



Audit and Risk Committee

Notice of Meeting

A meeting of the Audit and Risk Committee will be held in the Council Chamber, 26 Gordon Street, Dannevirke on **Tuesday 26 March 2024** commencing at **9:30am**.

Bryan Nicholson
Chief Executive

Agenda

1. Welcome and Meeting Opening

2. Apologies

3. Public Forum

A period of up to 30 minutes shall be set aside for a public forum. Each speaker during the public forum section of a meeting may speak for up to five minutes.

Standing Orders may be suspended on a vote of three-quarters of those present to extend the period of public participation or the period any speaker is allowed to speak.

With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. If permitted by the Chairperson, questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

4. Notification of Items Not on the Agenda

5. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business

6. Confirmation of Minutes

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Recommendation

That the minutes of the Audit and Risk Committee meeting held on 20 February 2024 (as circulated) be confirmed as a true and accurate record of the meeting.

7.	Reports	
7.1	2024-2034 Long-term Plan Options Report	7
7.2	LTP 2024-2034 Self Assessment	19
7.3	Risk and Assurance Management Report	59
7.4	Health, Safety, and Wellbeing Management Report	101
7.5	Tararua Alliance Performance Audit Final	113
8.	Public Excluded Items of Business	

Recommendation

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

Confirmation of Minutes

Tararua Alliance Performance Audit Final - Confidential

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

<i>General subject matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48 (1) for the passing of this resolution</i>
<i>Confirmation of minutes</i>	<i>To protect commercial activities</i>	<i><Section (1)(a)(i)</i>
<i>Tararua Alliance Performance Audit Final - Confidential</i>	<i>As above</i>	<i>As above</i>

This resolution is made in reliance on Section 48 (1) (a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

s7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

9. Closure



Audit and Risk Committee

Minutes of a meeting of the Audit and Risk Committee held in the Council Chamber, 26 Gordon Street, Dannevirke on Tuesday 20 February 2024 commencing at 9:30am.

1. Present

Mr P Jones (Chairperson), Her Worship the Mayor - Mrs T H Collis, Crs E L Peeti-Webber (Deputy Mayor), N L Chase, S M Gilmore, P A Johns, M F Long, K A Sutherland, S A Wallace and S M Wards

In Attendance

Mr B Nicholson	- Chief Executive
Mr R Suppiah	- Group Manager – Corporate and Regulatory
Mrs A Small	- Group Manager – Strategy and Community Wellbeing
Ms S Lowe	- Group Manager – People, Capability and Customer Experience
Mr H Featonby	- Group Manager - Infrastructure
Mr S Dunn	- Risk and Assurance Advisor
Ms G Nock	- Strategy and Corporate Planning Manager
Mrs S Walshe	- Finance Manager
Ms M Yule	- Project Accountant
Ms A Rule	- Policy and Planning Advisor
Mr P Wimsett	- Three Waters Transition Manager
Mrs A Dunn	- Manager – Democracy Services

2. Apologies

- 2.1 ***That the apology from Councillor A K Franklin be approved and leave of absence granted for the meeting.***

Collis/Peeti-Webber

Carried

3. Public Forum

There were no requests for public forum.

4. Notification of Items Not on the Agenda

Nil

5. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business

Mr Philip Jones – public excluded item re Tararua Alliance Audit – noted his professional relationship with the auditor for disclosure purposes

6. Confirmation of Minutes

- 6.1 *That the minutes of the Audit and Risk Committee meeting held on 25 October 2023, and the extraordinary Audit and Risk Committee meeting held on 22 November 2023 (as circulated) be confirmed as true and accurate records of the meetings.*

Chase/Wallace

Carried

7. Presentations

7.1 Presentation - Audit New Zealand

Debbie Perera, Audit Director from Audit New Zealand, presented to the committee regarding the areas of focus for the Long-term Plan 2024-34 audit.

She began her presentation by outlining contextual considerations for the audit, including the uncertainty faced from the change in Government and impact on proposed local government reforms. She noted the changes to reforms that gave Councils the option to have an unaudited consultation document or an audited consultation document.

She spoke about the purpose and role of the consultation document, and their approach to auditing the consultation document. She spoke about the Infrastructure strategy and the Financial strategy and the key components to consider in developing strong strategies.

She outlined the areas of focus for Audit New Zealand in auditing the proposed Long-term Plan 2024-34 and the review process to be factored in to the timing and project plan.

Following her presentation she answered questions from members regarding the factors that could trigger a Council to defer developing a Long-term Plan and the implications of doing so, and the option to choose to not receive an Audit opinion on the consultation document.

The meeting adjourned at 10:50am and resumed at 11:00am.

8. Reports

8.1 Risk and Assurance - Management Report

The Audit and Risk Committee considered the report of the Risk & Assurance Advisor dated 30 January 2024 that provided an update on matters relating to risk management and internal audit to the Audit and Risk Committee. A copy of the three-year work programme was circulated for information. It was noted that the Environmental Scan and Emerging risks report would be included in the next meeting.

It was noted that a workshop session would be undertaken at the next Audit and Risk Committee meeting on insurance strategies.

The Chairperson advised that he would like to see the Audit Management letter for 2022 included in the agenda for the next meeting of the Audit and Risk Committee.

That the report from the Risk & Assurance Advisor dated 30 January 2024 concerning the Risk and Assurance - Management Report (as circulated) be received and noted.

Johns/Gilmore

Carried

6.2 Health & Safety - Management Report

The Audit and Risk Committee considered the report of the Risk & Assurance Advisor dated 30 January 2024 that provided an update on health and safety matters.

The committee discussed the value of appointing a Health and Safety Champion from the Governance team and the role the Health and Safety Champion would play in working closely with Council officers and in asking questions during deep dive sessions on Council's operations.

That the report from the Risk & Assurance Advisor dated 30 January 2024 concerning the Health & Safety - Management Report (as circulated) be received

That Councillor Scott Gilmore be appointed as the Tararua District Council's Health and Safety Champion.

Collis/Jones

Carried

9. Items not on the Agenda

8.1 Nil

10. Public Excluded Items of Business

Recommended

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

Tararua Alliance Financial Audit

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

<i>General subject matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<i>Tararua Alliance Financial Audit</i>	<i>Financial audit relates to Downer costs and overheads so this needs to be confidential to not adversely affect their position.</i>	<i><Section (1)(a)(i)</i>

This resolution is made in reliance on Section 48 (1) (a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

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.

Sutherland/Collis

Carried

The meeting went into public excluded session at 11:23am and returned to open session at 11:44am.

There being no further business the Chairperson thanked those present for their attendance and contributions, and declared the meeting closed at 11:44am.

Chairperson



Report

Date : 21 March 2024

To : Chairperson and Committee Members
Audit and Risk Committee

From : Raj Suppiah
Group Manager - Corporate & Regulatory

Subject : **2024-2034 Long-term Plan Options Report**

Item No : **7.1**

1. Recommendation

- 1.1 *That the report from the Group Manager - Corporate & Regulatory dated 15 March 2024 concerning the 2024-2034 Long-term Plan Options Report be received.*
- 1.2 *That the Audit and Risk Committee endorses Management recommendation on the option to release an unaudited 2024-2034 Long-Term Plan consultation document for consultation to enable Council to meet the 30 June 2024 adoption deadline.*

2. Executive Summary

- 2.1 In December 2023, as a result of the incoming Government's intention to repeal water services legislation, the Government looked to provide councils with some relief in preparation of their Long-Term Plan (LTP) and councils were presented with options in relation to adoption of their LTP.
- 2.2 These options were: to continue with adoption of the LTP by 30 June 2024 as usual; to extend adoption of the LTP to the end of September; to defer adoption of the LTP by 12 months and instead prepare an enhanced Annual Plan; or to release an unaudited LTP consultation document for consultation to enable councils to meet the 30 June adoption deadline.

- 2.3 Management has considered these relief options, including the impact on LTP timelines risk associated with each option. These are detailed in Section 4 of this report.

3. Reason for the Report

- 3.1 The purpose of this report is to discuss and seek direction from the Council on management's analysis of options for the 2024-2034 LTP.
- 3.2 This report is provided to the Audit & Risk Committee on 26 March 2024 to make recommendation(s) to full Council the preferred option and then following that the full Council meeting on 27 March 2024 to consider the recommendation and make its final decision on the option chosen.
- 3.3 Hence a clear direction at this workshop is critical so management can commence work, without losing time, that will give effect to this preferred option.

4. Background

- 4.1 The current Government has now passed the Water Services Acts Repeal Act 2024 ("the Repeal Act"), which came into force on 17 February 2024 and repealed the previous Government's water services legislation.
- 4.2 Further legislation to implement Local Water Done Well will progress in a two-stage approach. The first bill, which will establish the framework and transitional arrangements for the new water services system, will be passed by the middle of 2024. A second bill to provide for the long-term replacement regime will be introduced in December 2024 and enacted by mid-2025.
- 4.3 In December 2023, as a result of the incoming Government's intention to repeal water services legislation, and in acknowledgment of the additional work now required by councils, councils were provided with options in relation to adoption of their LTP. These options were presented to councils to provide relief in the form of additional time in the LTP process, should they require it, to include water services work programmes and funding in their LTPs. The options available to councils included:
- 4.3.1 Continuing with their LTPs, including funding for water services, on the standard timeline (adoption by 30 June 2024) with an audit opinion issued on the LTP consultation document; or
- 4.3.2 Extending the statutory deadline by which the 2024-2034 LTP must be adopted by three months to 30 September 2024; or
- 4.3.3 Releasing an unaudited LTP consultation document for consultation in order to meet the 30 June 2024 adoption deadline.
- 4.4 In February 2024, the Repeal Act provided councils with two additional options:

- 4.4.1 One is an additional option to defer adoption of the LTP by 12 months.
- 4.4.2 The second is to include transitional provisions that enable councils to defer the review of water services bylaws. The deferral of the water services bylaw is not being considered in this report and will be discussed with Council in due course.
- 4.5 We considered the option to delay the adoption by 3 months in a LTP workshop and decided not to take the relief. The analysis in Para 5 explains the risk in detail.
- 4.6 We have now included option 5 that takes advantage of the 3 months relief provided in Option 3 but only extends the adoption up 3 weeks. This option allows Council to set rates (as normal) and avoid the rate setting issues in Option 3.

5. Significance Assessment

- 5.1 Given the importance and the potentially wide-ranging implications of this decision, staff have sought legal and other industry advice prior to finalising their advice to this Committee.
- 5.2 The decision on the option for the 2024-2034 LTP (able to be made by Council resolution) and is not considered to be a significant decision when assessed against the criteria in Council's Significance and Engagement Policy.

6. Considerations and Option Analysis

- 6.1 In this section we have provided the following:
 - 6.1.1 Key considerations - 5 options presented in this report grouped into appropriate topics/risks.
 - 6.1.2 Detailed options - analysis that looked at the Benefits (advantage) and Risk (Disadvantage) specific to each option.
 - 6.1.3 Summary matrix - looks at the impact of the key consideration against each option.

7. Key considerations

- 7.1 The following list the considerations and the management draws your attention to the ones highlighted.

A. Audited Consultation Document

- 7.2 An unaudited consultation document runs the risk of significant audit findings not included for consultation. It may also have impact on community confidence in the consultation process, possible perception of consultation lacking reliability / impacts to community trust in the process.

B. Audited LTP

- 7.3 The LTP will be audited in all options. Despite the consultation document being unaudited, the final LTP will be audited, and an Audit opinion issued.

- 7.4 Audit NZ has indicated that Council's audit opinion is being reviewed by OAG's Opinion Review Committee (ORC). The main reasons for an ORC, at the moment, are around funding assumptions – especially around Waka Kotahi and other large external revenue sources that aren't secure. The capital do-ability is also another one. The option may range from an emphasis of matter, or a potential qualification.

C. Meeting the planned timeline

- 7.5 Management believes there is merit in meeting the planned timeline which is adopting the LTP this year and is confident we will be able to do so. This will, however, require a timely decision from Council regarding the preferred option.

D. Ability to meet statutory deadline for adoption

- 7.6 Management had already pushed out the adoption of the Draft LTP to 10th April 2024 to allow for the completion of the CD and Supporting Information. The audit review process prior to consultation with the community has also been factored in.

E. Certainty of water delivery and funding arrangements

- 7.7 There is currently a lack of certainty on the future of water delivery, funding arrangements and ongoing conversations with the community on the challenges in the Three Waters' activities.
- 7.8 Deferring the LTP provides the opportunity to consider in depth our responsibility for ongoing water service delivery, impact on levels of debt and options for service levels, and more time to have ongoing conversations with the community about the challenges we are facing in funding water services. However, not all of these will be achievable within even a 1-year deferral timeframe.
- 7.9 Another outcome for deferring the LTP is that it allows more time for better integration of the work in the Growth Strategy and District Plan rezoning with the 3 waters AMP. However, if consultation outcomes and work are not completed on these items as at time of writing there is a risk there will not be enough time to fully integrate those themes into the LTP.
- 7.10 Management has completed the Draft 3 Waters AMP and workshopped with the Councillors. The final steps required are tweaks to programmes to create a full alignment with financial constraints and insertion of consultation feedback from Elected Members and the public. The AMP also requires completion of the improvement plan which will include items to work on during the first three years such as Level of Service investigations/options (which is likely a 12-to-18-month project) and Growth Strategy and District Plan integration. Continuing with the LTP will require these last few steps to be completed and timeframes laid out for the improvement items.
- 7.11 Continuing with the LTP now, and based on paras above, Council may be required to consult 2025/26 Annual Plan or if changes are significant, then an amendment to the LTP maybe required.

F. Certainty of Waka Kotahi funding arrangements

- 7.12 Waka Kotahi will give us a provisional indication of funding by the end of April 2024 and will formally confirm our funding around October 2024. Having this confirmed as we prepare our LTP will provide clarity on the work programme that will be subsidised, allowing us to be clear with our community about what we will deliver and the rates impact. If we defer our LTP out 12 months we will need to make an independent decision whether to stick with whatever level of funding we receive from Waka Kotahi or to reduce the level we agree to receive to reduce rates impact. This may be able to be performed and consulted on as part of an Annual Plan process instead of the LTP process.

G. Cost increase implication

- 7.13 Potential for a prolonged audit as well as implications on staff time and associated cost
- 7.14 An amendment to the LTP (if LTP adopted in Options 1,2,3 and 5) might incur additional audit cost.

H. More time for development of CD and LTP

- 7.15 Deferring the LTP would allow Council more time to have ongoing conversations with the community about the challenges we are facing in funding water services long term, rather than only having this conversation over the LTP consultation period.
- 7.16 This is also an opportunity to build the next LTP on a sounder basis, for example with more certainty on the future of water delivery (shared services with other Council) and funding arrangements (Special Purpose Vehicles (SPV), CCO model and CG funds).
- 7.17 However, key to note is that regional negotiation, availability to external funding options and legislative changes may not have progressed as anticipated. It is likely that with these factors not locked down it will be very difficult to forecast financially a scenario that isn't still 100% rate payer funded and any efficiency gains through different delivery models will not be realised quickly enough to be a factor either.

I. Some work will require more effort and time

- 7.18 Levels of Service option for the 3 waters will involve scoping, legal and regulatory risk assessments, investigation, optioneering etc to be ready for consultation with the community. These works are very unlikely to be completed in time for the deferred LTP. There is also not currently a budget for this project and staff resources are at capacity so this would likely require consultant input to complete it so a budget line will be included for consideration.

J. Implications for the setting of rates for 2024/2025

- 7.19 Staff are unable to set new 2024/2025 rates as normal (using year 1 rates from the LTP) until the LTP is adopted. However, staff can set interim rates using s50 of the Local Government (Rating) Act (LGRA) for the first rates instalment.

- 7.20 There will likely be system issues with setting an interim rate. Staff need to set rates based on current Annual Plan property attributes, values and rates requirement. Uneven rates instalments given the inability to set rates using LTP year 1 figures meaning there will be uncertainty for ratepayers. There will be additional cost and time involved with setting interim rates.

K. Risk confusing residents/ratepayers

- 7.21 Council may create confusion for residents with the two different rates setting process and rates invoices, and uneven rates instalments.
- 7.22 This risk is also present if Council is undertaking an Annual Plan process while other councils are consulting on their LTP.

L. Give full effect to our District Strategy in the plan adopted

- 7.23 Significant work has been completed to align the LTP Strategic Framework with the District Strategy and changes to the structure of Council activities to better align to the four Focus Areas. An enhanced AP means Council will need to retain the current Strategic Framework and activity structure in the 2021-2031 LTP. Because the enhanced AP is year 4 of the current LTP it will maintain the same structure ie current structure.
- 7.24 The strategic framework and objectives in the current LTP are not aligned well to Council's District Strategy.
- 7.25 An enhanced AP will not allow for a change in Strategic Direction as it is completed as part of LTP.
- 7.26 Deferring the LTP by 12 months would result in the current set of 2021-2031 LTP performance measures being rolled over and reported on in 2024/25. This would impact Council's ability to give effect to the District Strategy via the AP Performance Measures.

M. Risk of LTP Amendment being required

- 7.27 We initially planned an LTP amendment in year two particularly for the introduction of development contributions. The s17a reviews planned to be completed could as well trigger an amendment. There are cost and other resource requirements to conduct an LTP amendment.

N. Advance separately other Policy reviews

- 7.28 Other key policy reviews can be advanced separately away from the Long-Term Plan. The Council had planned to have in place both a new Development Contributions Policy and completed a review of its Revenue and Financing Policy, as part of this LTP. Both of these policies can be promulgated for public input outside of the LTP process.

O. Risk of unknowns (natural disaster)

- 7.29 Risk of unknowns or another event like Cyclone Gabrielle that could impact our ability to deliver on the LTP.

P. Duplication of efforts

- 7.30 Staff have spent significant work and time to progress the LTP to date. Efforts will be needed to be repeated, duplication if LTP is delayed.
- 7.31 For the enhanced AP, staff will have to pivot and redo some of the work, eg amend the consultation document, change planning software, effort to prepare and publish AP with the additional requirements.
- 7.32 Key to note also is that the work done to date for this LTP (for example Strategic realignment, Activity and Asset Management Plan, Assumptions and financial models) will not be wasted and needing to be undone.

Q. Capacity to deliver

- 7.33 Likely impact on staff and Elected Member capacity as two LTPs would need to be produced within 2 years of each other, with an election in between.
- 7.34 Timeframes to pivot and deliver a 2024/25 Enhanced Annual Plan, consulting with the community and adopted by 30 June 2024 will be challenging.
- 7.35 Significant work is already planned in Year 1 of the LTP eg 17a reviews, rationalisation of land and buildings, integration of Council services which will require engaging/consulting with the community.
- 7.36 Acknowledge the potential for staff fatigue and burnout due to prolonged project engagement and workload demands. Management will need to manage this. Impact on staff and ability to deliver on Business as usual.

R. Conflicting commitments

- 7.37 Overlap of auditing processes for the LTP and 2023/2024 Annual Report impacting the same staff. Also note the delayed preparation of 2023/2024 Annual Report has already impacted staff.
- 7.38 Significant workstreams (eg s17a reviews, Development Contribution Policy) is already planned for Year 1 of the LTP and combining that work with the LTP workstream will have an impact on staff capacity.
- 7.39 Delaying the LTP by 12 months would then coincide with the start of public-facing electoral activities. There are sound reasons why the LGA had the LG election and LTP on different cycles. Key dates are:
- Election information is published on Council websites by 30 May 2025, with the nationwide elector enrolment campaign starting 1 July 2025, and the pre-election period starting on 11 July 2025.
 - Candidate nominations open on 18 July 2025.
 - Deferred LTP adopted by 30 June 2025.
 - Council would be publishing a pre-election report within one month of adopting the LTP (Pre-election report to be adopted no later than 31 July 2025).

S. Change to Consultation requirements

7.40 An 'enhanced' Annual Plan will require a different consultation document and there are also additional content requirements.

7.41 Consultation is mandatory for the 'enhanced' Annual Plan using section 82 principles of consultation not Section 83 Special Consultative Procedure. This means Council has more discretion as to how it consults with the community rather than being tied to the requirements in the Special Consultative Procedure (required for LTPs).

Options and Analysis

7.42 Management have considered the options put forward by Central Government.

7.43 The options have been carefully considered and attached in Appendix 1

Summary matrix to the key considerations

		Option 1	Option 2	Option 3	Option 4	Option 5
Ref	Options Analysis	Proceed without taking advantage of any of the relief offered by Central Government	Consult with an unaudited Consultation Document	Delay adoption of LTP for 3 months	Delay adoption of LTP for 12 months	Delay adoption of LTP for 3 weeks to 24 th July
A	Audited Consultation Document					
B	Audited LTP					
C	Meeting planned timeline					
D	Ability to meet statutory deadline for adoption					
E	arrangements					
F	Certainty of Waka Kotahi funding arrangements					
G	Cost increase implication					
H	More time for development of CD and LTP					
I	Some work will require more effort and time	N/A	N/A	N/A		N/A
J	Implications for setting of rates fro 2024/2025					
K	Risk confusion residents/ratepayers					
L	Give full effect to our District Strategy in the Plan adopted					
M	Risk of LTP Amendment being required					
N	Advance separately other Policy reviews					
O	Risk of unknowns (natural disaster)					
P	Duplication of efforts					
Q/R	Capacity to deliver / conflicting commitments					
S	Change to Consultation requirements					
			No Impact			
			Slightly impacted			
			Impacted			

8. Consistency With Existing Policies and Plans

8.1 The proposed decision is not significantly inconsistent with any policy adopted by Council. Central Government has passed temporary legislation to enable councils to access this relief and take up any of the options above in relation to their LTP, ensuring Council's ultimate decision is not significantly inconsistent with any plan Council is required to have under the Local Government Act 2002 or any other enactment.

9. Advice sought

- 9.1 The legal implications of the various options are largely detailed above. Council has open to it any of the options provided by central government, and Council's consideration of the most appropriate option must focus on the uncertainties and the associated risks that are significant (for example the 3 waters and Waka Kotahi funding), impact to staff and elected members' workloads and the likely ability to deliver to timeframes, and weigh up the costs and benefits of each option.
- 9.2 Staff have sought advice from other councils, local government membership network Taituarā, legal advisors, our auditors and central government in reaching their recommendation. Many councils are now faced with similar decisions due to the change in direction regarding 3 Waters legislation by the incoming government.
- 9.3 Advice has been provided by central government that councils can elect to take any of the five options in respect of adoption of their LTPs and supporting legislation and processes have been identified as wrap arounds to support councils in whichever path they choose.
- 9.4 Should Option 2 be selected, our auditors have identified supporting processes and mitigations that they can undertake to ensure there is some oversight of the CD prior to it being released for consultation (short of a full audit opinion), and the CD and LTP documents will be reviewed simultaneously following the consultation period.
- 9.5 As identified above, the options that include delaying adoption of the LTP require some additional processes to be followed by staff under the Local Government (Rating) Act to ensure interim rates can be set (Option 3). These processes will have flow on effects regarding Council's ability to deliver on its District Strategy and Yr 1 projects identified in the LTP. These are detailed in the report.

