Accept little or zero risk, taking a cautious approach towards taking risk			A balanced and considered approach is adopted to taking risk			A more assertive or aggressive approach to taking risk is accepted to realise strategic objectives		
Strategic Growth									
Financial									
Compliance									
Health & Safety									
Reputation									

Area	TDC Risk Appetite Description
Strategic Growth	We want to be nimble, try new things and staff need to feel safe to fail in the environment we set for them.
Financial	As a publicly funded entity there is a need to ensure sound financial decision making that takes between a cautious to balanced approach towards taking risk.
Compliance	There is a low risk appetite for compliance areas which will result in a breach of regulation or have flow on implications to public health and safety. A moderate risk appetite where there is flexibility in the decision and we don't want to slow down business or community activity.
Health & Safety	A strong need to ensure a safe environment for staff, contractors and the community.
Reputation	A realisation that Councils have to make tough decisions in the short term for the benefit of long-term objectives, however it is important to ensure a strong and positive community engagement.

# 1. Executive Summary

## Purpose of the Internal Audit Plan

The purpose of this Internal Audit Plan is to provide the Council and the Audit and Risk Committee with a balanced risk-based approach to gaining assurance over its risk management and internal control environment.

The plan has needed to recognise and account for the significant Council and economic impact from Covid-19. This has forced a refreshed view over risk and control coverage, and the internal audit delivery approach. Reviews now needed to be re-prioritised to ensure internal audit engagement focuses on important and relevant coverage to support Council through recovery. This has resulted in planned coverage for 2020/21 including:

- *Lockdown key controls assurance (continued if applicable);*
- *GST, PAYE and FBT compliance evaluation;*
- *Accounts payable, banking and transaction controls.*
- *Payroll Processing*
- *Animal control - billing, issuing, & enforcement*
- *Contract Management*

As the Council control environment matures and the organisation manages disruption and returns to a new normal post Covid-19, our aim continues to not solely focus on stewardship, but also leadership and influencing. Accordingly the plan consists of engagements reflecting a need to keep our house in order and manage disruptions. This is reflected in our coverage of key controls within core and inherently high risk activity, combined with a fresh perspective of reviews covering heightened risk activity that is more temporary or outside of normal operation (such as those noted above).

The Internal Audit Plan will also undergo regular review to ensure scheduled reviews and focus remains relevant when considering the fluid pandemic and economic emergency.

## Development of the Internal Audit Plan

There is an intention to focus on extending the plan to continue to a three year horizon, maintaining alignment with Councils risk management, and keeping a realistic delivery that provides core and targeted coverage over key risks and controls.

We have utilised available risk registers, senior management engagement, External Consultants knowledge base, methodology and insights from wider NZ Councils, and our experience within TDC to identify and prioritise assurance coverage. This allows internal audit to take a risk and control approach for each engagement at the planning, execution and reporting stages.

The risk assessment and reference to assurance coverage is summarised in Section 2. The resulting plan is detailed in Sections 3.

An outline of the process followed to produce the Internal Audit Plan is included below:

- Consideration of resourcing and the Councils pandemic response/recovery challenges, with a preference toward application over heightened risks and controls.
- Utilised risk identification, treatment and ongoing exposure at Chief Executive, Group Manager and Unit Manager's meetings to identify and evaluate updates and changes to risks and associated mitigations.

**Council context**

Some key context in considering internal audit coverage and approach:

- New Zealand is responding and recovering from a global pandemic crisis (Covid-19), which will have lasting and profound effects on people, economies and businesses.
- The Council is an organisation with approximately 396 staff disbursed across multiple sites, \$62m operating spend (excluding depreciation) and with \$1B approximately asset base.
- Risk management maturity is ongoing with areas to be brought to a level of better understanding and discipline for capturing, escalating and managing risks.

**Internal Audit objective and scope**

Internal Audit has a core objective, scope and coverage outlined in its Charter. The Internal Audit Plan maintains alignment with these and will deliver a mix of evaluation, assurance and improvement advice.

Alongside the independent assurance role, a key principle of Internal Audit is to add value by assisting Council achieve its objectives. There are a number of ways in which internal audit seeks to support Council in achieving its objectives/goals and outcomes whilst fulfilling its assurance role.

These include:

- Engaging with the business and stakeholders to provide leadership, advice and foster improvements in controls and control-environment;
- Building capability and platform to develop and deliver nimble focused reviews along with a continuous assurance programme as different forms of key-control assurance;
- Providing capacity to deliver prompt reactive assurance engagements (for example concerning, crises response, matters of probity, fraud or potential conflicts of interest);
- Evaluation and practical relevant advice for risk management improvement, efficiency and economy of resources, and business processes (rather than merely assessment); and
- Continued engagement with the business, post review completion, ensuring visibility, accountability and remediation of issues raised in reports.