10. Conclusion

- 10.1 The preferred option is Option 2, and it is recommended that Committee endorses the decision to consult on the LTP with an unaudited consultation document.
- 10.2 It is considered that the disadvantages associated with this option can be mitigated.
- 10.3 The risk of significant issues being identified within the supporting documentation is low. Audit New Zealand are auditing the supporting documentation to the LTP concurrently with our development of the CD.

Attachments

1 [↓](#). Appendix 1 - Report to seek direction on LTP Options

Option Analysis

Option 2 - Consult with an unaudited Consultation Document		Option 4 - Delay adoption of LTP for 12 months		Option 5- Delay adoption of LTP for 3 weeks to 24th July	
<p>Council will be permitted to have unaudited LTP CD. Review of the underlying and supporting information will be carried out as Council prepares its CD.</p> <p>Though Audit will not issue an opinion for the CD prior to the CD's release for consultation, Council and community can still gain some assurance from Audit's review.</p> <p>Key point to note is that audit of the final LTP will proceed and be completed prior to adoption by 30 June 2024. An Audit opinion will be issued on the Final LTP.</p>		<p>The statutory deadline by which the LTP must be adopted will be extended by 12 months and in its place, Council will prepare an enhanced Annual Plan.</p> <p>This allows more time to develop material for those Councils who have not planned to include 3 Waters activities in their draft LTP or who have been severely impacted by the 2023 storm events.</p>		<p>The statutory deadline by which the LTP must be adopted can be extended for up to three months to 30 September 2024.</p> <p>This option looks at using this relief to adopt the LTP in time to strike rates using the rates resolution for Year 1 of the LTP and be compliant with the requirements of the LG Rating Act (eg s48 of LG Rating Act - <i>A rates invoice must be delivered to the ratepayer of a rating unit or separate rating area at least 14 days before the date on which a rates payment is due</i>).</p> <p>This requirement can be met using this option, and rates issues issued as normal.</p>	
Benefits (Advantage)	Risk (Disadvantage)	Benefits (Advantage)	Risk (Disadvantage)	Benefits (Advantage)	Risk (Disadvantage)
<ul style="list-style-type: none"> The LTP will be audited. Despite the consultation document being unaudited, the final LTP will be audited, and an Audit opinion issued. Audit review completed in tandem with consultation. The planned timetable can be maintained, and statutory timelines achieved. Reduces risk of staff capacity to enable adoption of LTP on time. No additional cost implications. Risk of unknowns or similar event like Cyclone Gabrielle is reduced in shorter timeframes. 	<ul style="list-style-type: none"> Community's confidence on the consultation due to unaudited document and possible perception of consultation lacking reliability/ impacts to their trust in the process. Uncertainty around NZTA Waka Kotahi NLTP funding exist. Waka Kotahi will give us a provisional indication of funding by the end of April 2024 and will formally confirm our funding around October 2024. Not able to provide certainty on the future of water delivery, funding arrangements and ongoing conversations with the community on the challenges in the 3 Waters activities. Potential for additional audit cost if there is an LTP amendment. 	<ul style="list-style-type: none"> More time for development of the CD and LTP. An opportunity to build the next LTP on a sounder basis, for example with more certainty on the future of water delivery and Waka Kotahi funding arrangements. Reduces the potential risk of the need for LTP amendments in 2025/2026 year. Deferring the LTP would allow Council more time to have ongoing conversations with the community about the challenges we are facing in funding water services long term. Allows for better integration of the work in the Growth Strategy and District Plan rezoning with the 3 waters AMP. No additional audit cost implications. 	<ul style="list-style-type: none"> An enhanced AP will not allow for a change in strategic direction as it is completed as part of LTP. Deferring the LTP by 12 months would result in the current set of 2021-2031 LTP performance measures being rolled over and reported on in 2024/25. Likely impact on staff and Elected Member capacity as two LTPs would need to be produced within 2 years of each other, with an election in between. Delaying the LTP by 12 months would then coincide with the start of public-facing electoral activities. Risk of unknowns or another similar event like Cyclone Gabrielle that could impact our ability to deliver on the deferred LTP. Significant work is already planned for Year 1 of the LTP and combining that work with the LTP workstream will have an impact on staff capacity. 	<ul style="list-style-type: none"> Both documents can be audited, and an Audit opinion provided. CD can be audited prior to going out for consultation. Rates can be levied based on the LTP 2024-2034 Yr 1 rates resolution. 	<ul style="list-style-type: none"> Community's confidence on the consultation due to unaudited document and possible perception of consultation lacking reliability / impacts to their trust in the process. Uncertainty around NZTA Waka Kotahi NLTP funding exist. Waka Kotahi will give us a provisional indication of funding by the end of April 2024 and will formally confirm our funding around October 2024. Not able to provide certainty on the future of water delivery, funding arrangements and ongoing conversations with the community on the challenges in the 3 Waters activities. Potential for additional audit cost if there is an LTP amendment.

Option 1 - Proceed without taking advantage of any of the relief offered by Central Government		Option 3 - Delay adoption of LTP for 3 months	
Normal LTP		<p>The statutory deadline by which the LTP must be adopted will be extended by three months to 30 September 2024.</p> <p>This allows more time to develop and consult on LTP planning material for those councils who have not planned to include 3 Waters activities in their draft LTP or who have been severely impacted by the 2023 storm events.</p>	
Benefits (Advantage)	Risk (Disadvantage)	Benefits (Advantage)	Risk (Disadvantage)
<ul style="list-style-type: none"> • Council will consult with an audited CD. • The LTP will be audited. • Adoption by 30 June 2024. 	<ul style="list-style-type: none"> • Ability for staff to meet the statutory deadline for adoption. • Uncertainty around NZTA Waka Kotahi NLTP funding exist. Waka Kotahi will give us a provisional indication of funding by the end of April 2024 and will formally confirm our funding around October 2024. • Not able to provide certainty on the future of water delivery, funding arrangements and ongoing conversations with the community on the challenges in the 3 Waters activities. • Potential for additional audit cost if there is an LTP amendment. • Risk of unknowns or similar event like Cyclone Gabrielle is reduced in shorter timeframes. 	<ul style="list-style-type: none"> • Both documents can be audited, and an Audit opinion provided. • More time for development of the CD and LTP. • Reduces risk of staff capacity to enable adoption of LTP. 	<ul style="list-style-type: none"> • Implications for the setting of rates for 2024/2025: <ul style="list-style-type: none"> - Staff are unable to set new 2024/2025 rates as normal (using year 1 rates from the LTP) until the LTP is adopted. Staff can set interim rates using s50 of the Local Government (Rating) Act for the first rates instalment. - There will likely be system issues with setting interim rates. Staff need to set rates based on current Annual Plan property attributes, values and rates requirement. - Uneven rates instalments given the inability to set rates using LTP year 1 figures meaning there will be uncertainty for ratepayers. - Additional cost and time involved with setting interim rates. • Community may be confused with the two different rates setting processes and rates invoices, and uneven rates instalments. <ul style="list-style-type: none"> • Potential for a prolonged audit which has implications on staff time and associated cost. • Uncertainty around NZTA Waka Kotahi NLTP funding exist. Waka Kotahi will give us a provisional indication of funding by the end of April 2024 and will formally confirm our funding around October 2024. • Not able to provide certainty on the future of water delivery, funding arrangements and ongoing conversations with the community on the challenges in the 3 Waters activities. • Overlap of auditing processes - LTP and 2023/2024 Annual Report. • Delayed preparation of 2023/2024 Annual Report effects same staff. • Potential for additional audit cost if there is an LTP amendment.



Report

Date : 21 March 2024
To : Chairperson and Committee Members
Audit and Risk Committee
From : Raj Suppiah
Group Manager - Corporate & Regulatory
Subject : **LTP 2024-2034 Self Assessment**
Item No : **7.2**

1. Recommendation

- 1.1 *That the report from the Group Manager - Corporate & Regulatory and Regulatory Services dated 21 March 2024 concerning the LTP 2024-2034 Self Assessment be received.*

2. Executive Summary

As part of the Long-term Plan (LTP), the Auditors require us to complete a self-assessment.

This assessment serves two purposes. One is to help the Auditors understand our LTP development systems, key risks and matters that affect their audit planning.

The information contained will assist the auditors to prepare their audit plan and will assist them in updating their understanding of our control environment for preparing the consultation document and LTP. It also assists their understanding of the systems and processes we have in place to support us in working within the provisions of the Local Government Act 2002.

The second, it serves as a checklist for us to ensure we have considered /addressed the key areas and risk for this LTP.

3. Reason for the Report

- 3.1 For the Committee to review, discuss and comment on the self -assessment.
- 3.2 Attached to this information report is the Audit Letter for the Self-assessment and the self-assessment completed by staff.

Attachments

- 1 [!\[\]\(687b6c142f51ac6f390f8bd444e38d03_img.jpg\) TDC 24P LTP Self assessment cover letter](#)
- 2 [!\[\]\(861b7aaa71df51b93037a486c3b17630_img.jpg\) Long Term Plan 2024-2034- Audit Self-assessment - v2 21 March 2023](#)



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

23 January 2024

31 Amesbury Street
PO Box 149, Palmerston North 4440

Raj Suppiah
General Manager Corporate
Taranaki District Council
PO Box 115
Dannevirke 4942

Dear Raj

Self-assessment: 2024 long-term plan

Purpose of the self-assessment

As part of our audit of your consultation document and long-term plan (LTP) and to help us to understand your LTP development systems and key risks and matters that affect our audit planning, we are asking you to complete the attached self-assessment.

The self-assessment is an efficient way to confirm the approach you intend to use to prepare your LTP and its associated consultation document.

We hope that completing this self-assessment will also assist you to identify opportunities for improvement in your own processes.

This self-assessment asks questions about the changes you have made to prior systems and processes for developing your LTP and its associated consultation document. There is no need to explain in detail systems and processes that we have examined in prior years.

How will the self-assessment be used?

We will review and discuss your self-assessment answers with you to help decide whether there are any particular areas of risk that require further consideration. The information obtained will assist us to prepare our audit plan and will assist us in updating our understanding of your control environment for preparing the consultation document and LTP. It also assists our understanding of the systems and processes you have in place to support the Council in working within the provisions of the Local Government Act 2002.

Process of preparation

We ask you to involve whoever you think appropriate in preparing your self-assessment response. In most cases, it is unlikely that one member of staff will be in a position to respond to all the questions. We also ask you to consider the involvement you may need from elected members in preparing your response.

We ask that one person be responsible for co-ordinating the response, and that the Chief Executive and the Chair of the Audit and Risk Committee review it before it is sent back to us.

When you are completing the self-assessment, we would appreciate it if you would attach a copy of any documents (that have not been previously provided to us) you refer to in completing the self-assessment to enable us to understand the relevance/importance of the document.

We have formatted the self-assessment questions into core areas of questions. This may result in each area appearing to suggest a stand-alone process. We understand that there is an existing body of knowledge in which each step or part of preparing the consultation document and LTP occurs as part of a much wider and iterative process. However, our intention in formatting the questions in this way is to be clear about the focus of our interest.

We do not intend the completion of the self-assessment to be a time-consuming task.

What happens next?

Please return the completed self-assessment to us by 9 February. We will make a time to meet with your team to discuss it prior to commencement of the audit.

Please contact me if you have any questions. Likewise, do advise me if there is any significant change through the process of preparing your consultation document and LTP after you complete your self-assessment that would have affected your response to any of the self-assessment questions.

We will use the information in the self-assessment to assist in planning our audit of your consultation document and LTP.

We thank you for your time and work on this part of the audit process.

Yours sincerely



Debbie Perera
Appointed Auditor

Appendix 1: Self-assessment questions

Section 1: Council-specific risks and issues	
How does the Council ensure that it has identified the important issues facing the Council and that enough disclosure will be made in the consultation document/LTP to provide meaningful information to the community to effectively consult on these issues? (Section 93B).	
<i>Purpose: To assess the extent to which the Council has identified its important issues and that they will be communicated in the consultation document to enable effective consultation.</i>	
Key questions	Response
<p>1.1 We are aware of the following issues and matters facing the Council and its community that it intends on consulting on:</p> <p>Cyclone Recovery</p> <p>Climate Change</p> <p>Investment into capital projects</p> <p>Pahiātua Swimming Pool</p> <p>Are these items still on Councils list to consult on or are there others?</p>	<p>See appendices.</p> <p>Cyclone Recovery</p> <ul style="list-style-type: none"> • weather event are significant risk for us and we have included assumption for this risk. We have articulated how this risk will impact us our mitigation. We have then ensured the mitigation and impacts are included/considered in the LTP • Commentary on Cyclone Recovery will be in CD. • Council has received \$43m (100% subsidies) for the initial response and design work. We have requested a further \$54m for the recovery/reinstatement work. However following our discussions with NZTA we have reduced the next stage funding to est \$37m and we have included these in the LTP budgets (Yr 1 to 3) with assumption that it is enhanced subsidy (93%). Council's share will be funded via depreciation renewals (renewals) and emergency reserves for operational expenditure if needed (this will be minimal as most of the operational spend was managed in the initial response funding. <p>Climate Change</p> <ul style="list-style-type: none"> • Continues to be focus for Council and can be clearly evidenced in our LTP. Namely: <ul style="list-style-type: none"> - Significant increase in drainage budget in Rooding - Resilience into out water activity in water storage and treatment plant upgrades - Generators for plants - Flood modelling work and integrating that in our Resource/Building consenting processes, AMPs, Growth Strategy and District Plan • Refer to document Climate change TDC actions 17Feb2024.xls • Commentary on climate change will be in CD. <p>Investment into capital projects</p> <ul style="list-style-type: none"> • Council has developed a prioritisation matrix aligned to our strategic outcome and considers do-ability and funding constrains. Refer to documents snip in the appendix and LTP - Capital Projects -Prioritisation matrix PDF

Section 1: Council-specific risks and issues	
How does the Council ensure that it has identified the important issues facing the Council and that enough disclosure will be made in the consultation document/LTP to provide meaningful information to the community to effectively consult on these issues? (Section 93B).	
What other issues and/or matters is the Council facing and not looking to consult on and why?	<p>Pahiātua Swimming Pool</p> <ul style="list-style-type: none"> this is a consultation item tied to this decision is the s17A review on Swimming pools. Council desires to revisit/rationalise how it should best deliver this activity in its 4 major town <p>We have attached the following documents:</p> <ul style="list-style-type: none"> LTP Workpaper - key issues areas of focus and most likely scenario <ul style="list-style-type: none"> These documents captures the key elements of each workstream/activity of Council and considers the "engagement" required. This ensures completeness and also captures Council's consideration of issues <p>Summary of issues for CD – Received from Karsten 21/2. Uploaded .</p> <p>The processes we used are:</p> <ul style="list-style-type: none"> Environmental scan was the first where we identified key issues/consideration and opportunities for Council Strategic Framework development – we understood the change of our strategic direction and focus, and the impact/changes required The LOS AMPs workshop focused on aligning the activities to the new Strategic Framework, how the activity were giving effect to it with a focus on any changes needed to LOS Creating and updating the document <i>LTP Workpaper - key issues areas of focus and most likely scenario</i> as we progress thru the LTP In workshops where potential issues are identified, raising and/or briefly discussing with EMs as potential CD issues Several iterations of the CD issues throughout the LTP processes in the workshops Alignment of the Strategic Framework to the activities, their outcomes and performance measures. Gaps were identified and followed up.
1.2 What processes has the Council taken to gain assurance the issues and matters outlined in 1.1 are complete?	As explained above. Further process – 1.1s GMs/Managers active involvement, ELT' input/reviews, wider team (SMEs) involvement, key issues working paper, project decision matrix.
1.3 How is the Council planning to disclose these issues/matters in the consultation document for the community to provide	See appendices, Question 1.1. We built on the process in 2021 namely:

Section 1: Council-specific risks and issues	
How does the Council ensure that it has identified the important issues facing the Council and that enough disclosure will be made in the consultation document/LTP to provide meaningful information to the community to effectively consult on these issues? (Section 93B).	
feedback on the choices it faces in respect of these issues/matters? Is the process different to the process the Council took in 2021?	<ul style="list-style-type: none">• Comms Team prepared a template to capture the key information needed from the SMEs.• Obtained feedback from community survey about how we can better engage. Have included suggestions into our CD structure, language and communication tools. We have referred to certain outcomes of our communications survey eg<ul style="list-style-type: none">- "Use easy to understand language and graphics rather than council speak and walls of text".- "We want to see more fun stuff, more engaging information and sociable". See draft CD for presentation style and language.

Section 2: Project management processes	
How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
<i>Purpose: To identify whether any potential risks are arising from the way the Council intends to manage the consultation document/LTP process.</i>	
Key questions	Response
<p>2.1 Is the Council using the same processes for the development of its consultation document/LTP as it has for prior plans?</p> <p>If yes, were there any lessons learnt from the prior process and how has the Council addressed this?</p> <p>If not, what is the Council doing that is different?</p>	<p>All new comms team with no experience in the LTP process so Taituara guidance and project management plan template provided though they do have their own methodology for planning consultations.</p> <p>Comms projects officer is in Programme Lead Team for input and information gathering for engagement and consultation. Information fed to comms from workshops, otherwise they attended to gather information.</p> <p>Coms team also studied good examples of good CDs.</p> <p>Learning from research we have put into practice are:</p> <ul style="list-style-type: none"> - We have looked at elements of documents that were described by Taituara as best practices - Waipa, Central Hawkes Bay, and others. - Brevity, clarity and creativity, bright vibrant design, use of symbols, and infographics. - "It is not enough for a CD to describe the key issues and meet all the statutory tests. It must engage the public". <p>We have referred to guidance documents about reporting on performance provided by Audit NZ.</p> <ul style="list-style-type: none"> - The community can easily understand and allows meaningful reporting on performance in the annual report. - Striking the right balance in being comprehensive and concise – without overwhelming readers with information. - Explaining the matters in paragraph a in a way that can be readily understood by interested or affected people. - Be presented in as concise and simple a manner as is consistent with this section. <p>Risk – capacity issues. The Prog Mgr. is producing the LTP document this time as comms team don't have capacity. But working closely with Coms so the "supporting documents" are consistent with the CD with regards to look & feel.</p>
2.2 Has the Council familiarised itself with the most recent Taituara LTP guides?	Yes.
2.3 When did the Council last complete the Taituara health check?	Early in the programme. June 2023 and February 2024.

Section 2: Project management processes	
How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
2.4 As a result of considering the Taituarā guides and completing the health check, what areas has the Council identified that require action?	<p>1) Staff capacity issue (maintaining BAU while responding/supporting emergencies/incidence and being committed to the LTP and the timelines) has been a problem for delivery of the programme, particularly in the communications team (secondment to cyclone recovery) and finance teams (role vacancies). Many staff across the organisation are doing tasks they are unfamiliar with. New staff are having to familiarise themselves with the LTP process and tasks which is taking longer than a person with institutional and LTP knowledge would take. Council is actively seeking staff to fill positions. When staff do know what they're doing, we're getting their material in front of elected members/iwi first, to allow others the time they need.</p> <p>2) Keeping up with central government reforms and the impact on the LTP. The consultant who produces our environment scans was asked to provide a reforms scan with commentary about impacts and implications for Council.</p> <p>3) Monitoring of programme risks. See appendices for recommendations in new guidelines being written, with highlighted actions taken during this process.</p> <p>4) Strategic alignment. With the change to the strategic framework, we needed to ensure AMPs, LOS and underlying programmes/projects are aligned.</p> <p>5) Waka Kotahi's decisions around NLTP and cyclone recovery funding. We are yet to hear officially from WK on their approval of the 3-year NLTP bid and also the amount and subsidy levels for the cyclone recovery.</p>
2.4 cont. What action is planned to address these areas?	<p>1. Resources:</p> <ul style="list-style-type: none"> a. Comms team – allocated an additional resource to assist with producing the CD. b. 3 Waters AMP – external consultant to assist with aligning infra investment, Growth Strategy. Allocated an internal resource to support the team. c. Facilities and Solid waste AMPs – use of external resource to assist team. d. Rates review – external resource to assist with the introduction of Rooding Differential rates; legal review. e. Financial model - using the support available from our vendor (for the planning software) f. Rates Modelling – changes to rates model arising from the rates review managed by external support from vendor. g. External graphic designer to create LTP publication and temporary engagement of person to support production of LTP publication. <p>2. Central Government Reforms</p> <ul style="list-style-type: none"> a. guidance from Taituara b. ELT/Mgrs keeping abreast and inform each other of developments

Section 2: Project management processes How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
	<p>3. Strategic Alignment</p> <p>a. New resource allocated to support LTP project team.</p> <p>4. Waka Kotahi decisions</p> <p>a. We are working closely with our investment advisors from WK and have made the assumption that NLTP bid will be reduced from \$73m to \$61m and cyclone recovery will be reduced to \$37m with 93% subsidy.</p>
2.5 Explain how the Council is approaching the preparation of the consultation document and the LTP.	<p>Ensuring consistency between both documents.</p> <p>Document structures created to ensure content alignment between CD, LTP and Supporting Information.</p> <p>We are conscious that the CD needs to stand alone as a consultation tool for our Council.</p> <p>OneDrive file for all LTP inputs shared with graphic designer of LTP publication.</p> <p>Documents and sections of LTP assigned to contributors and a limited number of people able to upload documents for version control.</p>
2.5 cont. What approach does the Council propose to provide the information and assumptions underlying the information included in the consultation document?	<p>With regards to the assumptions, these will be captured in two places:</p> <ul style="list-style-type: none"> - Assumption section which looks at the LTP assumptions. - Activity section where assumptions at an activity level will be captured. <p>Draft assumptions were written by external consultant who also prepares Council's environmental scans. Workshopped with elected members/Iwi. Reviewed environment scan September 2023.</p> <p>Assumptions (LTP and activity level assumptions) were reviewed by Risk and Assurance Advisor and the Finance Manager and GM Corporate and Regulatory Services.</p> <p>Pertaining to content in the CD (right debate, inform, etc) we will reference the relevant sections in the LTP for more detail, eg for rates review, to the Revenue and Financing Policy and Rating System for details.</p> <p>We will ensure documents and underlying information for the CD is publicly available, easy to locate and access on TDC's website.</p> <p>We will be having community sessions to discuss the CD, highlighting the right debate items and where we need their feedback, and walk the community through the supporting information.</p>
2.6 How have responsibilities relating to the LTP project been assigned?	<p>Programme Lead team and governance structure in place. Workstream leads, activity managers and advisors allocated tasks.</p>

Section 2: Project management processes	
How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
	GMs are responsible for their areas and specific workstreams and they worked with Managers who worked with their teams to allocate tasks. Eg, comms team have a project specialist who implemented engagement and consultation.
2.7 How are those with project responsibilities being held accountable?	<p>Programme Manager sending reminders of tasks due and we had a workshop preparation process.</p> <p>Regular Programme Lead Team meetings covering status of workstreams, addressing issues, forward planning.</p> <p>Specific communications team meetings.</p> <p>Regular updates to Executive Leadership Team with confirmed workshop schedules.</p> <p>Forums for activity managers in April in preparation for LoS workshops in May, in July for assumptions explanation and general update from workshops to date; in August to discuss Activity Management Plan template, strategic framework, assumptions, performance measures.</p>
2.8 If the Council has an overall project plan in place, how broad is the scope of this plan? Does it capture all the processes and system flows linked to the whole project? If so, how?	<p>At initiation, programme management plan was created with phases based on Taituarā guidance, and usual project management aspects, ie scope, roles and responsibilities, risks, monitoring, decision log.</p> <p>See Programme Management plan for scope and initial workstream planning and workshop planning documents.</p> <p>At set up, the workstreams and their leads were identified, and a Programme Lead Team established with staff from finance, projects, and communications.</p>
2.9 How has the Council ensured that all those involved in small parts of the project understand how their work contributes to the overall project, including the importance of the co-ordination and timing of the completion of each part of the project?	<p>Programme risk assessment highlighted low LTP experience across the organisation, so we wanted to increase general staff awareness of the process so introduced an LTP101 in staff inductions, 3 tier leaders forums, continuous email correspondence regarding workshop times, and a regularly updated LTP flow diagram (with a "we are here" indicator) in our internal staff newsletter and posted on staff room wall.</p> <p>Communication of deadlines in meetings and emails with various contributors to assist understanding of sequencing of tasks. And checks on team capacity and timing for providing information/documents.</p>
2.10 Has a risk assessment been completed? What risks were identified and what strategies and processes have been put in place to mitigate the identified risks?	<p>Programme Manager, and Risk and Assurance Advisor went through programme risks early.</p> <p>Risks in Promapp.</p> <p>Early identification of high numbers of new staff and low experience in producing the LTP (including GMs) hence internal newsletter inserts and process poster in staff room, and forums for activity managers. Programme Manager met occasionally with comms team to check in with their progress and understanding of requirements.</p> <p>Role/responsibility clarification at start.</p>

Section 2: Project management processes	
How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
	<p>Staff resourcing was a problem for BAU and therefore for delivering tasks in the LTP process. Cannot mitigate. Jobs are advertised. Even when staff are hired they need time to learn their BAU and about the organisation. Programme Manager implemented LTP101s for all new staff.</p> <p>Risk and Assurance Advisor reporting on strategic risks to ELT and to the Audit and Risk Committee.</p> <p>Early acknowledgement of affordability for ratepayers meant we'd need a system for assessing and prioritising projects. See capex/opex project decision making matrix in appendices.</p>
2.11 How has the Council made certain that everyone involved in the project is clear about their reporting relationships?	<p>PLT and ELT disseminated information to teams and ELT supported Activity Managers with LOS, AMPs and budgets. Programme Manager disseminated information directly to contributors about tasks with references to the appropriate support, eg Risk and Assurance Advisor, Cultural Competency Advisor, their GM, etc.</p>
2.12 Are specific duties and reporting relationships outlined in employee job descriptions or other documentation?	<p>Only in roles where there is expectation to contribute to or lead aspects of the LTP/Planning processes in Council.</p> <p>New role of Policy and Planning Advisor since the 2021 LTP which specifies the function of LTP programme management.</p>
2.13 How has the Council made certain that there is clear communication of what is required of everyone involved in the project and by when?	<p>Regular Programme Lead Team meetings.</p> <p>Internal newsletter inserts.</p> <p>Regular communications to ELT and third tier leaders* about the LTP process and workshop schedules, as described above.</p> <p>AMP forums.</p> <p>*This includes staff who may or may not have been asked to contribute to tasks by their GM or Manager, as a means of lifting general knowledge about the LTP process. See all TDC roles coloured green in organisation structure plus Tararua Alliance Managers.</p>
2.14 Is there a project manager? What are their responsibilities?	<p>Yes, Policy and Planning Advisor. A programme management plan is in place which includes roles and responsibilities.</p>
2.15 Have any project monitoring procedures been put in place? What do these procedures consist of? How has the Council ensured that the monitoring role is carried out by a sufficiently senior staff member to provide	<p>In programme management plan, early thought into what should be monitored, how and when. Not followed strictly, rather general principle of sharing as much information as possible across the organisation and to ELT and Activity Managers.</p> <p>PLT meeting agenda covered issues arising and how to address those.</p>

Section 2: Project management processes	
How does the Council ensure that there is clear accountability for the integrity of the information and for meeting deadlines?	
assurance that monitoring will occur, and that targets and deadlines will be achieved?	Constant workshop planning – topics, sequencing, information to contributors, information to EMs for pre reading (working with Democracy Services Manager). Issues recorded and addressed as well as possible. Guidelines for how to run the LTP have been started, as way of formally recording the ideal way of conducting this programme of work, while it was front of mind.
2.16 Does the Council plan to obtain any independent quality assurance advice about key elements of the development of the project?	See appendices for workstream processes.

Section 3: Content of the consultation document and LTP What controls does the Council have in place to ensure that the consultation document and LTP contents cover the content requirements of the Local Government Act 2002?	
<i>Purpose: To consider how the Council intends to ensure that the contents of the consultation document and LTP are consistent with the requirements of the Local Government Act 2002 (the Act).</i>	
Key questions	Response
3.1 What controls does the Council have in place to ensure that the consultation document and LTP include the information required by the Act?	See "Taituara Quality Assurance Check and Telling Our Stories 2024, and Requirements of Local Government Act including Schedule 10". Information sought from appropriate people.
3.2 Does the Council make use of any disclosure checklist? Various consultants have developed checklists for use by the sector. Taituarā has also produced a disclosure checklist. If so, what has the Council done to ensure that the disclosure checklist covers all relevant aspects and has been correctly completed?	See "Taituara Quality Assurance Check and Telling Our Stories 2024, and Requirements of Local Government Act including Schedule 10".
3.3 Has the Council made use of templates during the development process to accumulate information that is required to be disclosed? In what areas have templates been used?	Activity Management Plan templates reviewed and updated. Template Power Point presentations prepared for Los and AMP workshops to ensure consistency of information provided to EMs for decision making. See appendices for project decision matrix.
3.4 Who is responsible for ensuring the information required to be disclosed in the consultation document and LTP are included in those documents?	Programme Manager, Programme Sponsor and Finance Manager
3.5 Is there a review process to ensure that all disclosure requirements have been met? How will this process be carried out and by whom?	Programme Manager - See "Taituara Quality Assurance Check and Telling Our Stories 2024, and Requirements of Local Government Act including Schedule 10". Also see appendix for question 2.16.
3.6 Describe the Council's quality assurance process to oversee the quality of the consultation document and the LTP document and to ensure coherence and internal consistency of content. Has the process been evaluated to assess its effectiveness?	Comms team have assigned a 'writer' who receives information from contributors and ensures it's presented in a way that the audience understands and is consistent within the document. Comms team utilise proof readers in the organisation. Programme Manager is managing production of the LTP document with external graphic designer and Finance Manager. Will have assistance from

Section 3: Content of the consultation document and LTP What controls does the Council have in place to ensure that the consultation document and LTP contents cover the content requirements of the Local Government Act 2002?	
	experience comms person. Comms team own branding and graphics and will provide and oversee that aspect. Programme Manager will review whole document for readability. One writer for strategic alignment text.
3.7 What does the Council plan to do differently in its content for the consultation document and LTP now that the promotion of community well-being has been reintroduced as a purpose of local government?	Community well-beings woven into strategic framework. See previous comments regarding comms team's research and what processes and ideas have been implemented.

Section 4: Governance Are the governance structures of the Council effective, open and transparent? (s39(b))	
<i>Purpose: To assess the extent of understanding of roles by elected members and staff in the development of the consultation document/LTP.</i>	
Key questions	Response
4.1 How do the Council processes (whether changed or not) ensure that elected members and staff understand their respective roles in preparing and consulting on the key aspects of LTP?	Covered as part of the first workshop where an overview of the LTP and R&R was provided. At every workshop we discuss where we are in the process and what is next. Workshops, key issues doc, bringing information back to elected members/iwi to summarise information and provide updates to documents.
4.2 What processes have been put in place to record discussions with stakeholders outside of formally constituted meetings?	Engagement – comms have a system for recording and collating and summarising feedback. Iwi representatives have been active participants in all workshops. Briefing notes are kept.

Section 5: Activity planning, asset management planning, and infrastructure strategy How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
<i>Purpose: To assess the extent to which activity planning is consistent with the purpose of local government and the levels of service goals, and provides robust underlying information for the LTP.</i>	
Key questions (in answering these, do not consider the Council's three water services)	Response
5.1 How has the Council's infrastructure strategy changed from the previous LTP? If there are changes, how has the revised strategy been developed? What are the nature of the changes?	<p>Key changes are the strategic direction that refocuses the Infrastructure outcomes:</p> <p>Strategic enabler – Reliable Infrastructure that is fit for purpose and future proofs our thriving district for tomorrow.</p> <p>Our priorities (changes) – reserving asset life and levels of services; managing LOS with reactive maintenance; capital and renewal programme to meet current and future demand; compliance with resource consents and statutory requirements.</p> <p>To be completed – with the Draft GPS released and 3 Waters AMP completed, the IS will be refreshed. Once done this section will be updated in full</p>
5.2 Is the Council including more than the mandatory activities in its strategy? If yes, which activities? Are these activities being included in the strategy for the first time?	<p>No.</p> <ul style="list-style-type: none"> • Water supply • Sewage and the treatment and disposal of sewage (wastewater) • Stormwater drainage • Roads and footpaths
5.3 Have changes to the strategy been developed in consultation with elected members?	Yes, it was workshoped with the Elected.
5.4 Does the Council propose enhancing its discussion of resilience matters in the infrastructure strategy? If so, what enhancements are proposed?	Resilience has been a major focus in recent times following events such as Kaikoura and recently Cyclone Gabrielle.

Section 5: Activity planning, asset management planning, and infrastructure strategy	
How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
	<p>We will target investment to increase the resilience and sustainability of our infrastructure, ensuring we have future proof but still fit-for-purpose assets that met both current and predicted demands.</p> <p>In transportation the focus is on asset preservation. Matching the rates of renewal required to maintain the roading network at its current state in the key priority. A focus on drainage is to enable the asset preservation strategy as drainage is a key factor in asset preservation as well as resilience in storms and Emergency Works.</p> <p>In water we are looking at improving the resilience in the reliability and availability of the water service.</p>
<p>5.5 Has the Council been successful in completing the forecast work (maintenance and capital) in its activity and asset management plans to date?</p> <p>If not, what was the deviation of planned versus actual work done, what were the causes, and what have been the implications?</p> <p>If the Council has a history of capital expenditure being under or over budget, what has the Council done to address this issue and to provide comfort that the budget is appropriately set and forecast spending will occur when scheduled to?</p>	<p>Council performance in delivering on the capital programme in the last 3 years has been significantly impacted by Covid and last year by Cyclone Gabrielle.</p>
<p>5.6 Is there a gap between depreciation charged and capital expenditure (in total and for renewals) over the past five years? Can the Council explain why that gap exists and whether it is justified?</p>	<p>Once budgets are finalised this will be completed.</p>
<p>5.7 How confident is the Council that its asset data is reliable? Does the Council have AMP improvement programmes? If so, what progress has the Council made in respect of the improvement programmes? What areas of asset management planning does the Council consider to be weak or limited?</p>	<p>Whilst a substantial amount of work has been completed, there are still significant gaps in the asset data required to have a high degree of confidence. This is especially relevant to water reticulation assets. Improvements will continue to be made in this area.</p>

Section 5: Activity planning, asset management planning, and infrastructure strategy How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
5.8 How confident is the Council that its data about critical assets is complete and up to date when the LTP is being prepared?	<p>We have identified critical assets for water and Wastewater. Although a formalised criticality assessment has not been undertaken for stormwater, Council has identified 2 stormwater water culverts as critical.</p> <p>Following on from the Risk Management Framework development, we will develop an asset criticality framework that can be consistently applied across all activities. A "criticality rating" will then be assigned to all assets. Formal criticality rating system to be developed by end 2025 and criticality list to be reviewed and updated by end 2026 for use in the 2027-2030 LTP.</p>
5.9 In respect of each asset class covered by the infrastructure strategy what is the Council's assessment of network performance? Are there any network performance issues? How is the Council planning to address network performance/How has it assessed the effects?	See response below
5.10 How is asset condition and performance data used to inform Council's financial forecasts?	<p>Asset condition and performance are reflected in the capital renewal program. These programmes are funded via depreciation funding.</p> <p>Council performs a depreciation modelling out to 30 and 50 years to look at the forecast renewals profile, level of depreciation and interest/valuation assumptions to determine if Council is funding an appropriate levels of asset renewals (Depreciation) in the LTP. Council also does sensitivity analysis which considers the confidence in asset condition and performance data.</p>
5.11 What disclosure is the Council intending to provide in its LTP and 30-year infrastructure strategy about the reliability of asset condition data and the implications for the accuracy of financial forecasts?	<p>The disclosures are in the following sections/documents:</p> <ol style="list-style-type: none"> 1. Assumptions 2. Infrastructure Strategy 3. Financial Strategy

Section 5: Activity planning, asset management planning, and infrastructure strategy	
How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
5.12 What is the Council planning to do to ensure that any significant movements since the last valuation are reflected in the opening asset values to be included in the LTP?	In arriving at the opening balance, Finance has used the actuals assets values from YE 2022/23, adding to that the projected current year capital programme expenditure and inflating the total value using berl indices in the LTP model

<p>5.13 What has the Council done to reconfirm or change the service levels since the prior LTP?</p> <p>If the Council is planning changes to service levels, what consultation has been completed?</p> <p>What analysis has been completed to consider the effects of current levels of service on future generations?</p>	<p>Levels of Services workshops where Activity Managers discussed current LOS, performance, opportunities/issues where EMS/iwi provided direction.</p> <p>There are some activities with significant changes that will have future impacts on our community (for decisions made in this LTP):</p> <ol style="list-style-type: none"> 1. Roading <ul style="list-style-type: none"> ○ significant increase in Transportation budget. It is not an change to service levels but to meet current service levels and as response to climate change and vulnerability of our roading network to climate events. ○ Introducing the Heavy Vehicle rate will enable Council to allocate roading rates to activities that contribute to the wear and tear/damage to you roading roading network. <p>Effect on future generations</p> <ul style="list-style-type: none"> ○ significant impact if funding are not increased to continue to meet current expectation. The stepped increase for this NLTP would mean future increases need not be that significant. ○ Council will model both the emergency and depreciation reserves of this stepped increase in investment on our roading network and consider the intergenerational equity. ○ Also change to land use (eg more forestry) and increase in industrial activity could have adverse effect on cost and subsequently rates, hence the introduction of the heavy vehicle rate will help a fairer allocation of cost. <ol style="list-style-type: none"> 2. Swimming pools <ul style="list-style-type: none"> ○ Consulting on Pahiataua swimming pools and doing a s17a for this activity in Yr 1 of the LTP <p>Effect on future generations</p> <ul style="list-style-type: none"> ○ significant rate burden as this activity is funded via targeted rates. Hence consulting and also reviewing how we deliver this service ia a s17a review. <ol style="list-style-type: none"> 3. 3 waters investment <ul style="list-style-type: none"> ○ Significant investment is required in the 3 waters activities as Council addresses renewals, meeting current service levels and growth related investments.
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Section 5: Activity planning, asset management planning, and infrastructure strategy	
How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
	<ul style="list-style-type: none">○ Using the information that Council has gathered as part of the 3 waters reform, external studies completed by consultants, Growth strategy (where network extensions are required, growth projections on network capacity) in inform investments required.○ Introduction of DCs will help with funding for growth related investments.○ Wastewater consents cost is expected to increase as Council looks to give effect to current renewed consents and do the work required for renewing consents in this LTP <p>Effect on future generations</p> <ul style="list-style-type: none">○ significant impact if funding are not increased to continue to meet current issues and growth related impact on the network.○ “Catch up” needed to historic underinvestment and expect with better underlying asset information, rates requirement will be more predictable.

Section 5: Activity planning, asset management planning, and infrastructure strategy	
How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?	
	<div>4. Waste Management (Previously solid waste)<ul style="list-style-type: none">o delivery of service changed in current year as we brought operations of Transfer Station (TS) in-house.o There is desire from EMs to rationalise the operations of TS in the four towns. This we intend to do as part of the s17a review.o We want to complete the WMMP so that it will inform the s17a review.<p>Effect on future generations</p><ul style="list-style-type: none">o a changing legislation, community expectation, secondary market for recyclables and cost drivers are a concern but also has uncertainties.o There is tension between must do and community aspirations, an balancing that with affordability and Council priorities.o The s17a review following the WMMP is the right approach in considering or giving effect to future generation's aspiration/impact.<div>5. Camping Ground<ul style="list-style-type: none">o as with swimming pools, Council want to review the varied way this activity is delivered across the district via a s17a review<p>Effect on future generations - minimal</p></div><div>6. Integration of libraries and Customer services<ul style="list-style-type: none">o Council wants to explore integrating the services to reduce cost and disruption of service due to staff shortages/absences.<p>Effect on future generations</p><ul style="list-style-type: none">o impact might be significant if Council progresses the initial integration of Council services to Hub concepts. Hence a business case approach</div><div>7. The Growth Strategy, District Plan and Urban design<ul style="list-style-type: none">o these projects have their own consultation process but do have a impact several critical aspects esp on future generations.</div></div>

Section 5: Activity planning, asset management planning, and infrastructure strategy		
How will the Council ensure that the information used in groups of activity and asset management planning is robust and integrated into the LTP?		
<p>5.14 How does the Council plan to provide information to its communities about the effects of proposed/determined levels of service? Will the Council provide information about the cost implications of different levels of service when consulting with the community?</p> <p>Does the Council plan to clearly set out the legislative requirements and environmental standards, to the extent they are relevant in setting minimum service levels?</p> <p>Does the Council plan to set out clearly the availability of resources, including financial constraints for community consideration?</p>	<p>Right debate items will provide information with options including cost implications.</p> <p>In the Activities section of the LTP, the legislation mandating the activity is provided in the explanation of the service.</p> <p>Yes</p>	
<p>5.15 What systems and processes does the Council have to ensure that asset and activity information will flow through into the LTP?</p> <p>Specifically, the disclosure requirements outlined in Schedule 10 of the Act are as follows:</p> <p>For each group of activities for each financial year covered by plan the local authority needs to disclose the amount of capital expenditure that the authority has budgeted to—</p> <p>(a) meet additional demand for an activity; and</p> <p>(b) improve the level of service; and</p> <p>(c) replace existing assets.</p>	<p>An Activity Management Plan template is used so we are consistent in the information gathered for planning purposes, and to meet the LGA and specifically Schedule 10.</p> <p>Yes. will be disclosed in the LTP document – consolidated as part of the financial report.</p> <p>In each activity section we will disclose the significant projects (both capital and operational)</p>	

Section 6: Financial strategy and financial management systems

How does the Council ensure that it gives effect to the requirements for financial management, particularly sections 100, 101 and 101A?

Purpose: To assess the extent to which the Council systems support prudent stewardship and effective use of resources in a manner that promotes the current and future interests of the community.

Key questions	Response
<p>6.1 How has the Council changed its financial strategy since the previous LTP? If there are changes, how has the revised strategy been developed? What are the nature of the changes?</p>	<p>The process for developing is consistent with previous years ie:</p> <ul style="list-style-type: none"> • Informed by the Environmental Scan and Assumptions • Current state – where we now, gaps and performance against current strategies • Strategic outcome alignment • Consideration of funding challenges and opportunities • Revisit once budgets established <p>The key changes are the environmental scan, Council strategic outcomes, changes to the key assumptions, significant infrastructure investments, growth aspirations and funding envelop (esp for the first 3 years).</p> <p>The Strategy has been revised to not only consider the funding constrains but also ensuring it is enabling Council to deliver on its Vision in the LTP.</p>
<p>6.2 In developing the Council's financial strategy, how has the Council considered issues of prudence? Has the Council specifically addressed the requirements of section 101(3) of the Act? If any specific prudence concerns have been identified, please summarise these issues.</p>	<p>Yes and Council has also considered the balance budget requirements.</p>
<p>6.3 How has the Council taken future generations into account in developing its financial strategy?</p>	<p>Yes</p>
<p>6.4 Have changes to the strategy been developed in consultation with elected members?</p>	<p>Yes</p>
<p>6.5 How does the Council intend to present its financial strategy to its community to ensure that the effects on services, rates, debt, and</p>	<p>In the CD highlighting the key change and the Strategies</p>

Section 6: Financial strategy and financial management systems	
How does the Council ensure that it gives effect to the requirements for financial management, particularly sections 100, 101 and 101A?	
Investments as a result of the Council's proposals for funding and expenditure are clear (section 101A)?	
<p>6.6 Is the Council using the same budgeting and modelling systems or financial management systems as it did for the prior LTP?</p> <p>If yes, has the Council made any changes to improve these systems?</p> <p>If not, please describe the budgeting and modelling systems or financial management systems used.</p>	<p>We are using the same budget input tool. But using a new planning tool ie Breeze</p> <p>The new planning software was used for our current AP (I allowed us to test and intro our issues) prior to LTP.</p>
<p>6.7 Does the Council's budgeting and modelling systems or financial management systems have controls in place to ensure that it addresses matters of prudence and the current and future interests of the community? What controls are in place to ensure that limits and criteria set in policies are not breached?</p>	<p>have developed reports that checks compliance with the FS and R&FP. Compliance are reviewed by System accountant, Finance Manager and GM</p>
<p>6.8 Is the Council taking the same process to develop its key forecasting assumptions? Are there any significant changes to the proposed key forecasting assumptions that the Council has identified?</p>	<p>The process is similar to last LTP. But there is more rigour for capital projects forecasting, revenue forecasting and operational spend forecasting. Cost that are determined at a corporate level eg Insurance, depreciation, energy are managed by Finance with input provided by managers and external advise.</p> <p>Interest rates assumptions are determined in working with our treasurer advisors.</p>
<p>6.9 What quality assurance processes has the Council put in place to ensure that the financial model and the financial strategy and information/summary of the financial strategy are high quality and consistently presented?</p>	<p>A few steps are involved:</p> <ol style="list-style-type: none"> 1. Working with our specialist in our software vendor 2. SME in Council - System Accountant, Finance Manager and GM 3. Analysing and interrogating model outputs variance to current AP and previous LTP 4. Reviewing and reconciling model output to budget input model

Section 7: Performance management and reporting information How does the Council ensure that it is giving effect to the requirements in the Act to identify the community outcomes that it aims to achieve, to assess its performance and be able to provide meaningful information to the community?	
<i>Purpose: To establish that the Council generates forecast service performance information in the LTP which is relevant, reliable, complete, meaningful and comparable, and will allow the Council to effectively identify community outcomes and monitor and report on the performance and effect of its activities on the four aspects of well-being.</i>	
Key questions (in answering these, do not consider the Council's three water services)	Response
7.1 Is the Council planning on revising the performance framework it has used in prior plans? If so, please describe the Council's approach to setting community outcomes, levels of service, performance measures, and performance targets, and to monitoring and reporting achievements against these. <i>We expect the structure of performance information in the LTP to clearly show:</i> a clear link between community outcomes and the group of activities to which they primarily contribute; any significant negative impact the council's activities may have on the four aspects of well-being; the services that will be carried out and why; the service levels required to meet the needs of its communities or other duties and intentions of the Council; and the planned level of service intended to be achieved.	Council now has a District Strategy (with a longer outlook than the LTP). The performance measures in Activity Management Plans have been analysed against the DS outcomes and measures. At the Activity Management Plan workshops in September and October EMS/iwi discussed the proposed performance measures. Managers explain why (if) a change is being made. Council runs a community survey (frequency?) and systems for recording and measuring performance against measures. Each Activity Management Plan identifies the activity's alignment to outcomes in the revised strategic framework (developed and approved by EMS). Significant negative impacts of four well-beings stated per Activity in LTP. The services and LOS will be in the Activities in the LTP. See "Taituara Quality Assurance Check and Telling Our Stories 2024, and Requirements of Local Government Act including Schedule 10".
7.2 Will the Council comply with PBE FRS 48 <i>Service Performance Reporting</i> if it reports against the prospective performance information in the LTP?	Yes. Changes implemented in the AR2022/23 have been included in the LTP
7.3 How will the Council ensure that its presentation of the outcomes, levels of service, and performance measures and targets in the LTP allow the community to readily understand them? Has the Council considered	One person will oversee the readability of the Activities section. Ideally we'll have proof readers.