## 2. Assurance Plan Summary

The proposed Internal Audit Plan is presented in summary below, with indication of period scheduled and reference to risk coverage. The Plan will continue to be monitored for potential change to ensure it remains dynamic, and assurance coverage is appropriately prioritised.

The full objective and scope of these engagements along with resourcing, will be confirmed during the review planning stage and agreed with the relevant Review Sponsor.

#	Review	20/21	21/22	22/23
<b>Core / cyclic coverage</b>				
<b>Key financial risk coverage</b>				
1.	Rates setting, billing, remissions & collection.		✓	
2.	Development Contributions inputs, setting and billing.			✓
3.	Accounts payable, banking and transaction controls.	✓		
4.	Payroll processing.	✓		
5.	Capital spend/project management: Sample test and review key project controls.			✓
6.	Operational spend monitoring/management.			
7.	Financial controls: reconciliations, reporting, ledger administration and overhead/internal allocations.		✓	
8.	Probity/sensitive expenditure controls, analysis and sample-test.			✓
9.	Contract management.	✓		
10.	Procurement.			
<b>Key business risk coverage</b>				
11.	IT penetration/network security testing		✓	
12.	Health & Safety.			
13.	Employee recruitment.			
14.	LIMs preparation, billing and issuing.			
15.	Fraud prevention/governance.			
16.	Licence/consent/registrations: billing, cost-recovery, issuing & compliance.			
17.	Alcohol licence - billing, issuing, & compliance			
18.	Food licence - billing, issuing, & compliance		✓	
19.	Resource consent – billing & issuing			✓
20.	Resource consent – enforcement			
21.	Building consent – billing & issuing		✓	
22.	Building consent – enforcement			

#	Review	20/21	21/22	22/23
23.	Animal control - billing, issuing, & enforcement	✓		
24.	Parking - enforcement & collection			
25.	Site operational controls, cyclic visit: (Pools, community facilities, service desks, libraries, nurseries, park-sites).			✓
26.	Subsidiary governance/monitoring and financial service controls.			
27.	Resource consent compliance.			✓
28.	Policy Management			✓
Non-cyclic coverage				
29.	Lockdown key controls assurance (if applicable)		✓	✓
30.	Wastewater systems review			
31.	Facilities maintenance and security			✓
32.	Treasury & cash flow management.		✓	
33.	GST, PAYE and FBT tax compliance evaluation	✓		
34.	IT software licence management			✓
35.	Credit management			
36.	Procurement framework review			
37.	Asset purchase and disposal (non-construction)			
38.	Infrastructure renewals planning and prioritisation			
39.	Parks management/operations			
40.	Property Lease Management			
41.	Drinking water and trade-waste billing			
42.	Grant award: application evaluation, payment & performance			
43.	Events: booking, billing, management			
44.	Privacy / Public Records Act compliance			

Detailed Internal Audit Plan 2020/21

	Review Name	Review Description	Area	Risk Category	Number of Hours	When
1	GST, PAYE and FBT tax compliance review	<p>The objective is to assess the extent to which the processes and procedures used by Council facilitates GST, PAYE and FBT compliance and the extent tax legislation and Inland Revenue practice. In particular, the evaluation will:</p> <ul style="list-style-type: none"> <li>• Ascertain areas of risk, and provide practical recommendation to mitigate those risks;</li> <li>• Provide Council management with a high level independent assessment of council's level of GST, PAYE and FBT compliance; and</li> <li>• Identify any areas of non-compliance by Council that have not yet been addressed, and provide recommendations as how this should best be remedied</li> </ul>	Commercial & Strategy	Legislation /Regulatory	Outsource	Q2
2.	Accounts payable, banking and transaction controls.	<p>The objective of the review is to provide assurance to:</p> <ul style="list-style-type: none"> <li>• Ensure adequate internal controls exist over the AP, banking and transactions processes and that those controls are operating effectively.</li> <li>• Evaluate AP, banking and transactions processes for operating efficiencies and</li> </ul>	Commercial and Strategy	Financial	Up to 120	Q2