Section 7: Performance management and reporting information	
How does the Council ensure that it is giving effect to the requirements in the Act to identify the community outcomes that it aims to achieve, to assess its performance and be able to provide meaningful information to the community?	
how it will measure progress towards achievement of community outcomes (or well-beings) and how this will be communicated to the community?	Strategy and Corporate Planning Manager will oversee integration of measures across Council documents including measurability and a digital monitoring system.
7.4 Does the Council have a split in its performance measurement system to ensure that an appropriate level of monitoring occurs for all of the Council's activity but also that an appropriate level of detail is presented in its public reporting – that is, LTP and annual report? Has the Council considered the volume of measures to be included in the LTP and how to ensure that these are reasonable measures to inform the user of the Council's performance?	Yes. Plus we have reporting tool using power BI that also managers to capture comments. We have considered the number of measures and have not increased them significantly.
7.5 Is the Council updating or developing new systems to monitor and report (in the annual report) against its performance measures and targets?	We have been more conscious of the alignment of information in AMPs and their measures to the reporting requirements. We will update our BI tool to reflect the new measures
7.6 Has the Council considered whether its framework will enable it to meet the reporting requirements of the Act? Will it be able to report against the requirements of clauses 23 and 25 of Schedule 10 in subsequent annual reports?	Yes

Section 8: Responding to climate change	
What assumptions will the Council make in relation to the impact of climate change?	
<i>Purpose: To understand the assumptions the Council plans to make and discloses it plans to include in the LTP on climate change actions.</i>	
Key questions	Response
<p>8.1 What is the Council's approach to responding to climate change effects and taking action? Does the Council's approach cover both adapting to climate change effects and mitigation activities - and are these stated intentions reflected in measures and targets (such as setting emission reduction targets for the council/district/city/region) as well as in work programmes and budgets?</p>	<p>Council has formally developed a District Strategy to environment and sustainability as critical components.</p> <p>Council has conducted joint regional work with the LGA Climate Action Joint Committee. We have developed a Climate Action Plan for the Region with regular updates from LTP approved actions.</p> <p>The primary focus of council is adaptation "Prepare" rather than mitigation "Prevent", although the Tararua is a significant national player in respect of mitigation. The assessment of Council and District emissions indicate that Council's management of biological waste (solid waste and wastewater is the over-whelming factor in its emissions (96%), and farming is the major factor for the Tararua District. (– refer to graphs at bottom). This makes waste minimisation, treatment, and management of wastewater critical considerations of the LTP.</p> <p>Council is planning for population growth while continuing to increase resilience in water supplies and meet environmental requirements for wastewater. There is and has been a huge increase in subsidised roading works after Cyclone Gabrielle which will result in increased network resilience. The influx of population and climate events have the major impact on Council being able to maintain agreed service levels. Also the increase in the need to consume materials (building and infrastructure) while energy demand is increasing as water/wastewater treatment plants become more sophisticated.</p> <p>Council developed a housing strategy and has developed a three-waters master plan for the four major towns as it builds more resilience, scalability and to meet changing standards.</p> <p>In respect of renewable energy, Council has consented 20% of wind turbines in New Zealand and is presently receiving application for a large solar farm covering ~120ha or ~ 1% of New Zealand's approximate shortfall in renewable energy (65 MW of 43GW*13% 2022 renewable energy shortfall). Carbon forestry expanded in 2023, with an estimated 7% more (plantation) forest planted before factoring harvest. The Tararua's largest ratepayer is now NZ Carbon Forest.</p> <p>Improvements made to wastewater management is likely to reduce the likelihood of methane emissions, but more work in the future will be required to assess this as monitoring technology becomes available.</p>

Section 8: Responding to climate change	
What assumptions will the Council make in relation to the impact of climate change?	
<p>8.2 Has the Council adopted a formal climate change policy/strategy or action plan for its climate change response? Do they have a plan to achieve, fund and report on these key actions? Is the response based on identifying risks and any opportunities associated with climate change, such as in transitioning to a lower emissions economy? What governance arrangements are in place for the Council's climate change response? Does the response include CCG5? How has the Council's approach changed since the previous LTP?</p>	<p>Council has developed a District Strategy that identified the strategic elements of our response to climate change before this was broadened to a total environment focus.</p> <p>This works a strong relationship to the Regional Climate Change Action Strategy with the Regional Joint Action Committee advised of Tararua District Council activity:</p> <ul style="list-style-type: none">- Submissions to NZ Government on climate issues- Water supply / storage -secondary water sources; treatment systems (e.g., to manage turbidity); damage to Dannevirke reservoir after drought event- Costs of maintaining infrastructure at Akitio due to coastal erosion processes- Roading investment to maintain access (Route 52; Gorge replacement)- Managing impacts of growth (climate risk is identifying areas that are unsuitable for growth e.g., flood plain modelling)- Residential, & business resilience – energy and water- Wind farms on or near Puketoi Mountain Range and transmission infrastructure- Managing the impacts of carbon farming (a cross-over issue)

Section 8: Responding to climate change
What assumptions will the Council make in relation to the impact of climate change?

PROGRESS REPORT FROM TARAU DISTRICT COUNCIL ON THE IMPLEMENTATION OF THE MANAWATŪ-WHANGANUI CLIMATE CHANGE ACTION PLAN

Reporting Period: 1 October 2023 to 31 January 2024
Peter Wimsatt
Three Waters Transition Manager

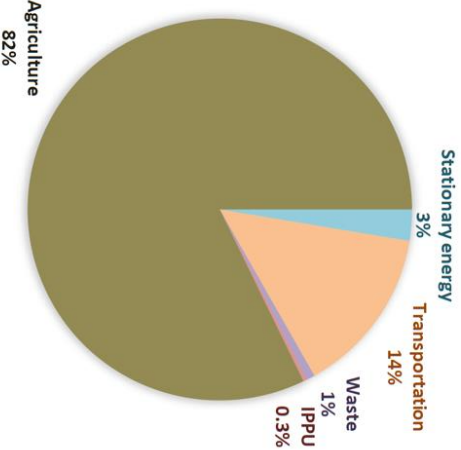
	<u>Activities undertaken in previous 6 months</u>	<u>Activities planned for next 6 months</u>
Empowering communities	<ul style="list-style-type: none"> Finalised District Strategy with a focus on the environment and sustainability; Sponsored representatives of both Iwi to attend Water NZ Conference in October 2023 Developed Draft Growth Strategy and Draft District Plan 	<ul style="list-style-type: none"> Complete LTP, to include items covered by Tararua Climate Action Plan Develop Eketahuna wastewater plans (land-based disposal) with Iwi Finalise Growth Strategy and District Plan following consultation
Working with nature	<ul style="list-style-type: none"> Investigation into alternate water sources for Dannevirke 	<ul style="list-style-type: none"> Potential to build new water source for Dannevirke and manage water demand
Addressing known issues	<ul style="list-style-type: none"> Working with NIWA on appropriate assumptions for flood modelling; 	<ul style="list-style-type: none"> Collaborated with DIA to develop a three waters incident and emergency management framework and guidelines
Supporting good decisions	<ul style="list-style-type: none"> Developed Three Waters LiDAR and flood plain model for Pahiatua to RCP8.5; Assessment for Tamaki River catchment flood event (including 1:1,000 year) 	<ul style="list-style-type: none"> LiDAR for Eketahuna procured and with contractor; Woodville flood hydraulic modelling to RCP8.5 procured - expected 31 March 2024
Other Comments	Cyclone Gabrielle recovery - 5-person team completed their assistance to help the affected communities and individual recover from the damage inflicted from the cyclone. Route 52 and road works to restore roads and build resilience continues.	

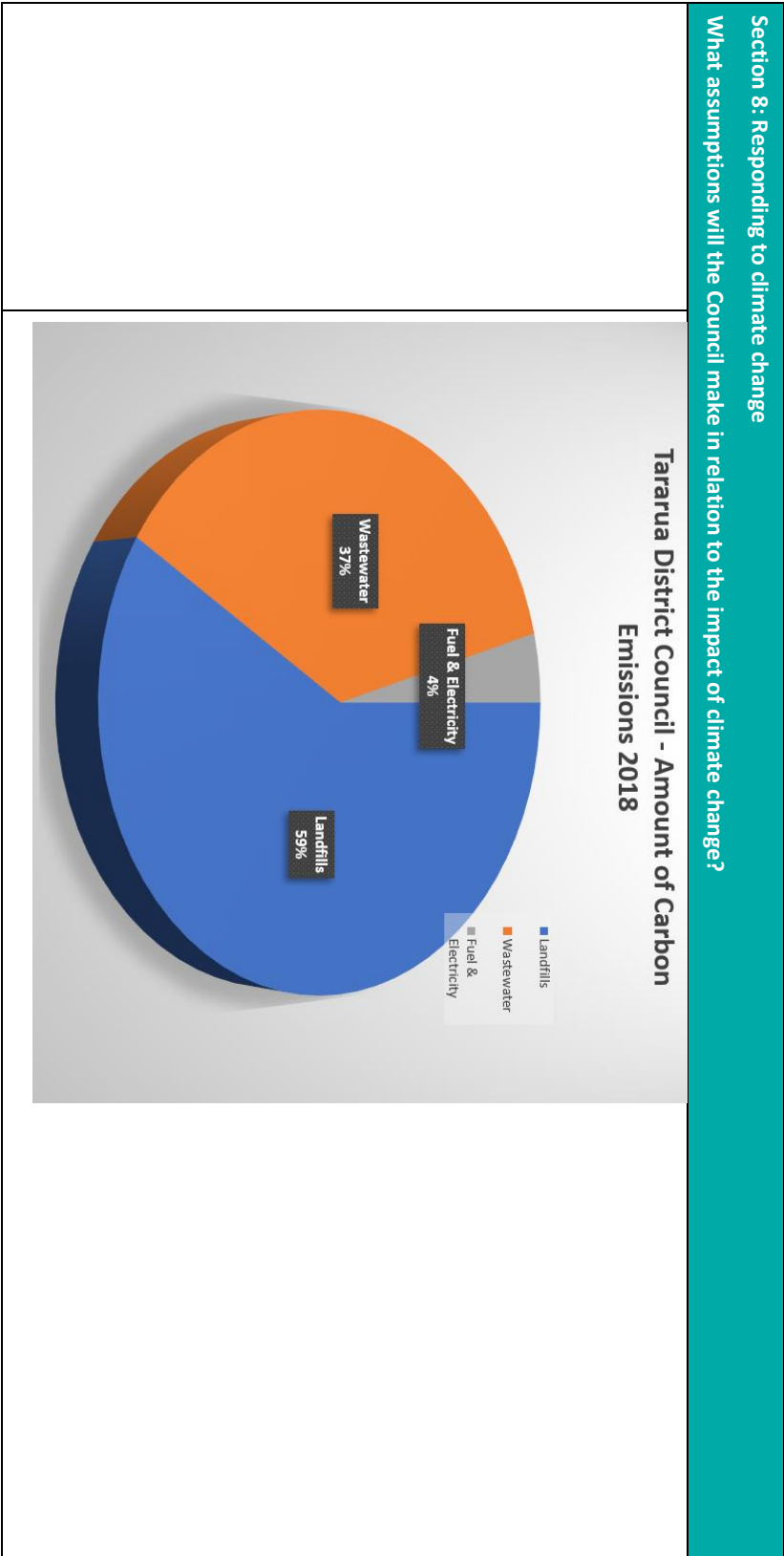
Section 8: Responding to climate change											
What assumptions will the Council make in relation to the impact of climate change?											
<p>8.3 What guidance, evidence or data is the Council's response based upon? Are these assumptions supportable and reasonable and have they been applied to the underlying information? Are they well integrated into the Council's decisions about, and understanding of, their assets? Is the Council completing scenario analysis to inform its proposed responses? For example, sea level rise modelling and global temperature increases such as a 1.5°C climate-related scenario.¹</p>	<p>Council have had multiple reports presented to the Council Strategy and Policy Committee on the Planetary Boundaries Framework (See below).</p> <p>This is a broader approach than the Ministry for the Environment, A Framework for the National Climate Change Risk Assessment for Aotearoa New Zealand (Taranua participated in its development), the National Adaptation Plan, and the guide to local climate change risk assessments.</p> <p>The Council District Strategy moved away from specific climate actions to a broader world view pertaining to the environment better reflecting Te Ao Māori, with actions embedded into the LTP projects and our ongoing Council action plans. The focus in developing the District Plan regarding climate change has been to be nimble - to be able to adapt, be swift and manage constant change.</p>										
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¹ For guidance see [Scenario analysis and climate-related disclosures v. XRB](#)

Section 8: Responding to climate change What assumptions will the Council make in relation to the impact of climate change?	
	<p>Highway Te Ahu A Turanga, and Cyclone Gabrielle funding for Route 52 and other affected roads.</p> <p>However, the Tararua District is a significant player in New Zealand for carbon sequestration and renewable energy generation. All four main towns have had electric car chargers facilitated by Council by providing site access or direct ownership. Further work on the electrification of Council and the Tararua Alliance vehicle fleet is likely in the coming years.</p> <p>There is presently no national guidance on net migration in response to climate change and no central Government strategy regarding migration. This makes planning for climate-related migration difficult for local government planning (contradiction of IPCC forecasts) to no allowance by Statistics NZ. This means that there is no link of Government to the sector for growth determined by national policy.</p> <p>The IPCC AR6 assessment and direct advice from NIWA has been used to undertake flood plain modelling in reference to guiding infrastructure hydraulic modelling, development of a growth strategy (encompassing aspects of spatial planning) and the current review of the district plan. NIWA's high intensity rainfall design system and the IPCC RCP8.5 is our current reference for modelling floods areas, assisting in identifying areas where growth of towns can occur and avoiding areas that are vulnerable.</p>
<p>8.4 Have they had a comprehensive discussion with their communities about resilience and climate change – what is the evidence of this, and will this be factored into the consultation document? As a result, what impact does the Council expect responding to climate change will have on the matters it intends to consult on, LTP content, the</p>	<p>Council joined with the Region's councils to consult widely on the development of a joint action strategy. This was completed according to a joint Communication Strategy. Publication of the report included translation into Te Ao Māori. The work was referenced to the earlier Manawatu-Whanganui Regional Climate Change Risk Assessment, and consistent with the Regional Council's own Climate Action Strategy (November 2020).</p> <p>Significant response, recovery and re-instatement work has occurred following Cyclone Gabrielle with high engagement with the community as part of the recovery and strengthening of rural household and farm planning for those affected.</p> <p>Tararua District Council conducted two consultations over subsequent years to develop a District Strategy. A record of all consultation points was made from multiple focus group meetings prior to formal consultation in 2023, and then finalised in late 2023.</p>

Section 8: Responding to climate change	
What assumptions will the Council make in relation to the impact of climate change?	
financial forecasts and the activities proposed?	Council has directly engaged with NIWA scientists regarding the HIRDS model and our selection of flood plain modelling parameters.
<p>8.5 Has the Council identified funding or information gaps in its planned response to climate change? How does it plan to address the gaps? Has the Council considered how to reflect any funding gap in its financial strategy? Has the Council considered how to reflect any information gap in its infrastructure strategy, or the LTP more generally?</p>	<p>Council has indicated that it will develop a Climate Strategy in its recently completed District Strategy. However, with the increased uncertainty regarding official advice (IPCC, Me, NIWA), this will be nuanced and likely reflect the work that is already embedded in the current and proposed draft LTP.</p> <p>The funding gap is a significant consultation matter in the draft LTP, particularly as it relates to water, roading and wastewater.</p> <p>The respective asset management plans identify risks in delivering future services and issues of supply and demand management.</p> <p>The current information gaps include the need to further optimise asset design for growth and spatial planning, following the three waters masterplan work undertaken in 2022. This work is currently underway and will be concluded after the Growth Strategy and District Plan review are completed this year, 2024.</p>
<p>8.6 Does the Council propose any land use changes in its response to climate change including any strategy of managed retreat? If so, has the Council considered how to reflect these changes in its financial strategy?</p>	<p>Council has worked extensively with the Ministers of Agriculture and Forestry and completed its impact assessment on communities in respect of carbon farming.</p> <p>This is reflected in the change in rateable land values by Quotable Value and is flowing through to the rates setting process.</p> <p>Regards managed retreat, we are focusing on affects by roads being affected by major climate events with only the villages of Akitio and Herbertville beaches likely impacted in the medium to long-term by sea level rise.</p> <p>The major cost affecting the financial strategy are in relation to the capital works programme in relation to projects that improve resilience, meet standards, repair damaged infrastructure (e.g., Dannevirke Impounded Water supply damaged following the 2020/21 drought, Cyclone Gab), manage growth, and consequential effects on debt and funding.</p>
<p>8.7 Has the Council included any climate related measures in its performance framework, either for reducing greenhouse gas</p>	<p>There are specified projects that have strong relationship with resilience, but no target reduction in emissions (these being very minor). There are no adequate measurement systems yet developed for methane release. However, we do monitor monthly electricity consumption and fleet use.</p>

Section 8: Responding to climate change													
What assumptions will the Council make in relation to the impact of climate change?													
emissions or adapting to climate change effects including managed retreat?	<p>Council has declined to invest in coastal wastewater systems at Akitio due to concern regarding cost and risk of stranded investment due to projected future sea level rise and potential increasing storm surge intensity.</p> <p>We benchmarked our CO2 emissions in 2018. Since then, we have District Emissions assessed in the Tararua District Community Carbon Footprint 2019 Greenhouse Gas Emissions Report.</p> <p>This indicated the largest areas of Council responsibility to be wastewater and solid waste.</p> <p>Tararua's GHG emissions gross emissions split by sector (excluding forestry) (tCO₂e)</p>  <table border="1"><thead><tr><th>Sector</th><th>Percentage</th></tr></thead><tbody><tr><td>Agriculture</td><td>82%</td></tr><tr><td>Transportation</td><td>14%</td></tr><tr><td>Stationary energy</td><td>3%</td></tr><tr><td>Waste</td><td>1%</td></tr><tr><td>IPPU</td><td>0.3%</td></tr></tbody></table>	Sector	Percentage	Agriculture	82%	Transportation	14%	Stationary energy	3%	Waste	1%	IPPU	0.3%
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Section 9: Legislative compliance	
What is the Council planning to do to ensure that key legislation (including the LGA and LGRA) are complied with?	
<i>Purpose: To understand what processes and controls the Council has in place to ensure that it is fulfilling its statutory and regulatory obligations.</i>	
Key questions	Response
9.1 How will the Council ensure that key legislative and regulatory requirements are complied with when preparing the consultation document and LTP?	See "Taituara Quality Assurance Check and Telling Our Stories 2024, and Requirements of Local Government Act including Schedule 10".
9.2 Describe any new rates that the Council is considering.	Yes – heavy vehicle rate for roading. Council has use an external consultant to help develop this new rate and will have a egal reviews of its rating policy and R&FP.

Appendices

Question 1.1

1	Welcome	
2	Contents	
3	So what did you tell us?	
4	LTP Development timeline	
5	What we have	
6	Our district map.	
7	Mayoral and CE foreword	
8	Climate Change	
9	Strategic framework (feedback)	
10	Growth	
11	Rates infographics (2 Spreads)	
12	Options title page	
	Differential Roding Rates	
	Pahiatua Swimming pool	
	Town Centre Refurbishment	
	Non-contiguous rating units	
	Rates reduction options	
13	For your Information	
	Community Facilities and Assets	
	Community buildings and land rationalization	
	Integration of Council services	
	Community Hubs	
19	How to have your say	
		Housing Management Plan
		Birch North Forest
		Swimming Pools
		Campgrounds
		Infrastructure
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		FAR Rate
		Vehicle Entranceways
		Sealed and Unsealed Roads
		Dannevirke Impounded Supplies
		Three waters
		Solid Waste
		Changes to Revenue and Financial Policy
		Communications
		District plan/growth Strategy/Urban Design
		Better off Funded Projects
		14 Significance and Engagement Policy (Feedback)
		15 Legislation Changes
		16 Land Use Changes
		17 Financial Strategy and Infrastructure Strategy
		18 Mayor and Councillors detail page

Question 2.4

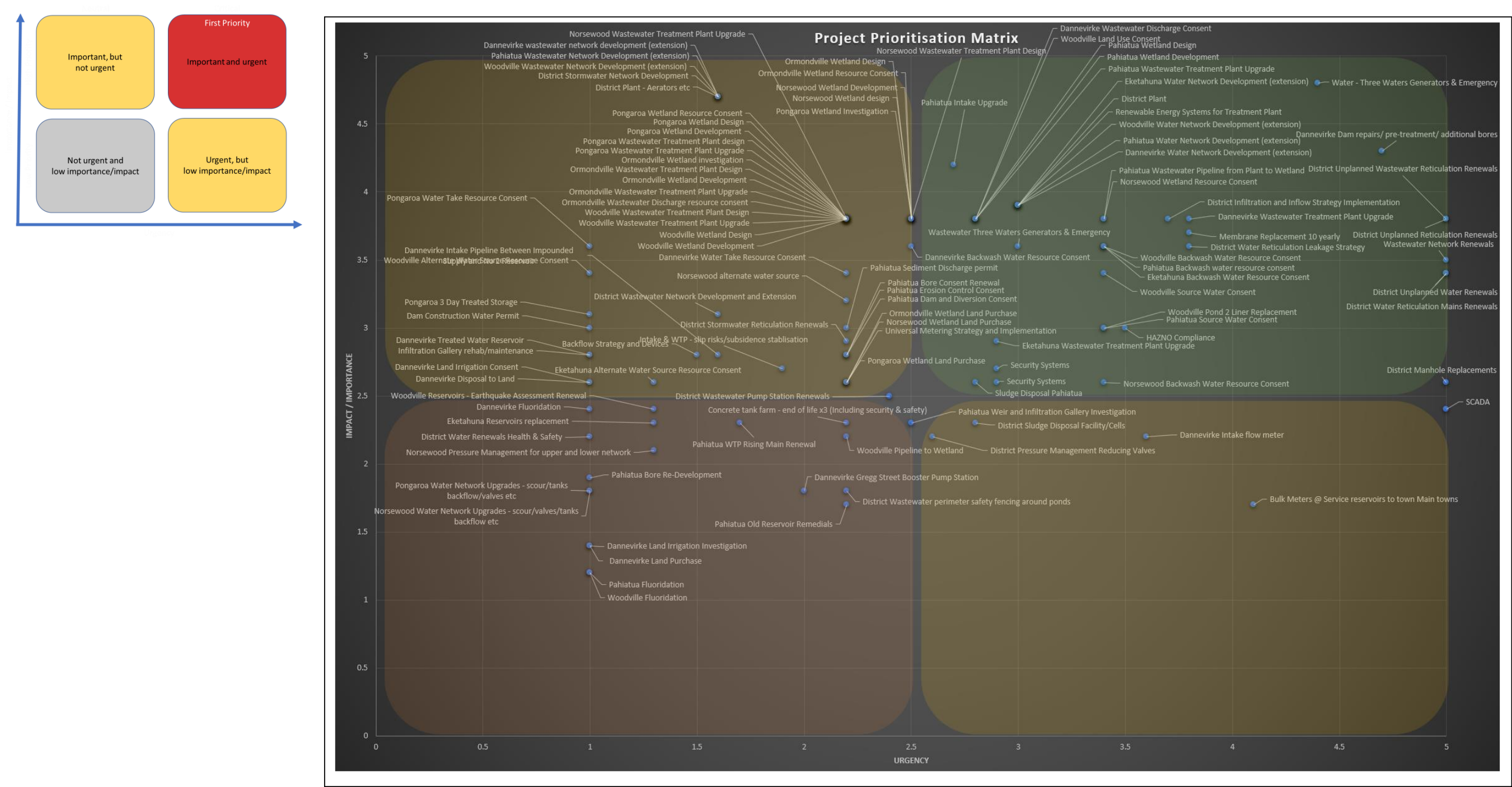
Programme Success Factors

1. Project management principles and processes.
2. Time spent in initiation and set up phases is CRITICAL to success.
 - Check LGA, OAG, previous audits, accounting standards, Council’s Annual Report requirements, Taituarā guidance, previous LTP programme management plan.
 - Scope all workstreams.
 - Clear roles and responsibilities communicated and reiterated.
 - Time management – timeline to include crunch points across the organisation, resource planning.
3. Initiate and set up EARLY.
4. Review risks EARLY.
5. Conduct the Tairuarā Health Check EARLY.
6. Ongoing staff education and include LTP information in staff inductions.
7. All staff with a role in the LTP to read these guidelines.
8. Buy-in from ELT during initiation and set up to get the project off to a good start.

Question 2.16

Task	How we did it
Engagement and consultation	Comms team – processes for gathering information, organising events, providing information to staff and elected members who attend the events, pool of (who volunteer to help) proof-read material.
LTP document	Programme Manager – manage with a team for decisions, comms team oversight of design, external graphic designer putting document together.
Asset and Activity Management Plans	Advice to managers about LTP process, provided with information coming from workshops with EMs and iwi, managers and GMs work on LoS, risks and opportunities, budgets. Information from AMPs will be reviewed by Prog Mngr for consistency of language in LTP doc.
Capital Projects	Decision matrix developed by PMO and approved by elected members/iwi in workshop. (Emailed Mike for copy of matrix 15/2)
Rating policies	Reviewed by GM Corporate and Regulatory and Revenue Manager. Legally reviewed.
Financial Strategy	External consultant working with Finance Manager and GM Corporate and Regulatory Services.
Infrastructure Strategy	Begun and finished by two different GM Infrastructure.
Revenue and Financing Policy	Reviewed by GM Corporate and Regulatory Services and Revenue Manager, approved by elected members/iwi.
Significance and Engagement Policy	Reviewed and developed by internal Legal Counsel and Procurement Manager with GM Corporate and Regulatory, with ELT and elected member/iwi approval.
Assumptions	Written by external consultant, reviewed by Risk and Assurance Advisor and ELT, approved by elected members/iwi.
Budgets	Finance team working with Activity Managers and GMs, approved by elected members/iwi.
WMMP	Started with one external consultant, with support from consultant who wrote assumptions and environment scans (and has written activity and asset management plans for Council previously) for Solid Waste Manager. Completed by Transport Manager and presented to Infrastructure, Climate Change and Emergency Management Committee.

Question 3.3



Example of application of decision matrix.



Report

Date : 21 March 2024

To : Chairperson and Committee Members
Audit and Risk Committee

From : Stephen Dunn
Risk & Assurance Advisor

Subject : **Risk and Assurance Management Report**

Item No : **7.3**

1. Recommendation

- 1.1 *That the report from the Risk & Assurance Advisor dated 18 March 2024 concerning the Risk and Assurance Management Report (as circulated) be received, and*
- 1.2 *That a report on the risks 'Non-compliance with Statutory Requirements (Council as consent holder)', 'Failure to Maintain and Strengthen Iwi and Māori Partnerships' and 'Failure to Develop and Understand our Relationship with our Key Stakeholders' be made to the July Committee meeting, and*
- 1.3 *That additional treatments for the risk 'Non-compliance with Statutory Requirements (Council as consent holder)' be added to the risk register as detailed in sections 4.29-4.33 below.*

2. Reason for the Report

- 2.1 To provide an update on matters relating to risk management and internal audit to the Audit and Risk Committee.

3. Committee Work Programme

- 3.1 As noted at the October 2023 meeting, the Committee is due to set the Council risk appetite. It is anticipated this will be completed in a workshop environment with the assistance of an external facilitator. Initial discussions on format and

facilitation are in progress and it is expected the workshop could be done in conjunction with the July Committee meeting.

3.2 A full review of the Strategic Risk Register was due in October 2023. With risks being reviewed as part of the Long-term Plan (LTP) process this review has been put on hold until the process is complete, and an update on emerging risks is included in this report.

3.3 The AON insurance strategy workshop programmed for this meeting has been postponed and may be conducted as a key part of a proposed risk appetite workshop.

4. Emerging Risks – Non-compliance with Statutory Requirements (Council as consent holder)

4.1 The Committee, through the Chair and Deputy Chair, requested an update on the Strategic Risk Register item *Non-compliance with Statutory Requirements (Council as consent holder)* following recently issued infringement and abatement notices.

4.2 The report writer has had initial conversations with several staff and reviewed reports to other Council committees but further time to expand on this initial work is required and, as noted below I recommend a further report to the July Committee meeting.

4.3 The Register describes the risk as: Failure to comply with statutory requirements such as the drinking water standards, consent conditions, or other regulatory legislation, which could lead to a number of outcomes including but not limited to; illness, injury or death, political conflict, an increase in capital and operating costs, rework, government enquiry/review, failure to achieve public outcomes.

4.4 The risk has a Severe rating and was last before the Committee at its meeting on 24 January 2023.

4.5 The mitigations for this risk are currently listed as:

- Monitoring compliance requirements/changes
- Engaging external experts to provide advice/audits for high risk/high interest areas.
- Capital investment and increased operating budgets.
- Reporting on compliance to Council and government agencies.
- Ensuring good relationships with governments agencies and other Councils
- Submissions to proposed legislative changes.
- Delegations and warrants for compliance officers.
- Project planning to ensure compliance is considered through design delivery.
- Creation of standard operating procedures (SOPs) that are monitored and audited for high risk areas.
- Improve current processes to ensure staff knowledge and competency.

- 4.6 Council holds consents for a number of activities including water, wastewater, solid waste and other activities.
- 4.7 Consent compliance is reported to the Infrastructure, Climate Change, and Emergency Management Committee through the management report and to the Finance and Performance Committee as service performance measures in the quarterly reports.
- 4.8 The recent 3Waters abatement and infringement notices, and significant non-compliances were reported to the March Infrastructure, Climate Change, and Emergency Management Committee however this did not include information on how or if the non-compliances will be remedied.
- 4.9 **Abatement and Infringements Notices**
- 4.10 Horizons Regional Council has issued two infringement notices and two abatement notices for the Eketāhuna Wastewater Treatment Plant Wetlands project.
- 4.11 The notices relate to planning and notification requirements for earthworks at the site.
- 4.12 Council has complied with the abatement notices to cease work and officers hope to resume earthworks within the next week having addressed the compliance requirements in the notices.
- 4.13 Council is close to consent conditions timeframes and there remains risk that timeframes will not be met.
- 4.14 This will require close monitoring by management and ongoing engagement with stakeholders.
- 4.15 **Significant Non-Compliances**
- 4.16 Council has received significant non-compliance notices for the Dannevirke Water Treatment Plant and the Pongaroa Wastewater Treatment Plant and has been provided with the requirements for remediating the non-compliances.
- 4.17 **Expired Resource Consents**
- 4.18 Council is currently operating under expired water consents for Eketāhuna, Woodville, and Pahiatua and expired wastewater consents for Norsewood and Pongaroa.
- 4.19 Officers are currently working with a consents specialist to obtain a comprehensive update on the status for all water consents, and the work required to renew or maintain them. This report is expected soon.

4.20 **Effectiveness of Controls**

4.21 The effectiveness of controls for the risk are difficult to measure in their current format.

4.22 With the implementation of a specialist compliance monitoring software, the Council is better equipped to monitor compliance requirements and changes and meet statutory reporting requirements. However, the full benefits of these changes are yet to be realised as the software project implementation is still underway.

4.23 External experts have been contracted by the Council to handle consent applications and provide support in consenting and related matters. At present there is no clear reporting on the effectiveness of this support.

4.24 Council continues to work closely with regulators and iwi on consenting matters.

4.25 Controls such as 'capital investment and increased budgets' provide a general statement about intent but are difficult to measure in terms of effectiveness.

4.26 Controls such as creation of standard operating procedures (SOPs) that are monitored and audited for high risk areas are measurable however this measurement and reporting on these controls have not yet been conducted.

4.27 **Risk Assessment and Recommendations**

4.28 My assessment is that the risk remains unchanged at severe. It is highly probable (>90% chance in the next 12 months) of continuing or further non-compliance with statutory requirements in the 3Waters area. The legislative compliance and reputational consequences are high.

4.29 In addition to the current controls, I recommend a follow up report to the Committee at its meeting in July and the following additional risk treatments:

4.29.1 A report is prepared for management that provides a comprehensive overview of the state of all 3Waters consents and ongoing requirements (this work has already been programmed).

4.29.2 The implementation of the specialist consent management software (CSView) is completed.

4.29.3 Processes for monitoring and reporting 3Waters consent condition compliance across the 3Waters team and project managers are implemented (this relates to the current control 'Improve current processes to ensure staff knowledge and competency')

4.29.4 Implementation and monitoring by management of an action plan to address outstanding abatement, infringement, and non-compliance notices.

- 4.30 As key stakeholders are an important aspect in consent management it is also recommended that the strategic risk register items *Failure to Maintain and Strengthen Iwi and Māori Partnerships* and *Failure to Develop and Understand our Relationship with our Key Stakeholders* are reviewed by the Committee at the July meeting.

5. Policy Review Programme

- 5.1 An update on the policy review programme was tabled at February 2024 Strategy, Growth, and Planning Committee. The programme includes internal control policies that will be delivered through this Committee.
- 5.2 At present all internal control policies are up to date apart from the following:
- 5.2.1 The Strategic Procurement Policy was adopted in January 2020 and is due for review. The Policy contains high-level statements of the principles and values that guide procurement decisions for Council. Scoping and staff feedback has now been completed and policy drafting is underway. A final draft is expected to be available for the July 2024 Committee meeting.
- 5.2.2 The policy review programme identifies the need for an asset disposal policy. It is expected this policy will be drafted ready for the May 2024 Finance and Performance Committee meeting.
- 5.2.3 A policy on unreasonable/unsafe customer behaviour and complaints is in development and more details are provided in the Health & Safety management report.

6. Dannevirke Impounded Supply Dam Safety Monitoring

- 6.1 The Committee receives regular updates on the Dannevirke Impounded Supply Dam Safety Monitoring, and a comprehensive update was provided at the October 2023 meeting. Regular updates are also provided to the Infrastructure, Climate Change, and Emergency Management Committee. As previously reported the risk rating for the impounded supply failing or requiring dewatering is High.
- 6.2 The ongoing monitoring system of data collection and physical observations has continued, and no matters of concern have arisen.
- 6.3 A remote operated vehicle (ROV) inspection of floor depressions was completed in March and there were no significant changes observed. Further regular ROV inspections are programmed.
- 6.4 As mentioned at the February Committee meeting, the regular fortnightly analysis of data by a dam safety expert has been hold since November 2023 and it is now expected a contract for this work will be finalised this month.

- 6.5 Council is still working towards the finalisation of the Potential Impact Classification (PIC) and Geotech analysis so that a fresh review of dam safety risk can be completed.

7. Internal Audit Programme

- 7.1 The Committee is due to set the internal audit programme for the next 12-24 months.

- 7.2 As well as the Audit New Zealand audit, Council is the subject of a number of regular internal audits for example the IANZ building consenting accreditation, Waka Kotahi audits, Tararua Alliance audits all reported to the Committee.

- 7.3 Council also regularly participates in the MWLASS SafePlus health & safety audit however as previously mentioned has opted out of the most recent audit due to capacity constraints.

- 7.4 The Committee internal audit programme is an opportunity to provide assurance in any areas of concern or at high risk that are not already covered in other audits.

- 7.5 The Committee last set the internal audit programme in January 2023 and requested audits focusing on providing a fraud risk assessment, and review of the procurement and contract management frameworks.

- 7.6 These audits have yet to be programmed primarily due to internal capacity challenges and for the procurement audit officers are currently finalising an updated Strategic Procurement Policy.

7.7 Fraud Risk Assessment

- 7.8 The Committee is responsible for monitoring the internal control framework in relation to the appropriateness of systems, processes, and controls in place to present, detect and effectively investigate the risk of fraud (refer Terms of Reference). Fraud is also an item in the Strategic Risk Register.

- 7.9 The Office of the Auditor General outlines that the main way fraud is detected is through an organisation's internal controls and recommends controls are reviewed regularly – annually or every two years.

- 7.10 Council last undertook an independent fraud assessment in 2018 using MWLASS, and the results were subsequently reported to the Committee. The review looked at Council's fraud risk assessment and fraud risk framework and was primarily focused on the finance department.

- 7.11 Many of the recommendations from the review have been implemented such as updates to the Fraud Policy, Code of Conduct, Staff Handbook, and Sensitive Expenditure Guidelines, and implementation of an electronic purchase order system.

- 7.12 An updated independent Fraud Risk Assessment with a broader view across Council was recommended for the 2023-2024 internal audit programme.
- 7.13 **Procurement and Contract Management Framework Assessment**
- 7.14 Procurement is the process used to acquire and manage goods and services, and contract management describes activities that take place once goods and services have been sourced and the final delivery of those goods and services (Office of the Auditor General)
- 7.15 Public organisations need to carry out their procurement in a transparent, accountable, impartial, and equitable way. Public organisations need to monitor and manage a supplier's performance to assess whether the public organisation is getting the full value that was identified during the procurement of the goods or services. It should determine how much monitoring and managing to do based on its assessment of risk and the costs and benefits of that monitoring and managing. Monitoring and managing supplier performance should be a priority when the value and the risks associated with the procurement are high (Office of the Auditor General).
- 7.16 An effective procurement and contract management framework are among controls for Strategic Risk Register risks Capital Works Programme not Delivered Within Acceptable Tolerance Levels (risk rating severe), Conflict of Interest (high), Fraud (high), and Health and Safety Notifiable Event (high).
- 7.17 In recent years Council has undertaken significant development in capability, capacity, policy and process development in this area. This included implementing a Project Management Office and Project Management Guidelines, implementing a Procurement Office and Strategic Procurement Policy, implementing new contractor health and safety processes.
- 7.18 The internal audit was adopted for the 2023-2024 audit programme as an opportunity to review Council's overall procurement and contract management framework in light of these changes.
- 7.19 Both the Fraud Risk Assessment and the Procurement and Contract Management Framework Assessment are still highly recommended, however in light of our current limitations in capacity to proceed, we seek Committee guidance on the recommended course of action for the internal audit programme.

8. Risk Management Framework

- 8.1 The Risk Management Framework was introduced in 2018 and is due for its 2-yearly review. The Framework contains Council's risk management policy, risk management procedures including escalation requirements, and the risk assessment matrix.
- 8.2 The Framework continues to be consolidated into Council risk management practice. It is the basis of the Strategic Risk Register that is reported to the

Committee, is integrated into the Project Management Framework and associated software, the Health & Safety Risk Register and some department level risk registers also use the Framework. A key component of the Framework is the setting of the risk appetite and this is discussed earlier in the report.

- 8.3 This Long-term Plan is the first to use the Framework as a basis for strategic risks associated with assumptions and across all activity management plans. The LTP programme has provided an excellent opportunity to revisit Council's strategic risks as well as activity managers systematically reviewing their operational risks.
- 8.4 The Framework's risk assessment matrix is used on-occasion for Council decision making reports and more work is needed to fully implement it into report templates.
- 8.5 In this review we recommend a change to the escalation process that requires all high risks to be reported to the Committee. Previously it was not clear that high or severe risk project risks should be reported through to this Committee.
- 8.6 The Framework was the subject of an internal audit performed by CKS in 2020. The remaining action item is to include references to the annual plan and long term plan processes and that has been included in this update.
- 8.7 In our framework review, we propose adding a new risk source and consequence rating for cultural impacts. This addition will help contextualise cultural consequences in risk evaluation, aligning with our Strategic Framework and Organisational Plan principles. This addition will also assist in developing treatment plans that address cultural consequences.

9. Audit Reports

- 9.1 **Audit New Zealand:** The following table provides an update on open Audit New Zealand recommendations up to year ended 30 June 2021. There is no new information in this report and three items have been removed as they were marked as complete in the last report. The table will be updated with recommendations for the audit of the annual report for year ended 30 June 2022 once the management report has been finalised and presented to the Finance and Performance Committee.

Ref	Action/Recommendation	Priority	Year Raised	Due Date	Role	Management Comment
146	Tararua Alliance Agreement We recommend that the performance framework for the Alliance be updated to include specific measures across roading, water and asset management to enable the District Council to assess performance of the Alliance across the different services delivered.	Necessary	2017	Ongoing	GM-C	Management have not progressed on this audit recommendation with changes that were made to the Alliance leadership team, however Council already has in place to assess the performance of the Alliance 1. DIA and Council service performance measures are already place as per the LTP.

Ref	Action/Recommendation	Priority	Year Raised	Due Date	Role	Management Comment
	2022 audit: We understand that management was working towards ensuring Council has the framework in operation for the 2021/2022 financial year. We will review this in next year's audit.					2. Target Cost Estimates (TCE) are built using the same processes as transportation. They are reviewed and signed off by the Alliance Principles Group (Board). 3. Actual v TCE are reported to Alliance Principles Group (Board).
149	Expenditure approval One up approval for purchase orders is not in place. Current mitigations include review of invoice when input and review during expenditure payment by an accountant and CFO. When the District Council moves to electronic PO they will look to include further data analysis.	Beneficial	2017	30/06/2024	GM-C	We have implemented Esker (an electronic commitment system) and once embedded will look to implement one-up approval for purchase orders. A project to implement 'one up' approval of purchase orders in Esker was initiated in December 2023.
147	Update and test organisational business continuity and IT disaster recovery plans We recommend that the council finalise and test its IT Disaster Recovery (DR) Plan. We continue to recommend that IT Disaster recovery plans and organisational business continuity plans be updated and tested. 2022 audit: Continuity plans for Covid 19 were developed in 2020 and council were able to successfully maintain services during the lockdown.	Necessary	2017	30/06/2024	GM-C	Development of a Disaster Recovery Plan is programmed in the Information Services Strategic Plan, and the project is in progress. A corporate business continuity plan has been drafted and was due to be completed in June and is due to be completed by 30 June 2024.
144	Removal of IT users access We recommend that management reinforce the requirement for user access to be removed promptly once the person has ceased employment with the District Council. We continue to recommend that HR and managers advise IS prior to, or as soon as a staff member or contractor is leaving so that access can be removed promptly. 2022 audit: Some improvements are starting to be made to procedures for advising IT when staff and contractors leave. However, we noted during our	Necessary	2018	30/06/2024	GM-C	A project is underway as part of a wider project on human resources information management.

Ref	Action/Recommendation	Priority	Year Raised	Due Date	Role	Management Comment
	review of users in the payroll system that staff who have left still have access. We continue to recommend that managers within the business and HR ensure effective processes are in place for advising IT of staff and contractors leaving. Access to the payroll system should be removed as soon as a staff member leaves.					
140	<p>No central register of all contractors and non-staff people working for Council</p> <p>Develop procedures for recording and advising IT of the commencement and end dates of all non-staff personnel working for Council so they can be immediately removed.</p> <p>2022 audit: No central database of contractors is in place. IT are taking proactive action to check with the main council suppliers (e.g. Downer) to check that staff still require access to council systems. This should be the responsibility of the manager who manages the external supplier contract. We continue to recommend that procedures be developed for recording and advising IT of the commencement and end dates of all non-staff personnel working for council. Where a person ceases their contract early, IT should be advised so that access to council systems can be immediately removed. If management wish to re-engage a staff member who has left, IT access should be removed and reinstated at a time when the person is re-engaged. Managers at the council who look after external suppliers should be checking with those suppliers that access is still appropriate.</p>	Necessary	2021	30/06/2024	GM-C	Contract Managers are responsible for recording and advising IT of the commencement and end-dates for contractors. A project to manage IT access for contractors is in progress.
143	Consolidation of Tararua Aquatic Trust	Necessary	2021	30/06/2024	GM-C	This recommendation remains in dispute with Management, and they

Ref	Action/Recommendation	Priority	Year Raised	Due Date	Role	Management Comment
	We continue to recommend that TACT is consolidated into the financial statements of the District Council going forward.					will look to resolve this as part of the LTP.
132	Three waters asset migration into the new asset management system To reduce the risk with the migration of the three-waters data to the new asset management system (RAMM) we recommend that the District Council: <ul style="list-style-type: none"> . Perform reconciliations between the old asset management system (Assetic), the new RAMM database, and to the General Ledger (GL) to ensure completeness of the data transfer; and . Implement procedures to ensure that qualitative information for three-waters capitalised assets are easily traced in the new asset management system (RAMM). 	Necessary	2022	30/06/2024	GM-C	This recommendation relates to 3Waters reticulation and treatment assets. The migration of reticulation assets was completed in 2020 and was reconciled against Assetic. At that stage Assetic was archived and is no longer in use. Transfer of treatment assets is still underway and was part of the Affordable Waters programme. RAMM is reconciled to the general ledger annually.