		applicability of best practices.				
3.	Payroll	<p>To provide assurance that there are effective controls in place carrying out Payroll activities by:</p> <ul style="list-style-type: none"> <li>• Reviewing current process (Inc. pay runs, time sheeting, adding, editing and terminating employees from payroll system)</li> <li>• Assessing process to best practice</li> <li>• Transactional testing (where required)</li> <li>• Application of payroll policy</li> <li>• Leave policy and process review and application</li> <li>• Review and reporting</li> </ul>	People and Digital	Human Resources	Up to 80	Q3
4.	Contract management.	<p>To review the processes for forming a contract, variations to a contract, contract management/monitoring, budget monitoring and management information. Identify and test controls are in place within these processes. Areas of business will be selected and tested.</p>	Infrastructure	Operations	Up to 120	Q3
5	Animal control - billing, issuing, & enforcement	<p>The objective of the review was to assess the effectiveness of TDC's animal control processes to ensure that they are undertaken in accordance with overarching Policies, Plans and Bylaws and risks are managed appropriately.</p>	Environmental Services	Animal Control	Up to 80	Q4

Total Hours	Up to 400 hours
Available hours for one person: (2080 hours less AL, SL, PH and Training and less Q1 480 hours)	Up to 1280 hours
Resourcing (560/1280)	Up to 0.3 FTE

**Strategy to carry out the above audits.**

- 1. Risk and Assurance Manager will carry out 4 of the audits**
- 2. 1 of the audits will be outsourced**



#### 9.4 Nomination of a Council Biodiversity Champion

**Author:** Megan Geng, Senior Planner

**Authoriser:** Tracy Tierney, Group Manager Environmental Services

##### **Recommendation**

That Cllr Gilchrist is nominated as the Council Biodiversity Champion.

##### **Purpose of Report**

- 1 To nominate a Council Biodiversity Champion.

##### **Assessment of Significance**

- 2 The matter is not considered significant in accordance with Council's Significance and Engagement Policy.

##### **Background**

- 3 The Canterbury Mayoral Forum has recommended that each Council nominate an elected member as a Biodiversity Champion to work with Environment Canterbury and other Biodiversity Champions to discuss, shape and co-ordinate biodiversity commitments in the 2021-31 Long Term Plans. As a result of upcoming changes to national direction, there are new requirements for Councils in respect of biodiversity management. This provides an opportunity for Councils to work together across the region to implement the new direction, including through the review of the Canterbury Biodiversity Strategy 2008.
- 4 The Canterbury Mayoral Forum noted that:
  - 4.1 There are signals from central government for local government to work closely together on regional biodiversity management;
  - 4.2 The review of the Canterbury Biodiversity Strategy 2008 will need to meet the requirement under the proposed National Policy Statement for a regional biodiversity strategy;
  - 4.3 Local authorities will collectively need to resource the review of the Canterbury Biodiversity Strategy 2008; and
  - 4.4 Anticipated new requirements in the National Policy Statement for Indigenous Biodiversity are likely to require additional Council resourcing and that councils will need to consider this in developing 2021–31 Long-Term Plans.
- 5 Cllr Gilchrist has indicated a willingness to take up the role of Biodiversity Champion.

##### **Discussion**

- 6 Cllr Gilchrist has a strong interest in the environment and has been working closely with local government since 2017. Cllr Gilchrist has worked for Environment Canterbury as a Water Management Strategy Facilitator (Zone Facilitator), and since 2019, has been appointed as the chairperson of Council's Environmental Services Committee, which deals with a wide range of environmental matters.

**Options and Preferred Option**

- 7 Approve Clr Gilchrist as the Biodiversity Champion (preferred option); or
- 8 Nominate an alternative Councillor.

**Consultation**

- 9 The nomination has been discussed with Chief Executive and Clr Gilchrist, who is willing to undertake the Role.

**Relevant Legislation, Council Policy and Plans**

- 10 Local Government Act 2002.

**Financial and Funding Implications**

- 11 None.

**Other Considerations**

- 12 There are no other relevant considerations

**Attachments**

**Nil**

**10 Consideration of Urgent Business Items**

**11 Consideration of Minor Nature Matters**

**12 Public Forum Items Requiring Consideration**



**13 Exclusion of Public**

**13.1 Public Excluded Minutes of the Council Meeting held on 22 September 2020**

**13.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 24 November 2020**

**13.3 Audit & Risk Committee Updates**

<b>Recommendation</b>		
<p>That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:</p>		
<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Plain English Reason</b>
<p><b>13.1 - Public Excluded Minutes of the Council Meeting held on 22 September 2020</b></p>	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p>	<p>To prevent disclosing a trade secret</p> <p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p>
<p><b>13.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 24 November 2020</b></p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>Commercial sensitivity</p>
<p><b>13.3 - Audit &amp; Risk Committee Updates</b></p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely</p>	<p>To protect a person’s privacy</p> <p>Commercial sensitivity</p> <p>To enable commercial activities</p>

	<p>unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	