9.2 **Tararua Alliance Financial and Performance Audits 2022:** The following tables provide management responses for the 2022 audits that were presented to the Committee in its public excluded meeting in April 2023. Of the twenty recommendations made, eighteen have been actioned and closed, and two remain in progress.

Tararua Alliance Audits 2022			
Action/Recommendation	Status	Due Date	Management Comment
Conduct and report on internal audits that deliver the development of improvement plans within the Alliance at different times throughout the year. These may have a specific focus on some aspect or may be more general in nature. The focus of these is to identify and introduce improvement where opportunity is seen for such action.	In Progress	30/06/24	Lessons learned processes are in place and further improvements are underway.
Review and develop with TDC a process for introducing contract variations and their delivery, particularly for those that are being requested from outside the road and three waters operations of Council.	In Progress	30/06/24	This will be an outcome of the Council review of the Procurement Policy and processes currently underway.

10. Fraud Incidents

10.1 Nothing to report.

11. Long-term Plan

11.1 See separate report.

Attachments

- 1 [!\[\]\(815df092dd722ee9268ef8e6d0193e3a_img.jpg\) Work Programme - Audit and Risk Committee Three Year Work Programme 2023-25 - As Adopted by ARC April 2023](#)
- 2 [!\[\]\(c72edb9626cad660f3a9f5fb0f22a68c_img.jpg\) Risk Management Framework - DRAFT Updates](#)

Audit and Risk Committee – Three Year Work Programme 2023-2025										
Committee	2023		2024				2025			
Workshop	July	October	February	April	July	October	February	April	July	October
External reporting and accountability										
Confirm the external audit programme for the Long Term Plan and Annual Report										
Receive interim and final Annual Report audit management plan										
Receive the Long Term Plan audit management plan										
Monitor the implementation of external audit report recommended actions										
Environmental scans and emerging risks										
Monitor the Long Term Plan project risk register										
Internal control framework										
Set the internal audit programme										
Monitor the implementation of internal audit reports recommended actions										
Monitor the policy review programme										
Health and safety management reporting										
Fraud internal audit										
Contract management internal audit										
Tararua Alliance Performance Audit										
Tararua Alliance Financial Audit										
Risk Management										
Set and review the risk appetite										

Strategic Risk Register										
Deep dive into topical risks										
Risk Management Framework review										
Full Strategic Risk Register review										
Insurance strategy monitoring										
Committee Administration										
Committee Induction Programme										
Terms of Reference confirmation										
Health and Safety induction										
Approve work programme for following three years										
Review of performance and effectiveness of the Committee at the end of the triennium										



Risk Management Framework

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Risk Management Policy

Introduction

Tararua District Council operates across a wide range of activities delivering services typical of local government. The Council is exposed to many risks on a daily and on-going basis. The Council is committed to managing risks that may impact on the delivery of its activities and services and/or have implications in meeting the Council's strategic objectives.

Risk is inherent across all areas of activity in the Council's operations, project delivery and strategic planning including the Long Term Plan and Annual Plans.

The Council is committed to keeping its risk management framework relevant and applicable to all areas of operation by using the AS/NZ ISO 31000:2009 Risk Management Standard as its basis. Furthermore, the Council's framework will be updated to reflect expected practice and can incorporate other frameworks, tools and practices.

Managing risks through culture, discipline and process, greatly enhances our ability to achieve objectives, deliver service, and create value and positive outcomes for the Council and people of Tararua.

For risk management to be effective within the Council, it must foster and maintain ownership at all levels. Risk management is an integral part of day to day operations and not a separate function.

Definitions

(Source AS/NZS ISO31000:2009)

Risk – effect of uncertainty on objectives.

Risk Management – coordinated activities to direct and control an organisation with regard to risk.

Risk Management Process – systematic application of management policies, procedures and practices to activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risks.

Amendments and Revisions

Subject	Authorised by	Date
Risk Framework Review (to ARC 26/03/2024)	Stephen Dunn	March 2024
Minor Updates	Stephen Dunn	June 2023
Minor Update to Risk Assessment Matrix (numbering)	Stephen Dunn	November 2022
Risk Assessment Matrix and associated updates	Stephen Dunn	June 2022
Risk Framework Review	Sandy Lowe	November 2020
Risk Framework Review	Sandy Lowe	August 2019
Risk Framework Implementation	Craig Lunn	May 2018

Distribution

This document is accessible via council's electronic records management system and available on the council intranet, and councillor hub.

Objective

The Council's risk management policy aims at enhancing opportunities and minimising threats, as risk is inherent in the Council's operations. The main objective of the Council's risk management policy is to:

- Support the achievement of council's vision, purpose, strategic goals and objectives, and strategies;
- Safeguard assets, people, finances, property and reputation of the Council;
- Integrate and align risk management with our strategic, operational and project planning approaches;
- Provide an organisation-wide systematic structured and timely approach to enabling all staff to identify, and appropriately manage, monitor, report on and respond to risks;
- Create a culture and provide the tools and support required for all staff to take responsibility for managing risks;
- Ensure a common and consistent understanding of risks, risk management process and risk related concepts and terminology
- Improve performance and service delivery to maximise resource utilisation.
- Aid decision making and encourage innovation.

Methods of Implementation

The Council's ability to conduct effective risk management is dependent upon having an appropriate risk governance structure and well-defined roles and responsibilities.

The Council's risk management policy is applicable to all council staff. It is of paramount importance that each individual staff member is aware of his/her collective risk management responsibilities.

To create a risk aware culture within the Council, the Council is committed to actively managing its risk management practices and processes by utilising the following risk management tools:

- **Education** – as part of the Council's risk management programme, all staff at different levels will receive appropriate risk and compliance training and support so they can take ownership and adequately deal with risks as they are identified.
- **Risk register** – The physical risk register records information about the Council's identified risks. This is a living document that is updated continually and is part of the overall compliance process of the Council (refer to Strategic Risk Register in Promapp).
- **Ownership** – Staff who have responsibilities specific to identified risks are assigned as the risk sign-off. These staff have ownership over the review, update and sign-off for identified risks.
- **Identification tools** – Additional analysis, advice and opinions may be sought from experts outside of the Council's specialised fields. There are a number of expert publications that may also be utilised from a local, national, and international sources e.g. Local Government NZ (LGNZ), International City/County Managers Association (ICMA), SOLGM,

MWLASS, International Energy Agency, International Monterey Fund, United Nations, Office of the Auditor General etc.

Risk Management Areas

The risk management activities are iterative and should be operated in a co-ordinated manner to manage strategic, operational and project risks. Risks are identified and managed at different levels in the organisation. The risks at Tararua District Council have been categorised as;

Figure 1: Tararua District Council Risk Management Areas



Strategic/corporate risk

Organisations develop strategies to achieve the expected benefits and this usually involves pursuing risks, which if managed effectively would help achieve the desired strategic vision, better anticipate and respond to changing demands, and assist in being prepared for external events that could result in significant change for the organisation. Accountability for managing strategic risk sits with the Chief Executive, the Executive Leadership Team and Council (i.e. through the Audit and Risk Committee, as deemed necessary).

The primary driver for strategic direction setting is the District Strategy. This is enabled through the Financial Strategy and Infrastructure Strategy and expressed in the Long Term Plan and Annual Plans.

Operational risk

These are mostly controllable risks associated with the day to day operations that the organisation seeks to eliminate and there are no strategic benefits from pursuing these. They may reflect strategic risks applied specifically to the operational functions. By managing these risks, Council will maintain the required levels of service, reduce likelihood of undesirable surprises, ensure the early identification of risks that may become issues, and

be prepared for situations that require a timely response. Accountability for managing operational risk sits with the Manager that carries out that operational activity.

Project risk

These are risks that could result in agreed project objectives not being achieved. The effective management of project related risks will ensure time and cost overruns are managed, and that quality project deliverables are achieved as expected. While project owners are accountable for the achievement of project deliverables, accountability for managing specific project risks sits with the Project Manager.

Responsibilities for Managing Risk

The Council's risk management governance structure is illustrated below and depicts the different levels or responsibilities within the risk management framework.

It also highlights that risk management is not the sole responsibility of an individual but rather a process that is supported from all levels throughout the organisation.

Figure 2: Risk Management Governance Structure



Council Responsibilities

The Tararua District Council is responsible for ensuring that adequate risk management processes, systems and controls have been implemented to identify and effectively manage the risks to their strategy and business objectives.

Audit and Risk Committee Responsibilities

The Council has delegated responsibility to the Audit and Risk Committee to receive and consider staff reports in relation to risk management and make recommendations on risk management related matters.

The Audit and Risk Committee provides oversight of Council's approach to risk;

- Reviews the risk management policy, framework and associated procedures for effective identification and management of the Council's significant risks and matters of compliance;

-
- Makes recommendations to Council on the robustness of the risk management systems, processes and practices.
 - Makes recommendations to Council on setting the risk appetite.
 - Monitors external factors that contribute to the Council's risk profile.

Chief Executive Responsibilities

The Chief Executive is responsible for;

- Implementing all the decisions of the Council and ensuring that the risk management processes and activities are effective in adequately managing the underlying risks to strategy, projects and council operations.
- That adequate resources, guidance and support are available to staff to effectively perform risk management activities

Executive Leadership Team

The Executive Leadership Team is responsible for;

- The monitoring and management of risk relating to Council activities.
- Setting the Council's attitude and ensuring Council risks are identified.
- Ensuring completeness of risk assessments.
- Managing risks to acceptable levels.
- Considering risk in the decision-making process including all decision making reports to Council.
- Objectively analysing, rating, and monitoring reported risks.
- Ensuring legislative and governance obligations are met.
- Integration of risk management with Council policies, processes and practices.

Risk & Assurance Advisor

The Risk & Assurance Advisor is responsible for ensuring the risk management process is embedded in business processes and is effective in managing the underlying risks and is also responsible for;

- Facilitating and encouraging the development of a risk culture throughout the council, including overseeing training and audit processes.
- Coordination of the risk management process.
- Ensuring the risk management framework is in place and reviewed regularly for continuous improvement.
- Maintenance and review of the Council's strategic risk register.
- Reporting to the Audit and Risk Committee and Executive Leadership Team on severe and high risks.
- Reporting to the Audit and Risk Committee and Executive Leadership Team on the effectiveness and adequacy of risk management and internal control processes and systems.
- Processing new risks (i.e. first receiver of new risks and consideration of these).

- Facilitate management of cross organisational risks.

Risk Owners

Risk Owners are responsible for;

- Timely review and sign-off that the listed controls are in place and effective as per the residual risk assessment conducted.
- Providing knowledgeable advice on functioning treatment controls and options for increasing treatment controls if this is required.
- Implementing treatment controls as required.

Department/Project/Asset Managers

Managers are responsible for;

- Communicating and raising awareness of risk management to staff and managers.
- Allow for attendance at required risk management training.
- Identify, manage and monitor risks in their groups.
- Manage activity / project / asset risks, including individual project risk registers and monitor individual risk action plans.
- On-going identification and assessment of risks and responding appropriately relative to objectives.
- Management of the relevant risk, within acceptable risk tolerance levels.
- Ensure significant risks are appropriately reported.

All Staff

All staff are responsible for;

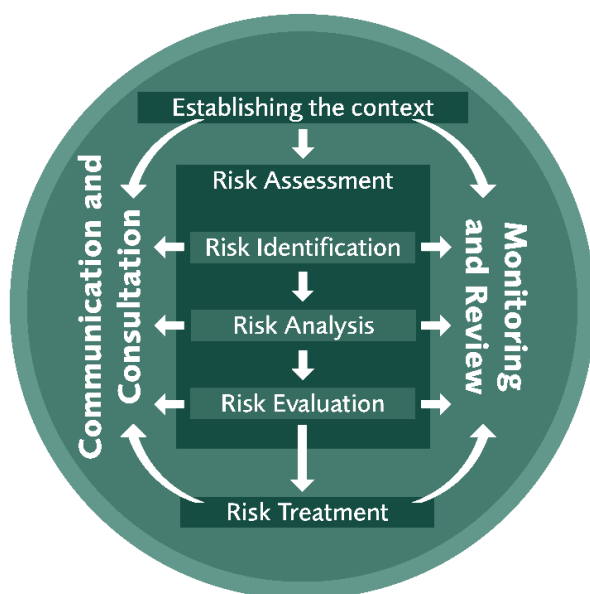
- Their own awareness of the risk management framework.
- Participation in the management of risks and reporting of issues and potential risks as they occur.
- Attend risk management training relevant to role.

Risk Management Procedure

The risk management process shown below is a generic process that can be used for risk management at all levels within council, from the strategic organisation-wide view, to various operational areas, as well as at a project level.

The key process steps within the council's management procedures are illustrated in figure 3: Risk Management Process and elaborated further below.

Figure 3: Risk Management Process



Step1: Communication and consultation

The communication process is for both the external and internal stakeholders of the risk management process.

The external communication process is for external stakeholders and informing them of:

- The council's approach to risk management.
- Effectiveness of the council's risk management approach.
- Gathering feedback where necessary to improve the council's risk management process.

The internal communication process is for internal stakeholders to:

- Provide clear direction to staff to influence and encourage a positive risk culture in the organisation.
- Seek feedback in relation to the risk management process.
- Ensure accountability of roles and responsibilities relating to the risk management process

Step 2: Establish the scope, context and criteria

Establishing the scope, context and criteria builds an understanding of the risk, including who the stakeholders are and the potential objectives/outcomes that may be impacted.

External context is the extent to which the council's external environment will impact on the council's ability to achieve its strategic objectives. The internal context is about understanding

the internal operating environment and the way they interact – People, Culture, Goals and Objectives.

Establishing the risk management scope, context and criteria takes into account the goals, objectives, strategies (refer to the District Strategy and Long Term Plan) and scope, and sets parameters of the risk management process and tolerance levels.

Step 3: Identify Risks

Risk identification is a key step in ensuring all the risks are identified and listed. The identified risks will determine the “what”, “why”, and “how” things can happen as a basis for further analysis. These risks can derive from different sources.

Sources of Risk

Sources of risk are fundamental drivers that cause risks in an organisation or project. There are many sources of risks, both internal and external. Risk sources identify where risks can originate and are a helpful tool in the risk identification process.

Examples of sources;

- Governance and reputation
- Legislative, compliance, and control
- Planning and strategy
- Financial
- Environmental
- Property and assets
- Information management and technical failure
- Business continuity
- Health, safety and wellbeing
- People
- Cultural

These sources of risk have been expanded upon to assist with severity of consequence assessments in Appendix B.

Each risk identified will be entered into the relevant risk register.

Step 4: Analyse Risk

After risks are identified it is important to adequately describe them. The key to describing the risks include:

- The cause of the event? (e.g. legislation changes through central government).
- The principle areas of impact for the event? (e.g. poor outcomes for our communities).

Risk analysis aims at understanding the level of significance of a risk by assessing its likelihood and severity of consequences.

Inherent risk level (raw risk) is the assessment of risk without any treatment controls in place, this level of risk would also exist if the controls did not work as they were intended.

Residual risk level is the assessment after applying current treatment controls, which may reduce likelihood and/or severity of consequences.

The aim of treatment controls is to reduce risk to an acceptable level, within the Council's risk appetite. When evaluating the effectiveness of controls, factors to consider are the consistency of application, understanding of control content and documentation of the control.

Furthermore, the evaluation of the control process can include:

- Control self-assessment.
- Internal audit reviewing the effectiveness of controls.
- External audit reviewing the effectiveness of controls.

The likelihood ratings identify how likely, or often, a particular event is expected to occur. These are shown in Table 1 below. The descriptors are not a mandatory category requirement, but act as a guide to assist in ranking the probability in line with the nature of each risk.

Table 1: Likelihood of occurrence

Likelihood Rating		
Rating	Likelihood Score	Probability Of Occurrence
Highly Probable	5	>90% It is almost certain to occur in most circumstances in the next three years
Probable	4	60-90% The event will likely occur sometime in the next three years
Possible	3	25-60% Will possibly occur sometime in the next three years
Unlikely	2	5-25% Unlikely to occur in the next three years
Rare	1	<5% Would occur only in rare circumstances over the next three years

Expansion of other key descriptors and a breakdown by risk type are shown in Appendix A.

The consequence descriptors in Table 2 indicate the level of severity of consequences that could occur for a risk.

Table 2: Severity Rating

Severity Rating		
Rating	Severity Score	High Level Rating Definitions
Very High	5	Disaster with potential to lead to business failure
High	4	Critical event which can be endured with proper management
Medium	3	Significant event which can be managed under normal circumstances
Low	2	Event with consequences which can be readily absorbed, but which require management effort to minimize the impact
Very Low	1	Manageable through routine procedures, unlikely to require specific application of resources

Expansion of other key factors and descriptors are shown in Appendix B.

Risk consequences can be cumulative e.g. two Level 3 (medium) events would be elevated to Level 4 (high) overall.

Step 5: Evaluate Risk

After the likelihood and consequence factors have been determined, the level of risk is calculated by multiplying the Likelihood Rating (Table 1) and Severity Rating (Table 2) together.

Inherent risk = the likelihood of an event occurring X the severity of consequence of such an event **not** taking into account treatment controls.

Residual risk = the likelihood of an event occurring X the severity of consequence of such an event taking into account treatment controls currently in place.

In addition, it is important to be aware of cascading, transitional and competing risks as outlined below.

Cascading risk = the sequential effects of one risk event results in the triggering of new risks or risk events.

Transitional risk = the risks associated with any response or adjustment through treatment controls to actual or expected climate related changes. Including but not limited to impacts on the environment, policy, infrastructure, legislation, social, cultural and economic.

Competing/Simultaneous risk = A competing risk is an event that either hinders or distracts from the identification, prioritisation, or event of other risks.

Figure 4: Risk Assessment Matrix

LIKELIHOOD	SEVERITY				
	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH
HIGHLY PROBABLE	5	10	15	20	25
PROBABLE	4	8	12	12	20
POSSIBLE	3	6	9	12	15
UNLIKELY	2	4	6	8	10
RARE	1	2	3	4	5

The final outcome is a risk rating. The risk rating enables definition between those risks that are significant and those that are of a lesser significance. This also allows for prioritisation of risks that require increased treatment controls.

Figure 5: Risk Rating

20-25	Severe Risk
10-19	High Risk
4-9	Moderate Risk
1-4	Low Risk

Expansion of actions and escalations are shown in Appendix C.

Once the impact has been assessed according to the relative risk level it poses, it is then possible to target the treatment of the risk exposure, by beginning with the highest-level risks and identifying further potential treatment controls.

Step 6: Treat Risk

Risk treatment involves determining possible treatment controls and selecting the most appropriate action for managing the risks identified.

Treatment control options are required where the current controls are not mitigating the risk within defined tolerance levels as determined by the first step (defining the context). This is called the treatment plan.

Firstly, investigation into the current treatment control systems and processes that are already in place. Then consolidation of further options to:

- Reduce the likelihood and/or;
- Reduce the severity of consequences identified.

Any action that is taken to address a risk should be considered to increase the likelihood of achieving our objectives. Treatment controls are a response to risk and are intended to contain uncertainty of the impacts that have been identified.

Treatment Options

Treatment options could involve applying existing or implementing additional controls. Furthermore, treatment options can involve one or more of the following:

- **Accept/Retain Risk** – Accepting/retaining the risk after evaluating the principle areas of impact and assessing the risk as minimal or having no ability to influence further controls.
- **Reduce Risk** – Put in place a target to reduce the overall risk score by implementing an action plan that requires further controls.
- **Transfer/Share Risk** – Pass the risk in part or whole to others (insurance or third party).

When determining the preferred treatment option, a cost benefit analysis should be given consideration.

Treatment Plans

Once the treatment option is identified a structured plan for implementation of treatment tactics should be designed.

The treatment plan should contain at a minimum the following:

- Cost
- Responsibility
- Due date
- Monitoring and reporting requirements

Progress of the treatment action is recorded in the risk register by the risk owner. Any changes to treatment controls must be affected only after discussing its impact on risk with the relevant stakeholders.

Treatment Opportunities

The treatment process is a good time to consider opportunities that may either enhance the treatment controls or improve our systems, procedures, or levels of service.

Step 7: Monitor and Review

Risks and their related assessments are constantly changing. Therefore, risks must be monitored and reported on a regular basis to ensure they are current.

Furthermore, risk owners have key responsibilities to review and update the information to ensure risk information is current. The sign-off frequency of risks is determined by the level of instability associated to the risk.

The Council's strategic risk register undergoes regular review to ensure all information captured is current and risk signoffs are being appropriately conducted.

The effectiveness of the Council's risk management framework also needs to be monitored and reviewed annually. This review process helps refine the Council's risk management framework to facilitate continuous improvement and overall risk maturity.

Managing Bias

Bias is inevitable within the risk management process, it is not unusual to find evidence of groupthink, dominant personalities, neglect of probability, ethical standards, overreliance on numbers, disregard of contrary information, disproportionate weighting of recent events, and tendencies toward risk avoidance or risk-taking in any organisation.

Risk management should be based on a quantitative approach to risk analysis as a protection against the many cognitive biases likely to be present.

Appendix A: Likelihood Ratings

Likelihood Rating	Likelihood Percentage	Strategic	Operational	Project
		Probability of the risk occurring	Probability of the risk occurring	Probability of the risk occurring
Rare	<5%	Would occur only in rare circumstances over the next three years.	Would occur only in rare circumstances in the next year. In relation to Health and Safety risks, event may occur in some exceptional circumstances. Improbably; a very small chance of events occurring that may be caused by events not previously seen or certain conditions. Despite effective controls being used an external event or uncontrollable event could occur.	Would occur only in rare circumstances during the life of this project.
Unlikely	5-25%	Unlikely to occur in the next three years.	Unlikely to occur in the next year. In relation to Health and Safety risks, event could occur in some circumstances and may occur in the industry. Event has not occurred in the business but could in some circumstances in the next 2-5 years.	Unlikely to occur during the life of the project.
Possible	25-60%	Possibly occur sometime in the next three years.	Possibly occur sometime in the next year. In relation to Health and Safety risks, event could occur in some circumstances. Event has occurred in other Councils or industries with similar levels of controls in place. Is expected to occur within the next 1-2 years.	Possibly occur sometime during the life of the project.
Probable	60-90%	The event will likely occur sometime in the next three years.	The event will likely occur sometime in the next year. In relation to Health and Safety risks, this event has happened in the past in our organisation and is likely to reoccur at some point.	This event will likely occur sometime during the life of the project.
Highly Probable	>90%	It is almost certain to occur in most circumstances in the next three years	It is almost certain to occur in most circumstances in the next year. In relation to Health and Safety risks definite probability, has happened in the past in our organisation and is expected to occur again within a short period of time.	Expected: It is almost certain to occur in most circumstances during the life of the project.

Appendix B: Consequence Ratings

Sources of risk	Consequence Rating				
	Very Low	Low	Medium	High	Very High
	1	2	3	4	5
High level rating definitions	Manageable through routine procedures, unlikely to require specific application of resources	Event with consequences which can be readily absorbed, but which require management effort to minimize the impact	Significant event which can be managed under normal circumstances	Critical event which can be endured with proper management	Disaster with potential to lead to business failure
Governance and reputation	No impact on public confidence or media attention	Minor impact on public confidence and media attention. May be some local coverage.	Some impact on public confidence reflected by the local media and community interest in the Council's performance	Major impact on public confidence resulting in some national media coverage	Critical impact on public confidence, resulting in significant national media and Central Government attention e.g. through an inquiry and/or appointment of a Commissioner
legislative compliance and control	Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage to control requirement.	Breach of policy, process or legislation requiring internal investigation but requiring only minor treatment for the purpose of damage control.	Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control	Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss through civil or criminal prosecution and some damage to reputation.	Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss through civil or criminal prosecution and or significant damage to reputation.

Sources of risk	Consequence Rating				
	Very Low	Low	Medium	High	Very High
Planning and strategy	1 Negligible impact on outcomes and handled within normal operations. No impact on LTP objectives.	2 Temporary impact on long-term levels of service, with limited community interest and media attention. Negligible impact to LTP objectives	3 Noticeable impact on long-term levels of service. Some community interest and media attention. Moderate impact to deliverables associated with LTP objectives.	4 Levels of service significantly below expectations bringing significant negative community and media attention. Major impact to timing or deliverables associated with LTP	5 Levels of service in significant decline. Non-achievement of LTP objectives across multiple years. Widespread negative commentary. Central Government attention e.g. through an inquiry and/or appointment of a Commissioner.
Financial	Loss or overrun of less than \$10k	Loss or overrun of between \$10k - \$250k	Loss or overrun of between \$250k - \$1m	Loss or overrun of between \$1m - \$5m	Loss or overrun of >\$5m
Environmental	Negligible localised environmental damage caused by either a natural disaster or unplanned population growth.	Minor localised environmental damage/pollution caused by either a natural disaster or unplanned population growth.	Moderate localised environmental degradation/damage/pollution at a localised level caused by either a natural disaster or unplanned population growth with medium term effect or off-site release contained.	Major but localised environmental degradation/damage/pollution with long term effects or major off-site release caused by either a natural disaster or unplanned population growth.	Significant environmental disaster or natural hazard or unplanned population growth causing widespread environmental degradation/damage and/or irreversible pollution or long-term effects affecting future generations or uncontained, long term serious environmental degradation.
Property and assets	Insignificant incident that causes no disruption to services	Isolated damage not requiring relocation of services to an alternative site	Damage to property that requires the relocation of some services to an alternative site	Damage to property that requires the relocation of all services for a short period	Damage to property that requires the relocation of all services for an extended period

Sources of risk	Consequence Rating				
	Very Low	Low	Medium	High	Very High
Information management and technical failure	1 Isolated and temporary accidental or intentional loss, damage or unauthorised distribution of information that can be recovered within a day, no data breach to external parties.	2 Accidental or intentional loss, damage or unauthorised distribution of information compromising confidentiality and integrity of information.	3 Isolated and temporary accidental or intentional loss, damage or unauthorised distribution of information that may take weeks to recover.	4 Isolated and temporary accidental or intentional loss, damage or unauthorised distribution of information that may take months or years to recover or recreate. With potential for data breach to external parties.	5 Ongoing isolated and temporary accidental or intentional loss, damage or unauthorised distribution of information that is unable to be recovered. Data breach to external parties.
	Negligible effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	Minor effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	Moderate short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	Major but short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	Significant and prolonged effect to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.
	Temporary disruption in servicing a small number of customers. Monitoring may be required.	Non-essential services may be impacted causing customer disruption for >1 day	Essential services are unavailable causing customer disruption for <4 hours or non-essential services are unavailable for <3 days	Essential services are unavailable causing customer disruption for <1 day or non-essential services are unavailable for <7 days	Essential services are unavailable causing customer disruption for >1 day
	Isolated to one employee. Discomfort or first aid treatment.	Medical treatment (not including admission to hospital).	Restricted work or lost time.	Debilitating loss of quality of life. WorkSafe investigation.	Fatality or multiple fatalities. WorkSafe Prosecution.
Business Continuity					
Health, Safety and Wellbeing					

Sources of risk	Consequence Rating				
	Very Low	Low	Medium	High	Very High
	1	2	3	4	5
People	Negligible or isolated employee dissatisfaction. Temporary resourcing deficit (trained/skilled specialist roles) <1day.	General low employee morale and engagement. Minor increase in employee turnover. Temporary resourcing deficit (trained/skilled specialist roles) <7days.	General low employee morale and engagement. Moderate increase in employee turnover. Moderate and short-term resourcing deficit (trained/skilled specialist roles – up to 10 weeks before placement of new staff member). Some negative impact on culture.	Widespread low employee engagement. Significant turnover across Council or project. Major but short-term resourcing deficit (trained/skilled specialist roles – up to 20 weeks before placement of new staff member). Moderate negative impact on culture.	High turnover across Council or project. A number of senior managers or experienced employees leave the Council. Significant or prolonged resourcing deficit (trained/skilled specialist roles – up to 30 weeks before placement of new staff member). Widespread negative impact on culture.
Cultural	Cultural factors are not considered when making decisions requiring a review before the decision is implemented. Minor observations of tikanga and/or other cultural protocols. Translations including signage. Lack of cultural confidence. Perceiving Māori engagement as more challenging or difficult. Perceiving engagement with culturally and/or	Cultural factors are not considered when making decision requiring decisions to be reviewed and reconsidered after action has commenced on the decision. Cultural advice not sought. Relevant parties excluded from a decision affecting their cultural interests. Failure to acknowledge **** Partnership with Council. Failure to consider culturally and/or linguistically diverse	Offence is caused to a group of people requiring some effort to repair relationships; or, mana, artefacts/place of cultural or heritage significance is damaged requiring repair. Disregard for tikanga and/or other cultural protocols. Cultural advice ignored.	Offence is caused to a group of people requiring significant efforts to repair relationships; or, mana, artefacts/place of cultural or heritage significance is significantly damaged. Rectification may be difficult but possible in the long term. Decision to act against best practise advice and/or tikanga and/or other cultural protocols.	Significant offence is caused to a group of people resulting in ongoing strain on relationships; Or, mana, artefacts/place of cultural or heritage significance is irreparably destroyed. Systematic or conscious suppression of Treaty partnership commitments and diverse cultural worldviews of our community.

	linguistically diverse community members as more challenging or difficult.	community members in a decision.			
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Appendix C: Risk significance levels

The following table details the required actions for each level of risk:

Action Required	
Severe Risk	Strategic Risk - Immediate action required to manage risk. Escalation and reporting to the Audit and Risk Committee and Executive Leadership Team mandatory.
	Operational Risk – Immediate action required to manage risk. Escalation and reporting to the Audit and Risk Committee and Executive Leadership Team mandatory.
	Project Risk - Immediate action required to manage risk. Escalation and reporting to Project Governance, Audit and Risk Committee, and Executive Leadership Team mandatory. Reporting to the Infrastructure, Climate Change, and Emergency Management Committee or Community Development & Wellbeing Committee for projects within their terms of reference.
High Risk	Strategic Risk – Escalation and reporting to the Executive Leadership Team, in particular the Chief Executive mandatory. Reported through regular reporting of the risk register to the Audit and Risk Committee.
	Operational Risk – Escalation and reporting to the Executive Leadership Team, in particular the Chief Executive mandatory. Reported through regular reporting of the risk register to the Audit and Risk Committee
	Project Risk - Advise project governance, with follow on reporting to Infrastructure, Climate Change, and Emergency Management Committee or Community Development & Wellbeing Committee for projects within their terms of reference
Moderate Risk	Strategic Risk –Executive Leadership Team to be advised. Reported through regular reporting of the risk register to the Audit and Risk Committee.
	Operational Risk - The relevant Group Manager can accept this level of risk.
	Project Risk - Advise project governance, with follow on reporting to Infrastructure, Climate Change, and Emergency Management Committee or Community Development & Wellbeing Committee if relevant.
Low Risk	Strategic Risk - The Executive Leadership Team is to be advised at the discretion of the relevant sign-off. The relevant sign-off can accept this level of risk. Reported through regular reporting of the risk register to the Audit and Risk Committee and Executive Leadership Team.
	Operational Risk - The relevant operational manager, or risk manager can accept this level of risk.
	Project Risk - The relevant project lead, PMO project manager or project owner can accept this level of risk.
Note	<i>The relevant responsible party can accept the residual risk level stipulated for each rating highlighted above. Where the risk level is exceeded this will need to be forwarded to the Risk Manager/Project Manager for reporting to the Executive Leadership Team and/or the Audit and Risk Committee.</i>



info@tararua.govt.nz www.tararua.govt.nz

Dannevirke Service Centre
26 Gordon St, Dannevirke
PO Box 115, Dannevirke 4942
Ph: 06 374 4080 (24 hours)
Fax: 06 374 4137

**Woodville Service Centre
& Library**
45 Vogel St, Woodville
Ph: 06 376 0200 (24 hours)
Fax: 06 376 1025

Pahiatua Service Centre
136 Main Street, Pahiatua
Ph: 06 376 0110 (24 hours)
Fax: 06 376 0113

**Eketahuna Service Centre
& Library**
31 Main Street, Eketahuna
Ph: 06 376 0219 (24 hours)
Fax: 06 376 8181



Report

Date : 21 March 2024

To : Chairperson and Committee Members
Audit and Risk Committee

From : Stephen Dunn
Risk & Assurance Advisor

Subject : **Health, Safety, and Wellbeing Management Report**

Item No : **7.4**

1. Recommendation

- 1.1 *That the report from the Risk & Assurance Advisor dated 19 March 2024 concerning the Health, Safety, and Wellbeing Management Report (as circulated) be received and noted.*

2. Reason for the Report

- 2.1 To provide an update to the Audit and Risk Committee on health, safety and wellbeing matters.

3. Resourcing

- 3.1 The Health & Safety Coordinator role has been successfully filled and start date will be confirmed at the meeting.

4. Health and Safety Risk Register

- 4.1 As noted in the report to the July 2023 meeting, we are progressing improvements to the health and safety risk register that address recommendations identified in the 2021 SafePlus audit. These improvements further align to overall improvements in Councils risk management framework.
- 4.2 A further update will be provided to the July Committee meeting.

5. Policy Development

- 5.1 **Lone Worker Policy**

- 5.2 A draft of the Lone or Remote Worker Policy is attached for your feedback.
- 5.3 Lone or remote working is a critical health and safety risk for Council and is identified as such in the Health & Safety Risk register.
- 5.4 Council has obligations under the HSWA and regulations to manage the safety of lone or remote workers who are especially vulnerable as they may not be able to ask for help and/or help may be some time away potentially making any incident worse.
- 5.5 The Policy aligns with the Health & Safety Policy “Council is committed to providing and maintaining a working environment where employees, visitors, contractors, and members of the public are protected against harm to their health, safety, and welfare from hazards and risks arising from work carried out as part of its operations or undertakings as far as is reasonably practicable.”
- 5.6 The Policy has had input and employee involvement in its development.
- 5.7 The policy principles emphasise that line managers and contract managers should have documented conversations about the specific risks and mitigations for their lone or remote workers. It also describes the suite of tools council makes available to staff and outlines an emergency response process.
- 5.8 **Unreasonable Customer Behaviour**
- 5.9 This policy is being developed in response to an increase in unreasonable customer behaviour reported by staff.
- 5.10 A sample guide provided by the Office of the Ombudsman was provided at the last Committee meeting.
- 5.11 This policy remains in development and is expected to be available for the July Committee meeting.

6. Due Diligence

- 6.1 The table below outlines the outstanding items on the due diligence planning calendar.
- 6.2 Risk review visits to the Pahiatua water and wastewater treatment plants, and the Dannevirke wastewater treatment plant planned for the fourth quarter of 2023 did not proceed for operational reasons and a scheduling conflict.
- 6.3 The Governance Health, Safety and Wellbeing Charter was adopted at the July 2023 Audit & Risk Committee meeting.
- 6.4 As noted at the July 2023 meeting of the Audit & Risk Committee, Council has opted out of the SafePlus 2023 audit and will continue to focus on continuous improvement actions identified in the 2021 audit.

- 6.5 As noted, at the February 2024 meeting, Ākōna was suggested for Health and Safety Governance Training. Officers will work with the Mayor and Health and Safety Governance Champion further on this option and anticipate further information on this training will be released prior to the next Committee meeting.

6.6 **Due Diligence Plan 2022/25 – Scheduled Activities Due**

Scheduled Activity	When	Update
Committee members completion of H&S Governance Training	March 2023	See above regarding options for Health & safety training for Committee members
Appointment of a Governance H&S Champion	December 2022	Complete
Annual H&S Activity Plan for Continual Improvement	October 2023	The activity plan has been delayed pending staff appointment.
SafePlus Assessment report to Audit and Risk (2021 audit)	October 2023	Implementation of this action is delayed pending staff appointment.
Risk Review session - Utilities	October 2023	Tentatively rescheduled to coincide with the March Committee meeting.
Implement Health & Safety Strategy following SafePlus audit	December 2023	Did not participate in SafePlus audit this year and will continue focus on actioning previous audit recommendations.

7. Reporting

- 7.1 Health & Safety incident reporting graphs were provided to the February 2024 Committee meeting.
- 7.2 During February there two incident reports (a near miss and threatening behaviour) and one new hazard report. There were no time lost or serious harm incidents. A full update will be provided to the July Committee meeting as usual.
- 7.3 Staff are currently reviewing the draft report commissioned following observations of unusual corrosion at the Pahiatua water treatment plant. The report adopts an 'all hazards' approach, assessing health and safety hygiene hazards for the Pahiatua and Dannevirke plants. A second report outlining

mitigation options is near completion. Meanwhile, interim controls are in place and were reviewed again this month.

Attachments

1 [↓](#). Policy - Remote or Lone Worker Policy - March 2024 - DRAFT



Remote or Lone worker Policy

March 2024

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1. Purpose

The purpose of this Policy is to provide a set of protocols to keep staff, contractors, and visitors safe while at Tararua District Council (Council) sites in accordance with the Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 and Council's Health & Safety Policy

Council is committed to providing and maintaining a working environment where employees, visitors, contractors, and members of the public are protected against harm to their health, safety, and welfare from hazards and risks arising from work carried out as part of its operations or undertakings as far as is reasonably practicable (Health & Safety Policy 2023).

2. Definitions

The Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 defines remote or isolated work as follows:

"Remote or isolated work, in relation to a worker, means work that is isolated from the assistance of other persons because of location, time, or nature of the work."

Section 21 of the Regulations gives direction for managing risks associated with remote or isolated work:

Council must manage, in accordance with regulations 5 to 8, risks to the health and safety of a worker who performs remote or isolated work.

(2) To minimise risks to the health and safety of a worker associated with remote or isolated work, Council must provide a system of work that includes effective communication with the worker.

3. Objectives

The objective of this policy is to provide specific guidance and processes for lone or remote workers, and to ensure that there has been a risk assessment completed and controls are in place and documented.

4. Background

Many Council activities may require staff or contractors to work alone or remotely.

If an incident occurs for a lone or remote worker help may be further away or communication may be more difficult. These factors mean, that for lone or remote workers, the health & safety risks already present are amplified.

Additionally, in Tararua, there is a lack of cellular coverage and it is not viable to have two-way communication with staff or contractors without using additional systems.

5. Risk Assessment

Line managers are responsible for completing risk assessments for their staff working alone or remotely.

The risk assessment should include reference to the Council Health & Safety Risk Register to determine previously identified hazards and inclusion of any additional hazards.

Then a consideration of the impacts of lone or remote working such as distance from assistance and communication capabilities.

Standard Operating Procedures (SOP's) can then be developed and documented to meet the requirements of this Policy.

Examples of hazards that may be amplified by lone or remote working:

- Driving
- Aggressive customers
- Medical events
- Fatigue
- Weather conditions
- Site or job specific hazards e.g. falls, exposure to hazardous substances, etc.

6. Standard Operating Procedures (SOP'S)

Managers with responsibility for staff are, in conjunction with relevant subject matter experts, to develop, implement and maintain Standard Operating Procedures for all activities that require staff to work alone, remotely or without effective communication.

The procedure must cover as a minimum:

- where the staff will be working
- the supervision and support required
- the communication tools will they will use
- communication protocols
- how they can be contacted
- how they will get help in an emergency
- when are they expected to return and when they actually do
- any additional training requirements e.g. first aid, use of communication tools such as GetHomeSafe or digital radios
- how the worker will take breaks or rest

Approval and review:

These must be reviewed by a line manager as a minimum and high risks should be reviewed by the Group Manager and Health and Safety Coordinator.

7. Communication Options

Council provides multiple communication options for lone or remote working:

- Cellphone
- Physical checks
- GetHomeSafe app
- Digital radio network
- Guardian Angel system
- Office panic alarms
- E-Roads

Cellphones

Check-ins and seeking help using normal cellphone network. Ensure there is adequate cellphone reception, the SOP includes a process for checking in with a supervisor or team-member on a regular basis, and a process to escalate if a check-in does not occur.

Physical Checks

Supervisors or another staff member can conduct regular physical check-ins with remote or lone workers by physically visiting the site.

GetHomeSafe App

Council subscribes to the GetHomeSafe App. The App is available from the Company Portal and requests to join are made to the Health and Safety Coordinator.

The Health and Safety Coordinator is responsible for maintaining the App.

Managers are responsible for configuring the App reporting lines for their department and for ensuring the App is used by workers.

There are multiple ways workers can be monitored via the Gethomesafe App but the two common ways are:

1. Logging onto the app for a predetermined time period, such as 08:00 – 17:00, then setting 30 min intervals for the checks. This means the app will send a reminder to check-in every 30 mins throughout the day.
2. Plotting a journey between two or more points. This allows a signal to be sent every two minutes, updating the progress of your journey. Once you safely complete the journey you can acknowledge and close it out.

The GetHomeSafe App advises a pre-determined list of supervisors if the panic button is pressed, or a worker is overdue. If there is no response the alert goes through to the Afterhours Service at Palmerston North City Council for action.

Digital Radio Network

Council is part of the Downer/Tararua Alliance digital radio network. The network provides cover for entire District.

The Emergency Management Officer/Advisor is responsible for maintaining Council's requirements for the digital radio network.

There is not a dedicated person that monitors the network and so communication is reliant on users having their radios on and within earshot.

Safety features for the digital radio network are:

- Voice communications.
- GPS tracking system for vehicle mounted radios.
- A panic button that alerts a pre-determined list of supervisors
- The option to add a 'man-down' accessory.

Guardian Angel system

The Guardian Angel system provides a personal alarm, tracking, and 'man-down' system for positions such as Animal Control Officers, and the system is managed by the Senior Animal Control Officer.

Processes for the Guardian Angel system are detailed in Process Manager (Promapp) under *Lone Worker Personal Alarm (Guardian Angel)*.

The system is monitored by a 24-hour call centre.

Office Panic Alarms

There are panic alarms installed at the following sites:

- Administration Building - Dannevirke
- Library – Dannevirke
- Transfer Station – Dannevirke
- Service Centre and Library - Woodville
- i-site – Woodville
- Service Centre – Pahiatua
- Library – Pahiatua

The panic alarms are monitored 24 hours and Police are immediately dispatched if there is no answer to a telephone call to the site.

ERoads

Most Council vehicles have ERoads installed and this provides GPS tracking and monitors driver behaviour.

ERoads provides a track history and location for vehicles on the Eroad portal. ERoads relies on cellphone coverage to provide real time locations.

The Fleet Manager is responsible for managing Council's ERoad subscription and vehicle installations.

8. Managing Contractors

Council has responsibilities for contractors as set out in the Health & Safety Policy. Site inductions and contractor safety plans should consider the risks and controls for lone or remote working.

Contract managers are responsible for consulting, cooperating, and coordinating with contractors on lone and remote worker risks, and retaining records of these actions.

9. Emergency Response

In the event a worker activates an alarm, is overdue, or not contactable the process for managing the response is detailed in Promapp and titled "Escalation for Welfare Checks of Staff".

Line managers are responsible for developing any specific emergency response processes for their teams.

A key point is that the escalation process should continue until the staff member has been located or assistance provided, and a Group Manager notified if initial checks do not locate the staff member.



Report

Date : 20 March 2024

To : Chairperson and Committee Members
Audit and Risk Committee

From : Hamish Featonby
Group Manager - Infrastructure

Subject : **Tararua Alliance Performance Audit Final**

Item No : **7.5**

1. Recommendation

- 1.1 *That the report from the Group Manager - Infrastructure dated 19 March 2024 concerning the Tararua Alliance Performance Audit Final be received, and*
- 1.2 *That progress and achievements made by the Tararua Alliance management team as commended by the auditing team be noted along with their recommendations for the 2023/2024 financial year to keep the performance framework relevant and aligned to the strategic intent and outcomes for both of the Tararua Alliance partners.*

2. Executive Summary

- 2.1 The Tararua Alliance showed improvements in the 2022/23 results and have delivered an acceptable overall result.
- 2.2 It was noted that the 2022/23 year challenged the Alliance team particularly in the final 5 to 6 months caused by the impacts of Cyclone Gabrielle on the District. This required a reset of the deliverables and the introduction of a substantial increase in workload in responding to the communities needs to repair and re-establish infrastructure damaged by the cyclone.
- 2.3 The review highlighted the dynamic sector within which the Tararua Alliance operates and identified the importance of keeping the performance framework relevant and aligned to the strategic intent and joint objectives of Tararua District Council and Downer.

- 2.4 Despite the challenges of the year, it was very pleasing to note that a new Performance Framework was agreed upon for the Alliances KRA's, KPI's and performance measures. This new framework ensures that all the service delivery covered by the Alliance are appropriately dealt with. The new performance measures and targets will operate for the 2023/24 financial year. This audit is therefore the last one where the non-financial measures are the ones set at the beginning of the Alliance some 9 years ago. It was noted that the performance framework should be a live document and changes agreed to it as the relationship and performance develops to ensure it is appropriate to the changing needs, demands and expectations. The Alliance were also encouraged to report on performance more than once a year to allow opportunities for mid-year adjustments and improvements.
- 2.5 During the Audit a number of aspects were discussed where improvements can be considered for following up within the Alliance's operation at both the PCG and AMT. These included:
- Enhanced education and understanding of the Alliances operation within those parts of Downer and TDC that are not involved in the day to day running of the Alliance.
 - Where high performance scores are achieved over successive years the measure needs to be reset with the current score becoming BAU (generally 5) and greater stretch targets set for higher scores while still maintaining all performance measures that were met below that score that.
 - The Alliance should look for opportunities to promote their performance to the community and seek recognition and awards of excellence from wider industry associations to promote TDC, Downer NZ and the Tararua Alliance.
 - The sharing of knowledge and identifying opportunities for improvement should be considered a key part of the Alliances approach with the wider industry and with similar Downer operations across NZ.
 - Ensuring that within the management of the strategic direction of the Alliances delivery that key aspects of the collaborative operation are maintained. These include ensuring the delegations to the Alliance for variation of programmes are managed at the appropriate level of the Alliance and if required reporting of decisions are communicated in an agreed way.
 - The performance framework and measures should be a live document that resets targets and goals based on learnings from achievement and incorporates changes that occur during this long term relationship. This enables the Alliance to have pride in the continuous improvement achieved which results in either resetting or developing new performance targets and measures.

- 2.6 We commend the Tararua Alliance Management Team for their achievements during an uncertain time in generally achieving the targets and performance measures of the Alliance during the 2022/2023 year.

3. Reason for the Report

- 3.1 To present to the Audit and Risk Committee the annual Tararua Alliance performance review report for the 2022/23 financial year.

4. Background

- 4.1 The Tararua Alliance performance framework for the 2022/23 financial year is based on the EFQM (European Foundation for Quality Management) model.
- 4.2 The review of the Tararua Alliance Non-financial Performance Framework for the year 1 July 2022 to 30 June 2023 was undertaken on 25 January 2024. The Audit was carried out by Raj Suppiah (Tararua District Council) and Dave Macdonald (Opoet Ltd - Independent Auditor).

5. Key Findings and Recommendations

- 5.1 These are noted in Paragraph 3 of and in Appendix 1: Recommendations and Management Comments in the attached report.
- 5.2 Auditors commended the Tararua Alliance Management Team for their achievements during challenging time and that the transition between Alliance Managers has been a great example of their comprehensive succession plan in action at the same time as generally achieving the targets and performance measures of the Alliance during the 2022/23 year.

6. Significance Assessment

- 6.1 This matter is not considered significant regarding the Council's policy on significance and engagement and does not require consultation in terms of the subject presented for information.

7. Conclusion

The Alliance showed improvement in the 2022/23 results and have delivered an acceptable overall result. The review highlighted the dynamic sector within which the Tararua Alliance operates and identified the importance of keeping the performance framework relevant and aligned to the strategic intent and joint objectives of Tararua District Council and Downer. Challenges occurred during the year including a number of key Management changes and new staff appointed, the effects of Cyclone Gabrielle with an increased and changed work programme and consequent resourcing challenges.

Attachments

1 [↓](#). Tararua Alliance Performace Audit Final Report

Tararua Alliance

Annual Review of Performance Framework- Final Report

2022/23



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1. Executive Summary

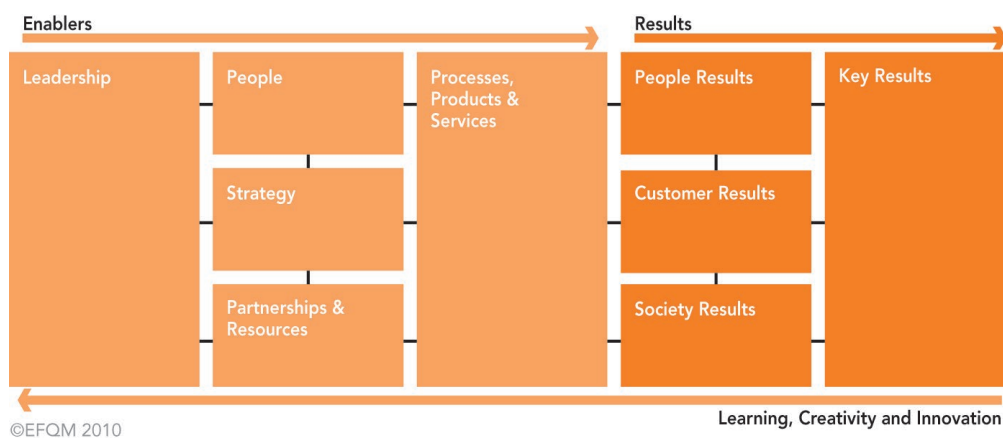
- 1.1. The review of the Tararua Alliance Non-financial Performance Framework for the year 1 July 2022 to 30 June 2023 was undertaken on 25 January 2024. The Audit was carried out by Raj Suppiah (Tararua District Council) and Dave Macdonald (Opoet Ltd - Independent Auditor).
- 1.2. Throughout this report aspects and suggestions raised on previous audits that are still appropriate for current consideration and agreed actions by the Alliances Principals group and the management team remain within this report.
- 1.3. It was noted that the 2022/23 year challenged the Alliance team particularly in the final 5 to 6 months caused by the impacts of Cyclone Gabrielle on the District. This required a reset of the deliverables and the introduction of a substantial increase in work load in responding to the communities needs to repair and re-establish infrastructure damaged by the cyclone.
- 1.4. The refresh and agreement of the Alliances strategic direction by the Leadership of Tararua District Council and Downer Transport carried out in the previous year set the scene for the resetting of the Alliance's vision supported by their 5 core value .
- 1.5. It was very pleasing to note that it was agreed during the year of the Alliances KRA's, kpi's and performance measures. This now ensures that all the service delivery covered by the Alliance are appropriately dealt within the performance framework. The new performance measures and targets will operate for the 2023/24 financial year. This audit is the last one where the non-financial measures are the ones set at the beginning of the Alliance some 9 years ago. It was noted that the performance framework should be a live document and changes agreed to it as the relationship and performance develops to ensure it is appropriate to the changing needs, demands and expectations.
- 1.6. This demonstrates the Alliance's success in completing planned work along with achievement of the impacts and requirements for unscheduled work resulting from Cyclone Gabrielle within the financial targets set. It was noted for long term Alliances with generally repetitive work routines the gap between the outturn cost and target cost usually narrows. (See 1.10 below for more comment)
- 1.7. The Auditors noted that during the year Matt Erard was replaced by Dan Erard as the Alliance Manager. It was encouraging that this change happened relatively quickly compared with previous similar occurrences. The Alliance Management Team (AMT) demonstrated that a comprehensive succession plan is in place so that any future change at the Leadership and key Operational level should be managed far better than in the past.
- 1.8. It was again commented that the performance should be reported on at agreed times (at least once around mid-year) during the year to the AMT and the PCG. The assessment of the results and areas for improvement should be identified. Resulting from this, actions could be developed and trialled, and if successful initiated within the business process and reported on.
- 1.9. It was agreed that Asset Management Maturity Assessment (AMMA) provides a detailed and reviewed asset Condition Indicator for the Alliances work responsibilities. The Alliance with TDC should ensure they develop and include agreed measures around asset condition and service performance for all the assets of the network and if appropriate other Council required works that it now services. The performance measure(s) developed should see the current level of achievement as somewhere closer to BaU (around 5 out of a 10 point score)

and provide opportunities for the performance to improve over time to achieving excellence and best in class at a 10 point score.

- 1.10. During the Audit a number of aspects were discussed where improvements can be considered for following up within the Alliance's operation at both the PCG and AMT. These included:
- Enhanced education, understanding and reporting of the Alliances operation, performance and added value within those parts of TDC (including Councillors) and Downer that are not involved in the day to day running of the Alliance. This could extend to the local community if appropriate.
 - The Alliance should look for opportunities to promote their performance to the community and seek recognition and awards of excellence from wider industry Associations.
 - Where high performance scores are achieved over successive years the measure should be reset with the current score becoming BAU (generally 5) and greater stretch targets set for higher scores while still maintaining all performance measures that were met below that score.
 - The sharing of knowledge and identifying opportunities for improvement should be considered a key part of the Alliances approach with the wider industry and in particular with similar Downer operations across NZ.
 - Ensuring that within the management of the strategic direction of the Alliances delivery that key aspects of the collaborative operation are maintained. These include ensuring the delegations to the Alliance for variation of programmes are managed at the appropriate level of the Alliance and if required reporting of decisions are communicated in an agreed way.
 - The performance framework and measures should be a live document that resets targets and goals based on learnings from achievement and incorporates changes that occur during this long term relationship. This enables the Alliance to have pride in the continuous improvement achieved which results in either resetting or developing new performance targets and measures.
- 1.11. We commend the Tararua Alliance Management Team for their achievements in achieving the targets and performance measures agreed during the 2022/2023 year.

2. Background

- 2.1. The current Tararua Alliance Performance Framework is based on the EFQM model (figure below). The EFQM document was developed around 2010 and used for performance assessments of similar relationships Downer had with other clients where the Alliance structure was used to deliver the required outcomes. . The first audit for this Alliance was completed for the financial year 2015/16 and subsequent audits have now occurred for the 7 following years. The Performance Framework has been reset by the Alliance partners using a revised EFQM approach targeting the Alliances Direction, Execution and Results. This will operate for the 2023/24 year and beyond. This is based on the learnings from operations and audits along with changes to the strategic direction and expanded work plan.
- 2.2. The EFQM 2010 model for this audit along with the Alliance payment mechanism provides an incentive to develop enablers that support the performance measures and results which demonstrate the Alliance's success. It is believed this model is robust in taking TDC's objectives and goals and with an integrated working relationship with Downer incentivising the delivery of these.



The key features of this model are:

- Clear identification of Enablers and operational Results.
- The importance of the enablers to creating success through focussed leadership, and strategy supported by excellent people, appropriate products and adequate skilled and available resources.

3. Key Recommendations

- 3.1. Specific recommendations from this audit relating to the enablers are listed below and need to be considered by the Alliance if appropriate or not based on the new EFQM framework that exists for the current 2023/24 year. It should be noted that in general the Alliance scored very highly against the current measures. Comments here tend to be more about moving the Alliance to and recognising it as achieving Industry Leading Excellence.
- Leadership KRA (score 8) - The Alliance forms an important and large part of the delivery of Tararua DC's service to its community. Knowledge of the Alliances continuous improvement drive, delivery of services, performance and Industry recognition of excellence could be more widely identified and achievements communicated. It is suggested that greater engagement and knowledge sharing with the parent organisations of this relationship form an important part in its leadership and ongoing success. While examples of achievement, business improvement, innovations and continuous improvement are being delivered the audit highlighted that there does not appear be a robust process to share these and report on them outside of the Alliance team. Results from surveys during the year including from TDC Councillors of the Alliances performance appear to reinforce this.
 - People KRA (score 9) – Surveys and feedback are important for the alliances ongoing development and continuous improvement. The leadership should ensure that lessons learnt occur and improvements actioned through engagement outside the Alliance, the parent organisations and the community and if appropriate with other organisations that impact on the Alliance. There needs to be approaches proactively taken to showcase the Alliance for such things as industry awards to demonstrate and recognise excellent performance within the whole Industry.
 - Asset Management KRA (score 9).-The introduction the Asset Management Maturity Assessment (AMMA) scoring system which involves a substantive assessment and review of the overall performance of the assets provides a result that is far more detailed and comprehensive than this Audit can achieve. It is agreed that the AMMA score provides a comprehensive position of the assets condition and its management and this should be built into the new EFQM performance framework and scoring system. The AMMA needs to include assessment and performance measurement of all the assets that the Alliance manages with TDC. It was noted that the Alliance is starting to consider (after Cyclone Gabrielle) the opportunity of including within its Asset Management how to take into account and assess the impacts and effects on assets from future unknown events and value for money decisions.
 - Partnerships and resources KRA (score 9) – It is suggested that further opportunities should be looked at to benchmark the performance of the Alliance against other similar networks. The NZTA data is used for the roading portion of the work though this compares more industry wide high level data as against specifics measures from similar networks. The training needs of all Alliance staff are identified annually from one on ones and specific training identified and scheduled from a range of providers. Opportunities to Include supply partners in specific training that provides value to the Alliance/partner could be increased. There have been limited presentations by experts in broadening and challenging thinking in aspects of the Alliances delivery. Over the past year there has been an increase in Environmental and Iwi training of value to the Alliance and in improving community connections.
 - Processes, Products and Services KRA (score 8) Feedback from external customers could be increased where appropriate and are of potential value to identify opportunities to

improve being provided from a different perspective. Formal lessons learnt processes and improvement actions identified seem to be a common practice within the Alliances operations. A broadening of the stakeholders involved could be considered where value improvements can be identified.

- Performance framework – The development of the new performance framework covering all aspects of the Alliances operations should ensure that the outcome of any measure leads to actions being taken to improve the result area under consideration. This leads to improved outcomes and outputs compared with some of the existing measures that report on a number of inputs. (E.g. SSO's). With the new framework operating from the 2023/24 year it was suggested that the Auditors could be asked to review the framework and measures and advise on any potential shortfalls or improvements for consideration.
- Where consecutive years reporting records a high level score (say 8 or above) then the AMT and PCG should look to reset that performance as Business as Usual with a mid-range score of 5. To then achieve higher scores the performance targets should be increased to create further targets that are achievable.

3.2. It is recommended that the AMT with the PCG's endorsement further engage with TDC, its workforce, subcontractors and suppliers to identify and include opportunities for improvement. It is recommended that the opportunities be assessed and the Alliance incorporate actions as appropriate. Through such actions the Alliance improves the service it provides and ensures the workplace is one that strives for excellence within a culture that listens to and supports the team that work within it.

3.3. It is recommended that the Alliance further improve their relationships with people that support them through:

- Involving supply partners more in identifying initiatives to introduce and develop OFI's
- Providing a clear understanding by stakeholders including non-Alliance Council staff and Councillors of how the Alliance forms part of TDC's delivery to its community and how it performs those responsibilities
- Providing a thorough understanding of the Alliance and how it operates within inductions of new staff at TDC, Downer and within the Alliance
- Ensuring that collaborative working becomes a key aspect of recruitment and an opportunity for training where identified as required within its workforce.

3.4. It is recommended that the performance framework operates as a live document, is reported on regularly as agreed to the AMT and PCG with actions taken where appropriate and it is updated and improved as valued changes are identified.

4. Conclusion

- 4.1. The Alliance showed improvement in the 2022/23 results and have delivered an acceptable overall result. The review highlighted the dynamic sector within which the Tararua Alliance operates and identified the importance of keeping the performance framework relevant and aligned to the strategic intent and joint objectives of Tararua District Council and Downer. Challenges occurred during the year including a number of key Management changes and new staff appointed, the effects of Cyclone Gabrielle with an increased and changed work programme and consequent resourcing challenges.

Appendix 1: Recommendations and Management Comments

Areas	Recommendation	Management Comment and planned action	Implementation date
Strategic Alignment	1. The strategic direction, the performance framework and measures have been set and agreed by the Alliance partners. The Alliance Management Team (AMT) can clearly understand and deliver on all the service responsibilities to achieve excellent performance. This new framework that is in operation now should be successfully imbedded through training of all the Alliance team and incorporated into new staff inductions	The new performance framework is now being implemented within the Alliance. Internal reviews are to be completed quarterly by the Alliance Performance Manager with the Alliance Leadership Team to continuously gauge how the Alliance is performing and key actions for the areas of improvement. These quarterly reviews will be presented at the PG meetings. Although the Performance Audit has been endorsed by the PG Group, it has not yet been formally signed off. This will be completed at the next PG on the 28 th March if not before.	28/03/2024
	2. The performance measures determined should detail the actual outcomes/outputs being targeted and demonstrate the value of the performance measures. 3. The new framework should be trialled and amended as appropriate in the 2023/24 year before becoming fully operational and implemented for the 24/25 year.	After the 2023/24 audit. The targets in the Performance Framework will be reviewed. This review can be completed on an annual basis to avoid the Performance Audit becoming “out of date”.	30/08/2024
Continuous Improvements	4. The Alliance Manager with the AMT should continue to maintain as a live document an innovation and improvement plan for the Alliance. The ownership of individual actions should be spread across the Alliance Management Team to where they are best managed. The Improvement Plan should be reflected in the work programme/budgets. Improvements and innovation opportunities should be sourced from the whole team including TDC, suppliers and/ subcontractors and if appropriate customers.	The innovations register is being reviewed more thoroughly in the monthly Alliance Leadership meetings. The Alliance Leadership Team are to ensure that their teams innovation ideas are being captured on the innovations register so that the ideas can be reviewed and a plan put in place for each innovation to move through the cycle from idea to trialling to implementing if the trial is successful to ensure we “close the loop”. We go through a performance evaluation with each contractor which we offer them the opportunity to provide feedback to us.	Ongoing
	5. Performance data needs to be assessed and analysed to identify what was learnt, any non-conformity and opportunities for improvement. Options for improvement should be gained from a wider field of all the people involved in or impacted by the Alliances delivery. The result of this along with benchmarking is to share learning across the whole of Downer’s portfolio and introduce initiatives to this Alliance from other relationships of Downer or from the wider industry. 6. For the relationship to develop it is important to provide training for the team in the competencies and behaviours expected within a collaborative relationship. Consideration should be given to including these aspects both in training and recruitment processes. The value of this knowledge could be used in part in inductions and training of the appropriate staff in the parent organisations to improve their knowledge of the collaborative approach and its value.	With a Performance Manager back in the Alliance, her role is to arrange lessons learned sessions to be carried out for all workstreams with improvement plans put in place for each to make sure we address any identified areas that we can improve on. Industry recognition has been identified as an area of improvement for the Tararua Alliance. Will we also use Transport insights and Waka Kotahi’s Excellence Assessment to assist with benchmarking. Recruiting an operations support person to focus on building thorough induction and training programmes specific for the Tararua Alliance contract which includes going through the how the Alliance model works and introducing new members to the appropriate staff.	28/06/2024 28/06/2024
Performance Framework	7. Introduce the new framework by 31 June 2023 and trial it through to 30 June 2024 with it becoming operational for the 2024/25 year. 8. The Alliance should consider using the results of their performance to demonstrate to their client, community and peers the tangible results, new initiatives, and improving customer service as a result of their work. This could include presentations at conferences by the team to your peers and potential acknowledgment of leading edge delivery and the achievement of excellent performance.	See ‘item 1 in Strategic Alignment’. Will present on how we are tracking against the performance framework to the PG quarterly on how we are tracking against framework highlighting areas that we are doing well and areas for improvement. We will seek feedback from the PG group and the Alliance Leadership Team regarding what forums we could present the highlights e.g ICCEM meetings with the Tararua District Council Elected members or the Downer Contract Managers Conference.	28/03/2024 29/11/2024
Business process	<u>Audit</u> 9. Target the non-financial audit review for the previous financial year to occur by the end of August of each year so that opportunities to implement feedback/improvements in the current financial year are maximised.	Financial and AMMA audits need to be completed in conjunction with the performance audit. New performance framework has a KPI to have these audits completed by the end of November.	29/11/2024
	10. Conduct and report on internal audits that identify the benefits of improvement plans within the Alliance at different times throughout the year. These may have a specific focus on some aspect or may be more general in	See ‘item 1 in Strategic Alignment’. Key focus will be the new performance framework and following through with lesson learned meetings for all workstreams. At the	Ongoing

Areas	Recommendation	Management Comment and planned action	Implementation date
	<p>nature. The focus of these is to identify and introduce improvement where opportunity is seen for such action.</p> <p><u>Succession Plan</u></p> <p>11. Continue improving and actioning the succession plan so new appointments can be made quickly and seamlessly with a number of these being made from existing Alliance staff.</p> <p><u>Variations</u></p> <p>12. Review and develop with TDC a process for introducing and agreeing work variations and their delivery, particularly for those that are being requested from outside the road and three waters operations of Council.</p> <p><u>External suppliers (partnerships and resources)</u></p> <p>13. Where appropriate consider using, a procurement process which involves the suppliers providing a best for project solution from their experience and knowledge. Consider size, complexity and risks when making these decisions</p> <p>14. Introduce detailed project management systems and processes which includes administration of changes and variations</p> <p><u>Culture Survey</u></p> <p>15. Continue with Council, Downer, Alliance office and field staff and supplier surveys so that the AMT get a picture of the whole of the Alliance culture and delivery. From these identify any issues and gaps and introduce actions that encourage and demonstrate to the whole team the value from their involvement.</p> <p><u>Communications and engagement</u></p> <p>16. Develop the options, opportunities and value to all parties for deeper engagement with the Council, TDC staff and if appropriate with the community and decide an agreed approach and action this. The primary focus for this engagement is to share information and educate these key partners of the value of the Alliance, its performance and if appropriate where the Alliance has achieved excellence and obtained recognition from external parties.</p>	<p>monthly Alliance Leadership meetings, we will review the risk, innovations, and rework registers. We will ensure the registers are reviewing more thoroughly as mentioned in 'item 4 Continuous Improvements'</p> <p>New performance framework has a KPI 'Staff Development and Training' to identify key talent staff and build a succession plan that is agreed, measured, reviewed, and completed.</p> <p>Although we are prepared to help Council in other operational streams. However, with the upcoming workload for the Alliance work. Our priority will be to make sure we deliver on this workload.</p> <p>We have introduced contractor panel where we work with contractors to provide best for project solutions.</p> <p>The project management process we are using for AWPTs has proven to be successful. We will replicate this process for our other project workstreams such as 3 waters renewals and structures renewals. This process will continue to be refined through our lessons learned process.</p> <p>We have Stakeholder Relationship Management Plan which includes having regular meetings with stakeholders to seek feedback and create actions in our performance improvement plan. 6 monthly Voice Of Employees (VOE) surveys will be carried out as well.</p> <p>We have hired a Communications and Stakeholder Manager to improve our Stakeholder Management Plan and ensure it is being followed to achieve this.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Completed</p> <p>June 2025</p> <p>Ongoing</p> <p>Ongoing</p>

Append ix 2: Performance Review spreadsheet

Performance Framework
Tararua Alliance 2022-23
End of Year Performance

Note: Score Index is 1 to 10 with 5 being \$ neutral.

	Level 1 - KRA's		Level 2- KPI's		Frequency	Performance Calculation				Comments
		Measure		KRA Weightings		KPI Weightings	OPM Weightings	Score Index		
		Name	Description							
									(1 - 10)	
Enablers	1 Leadership			Annually	15%			8	High 8. Would have liked to see better benchmarking against the other Alliances and get learnings from the other Alliances where we may not be benchmarking well.	
	2 People			Annually	10%			9	Getting external recognition through awards. Intergrating all lesson learnt meetings and audits and bringing them together to build a clear process for how the opportunities of improvement are managed, improved and implimented as BAU . Link what we do back to the politicians and the community to show how we are measured and how we are scoring, provide highlights and areas of improvement that we will be focusing on to how the value we are providing.	
	3 Strategy (Asset Management)			Annually	10%			9	Undertake Asset Management audits through NZTA such as the Excellence Assessment.	
	4 Partnerships and Resources			Annually	10%			9	Although Lessons learned are happening. Need to ensure they are happening on a regular basis across all activities and actions are monitored and closed out. Yet to have lessons learned for Cyclone Gabrielle response although survey has been completed. Need to benchmark with other areas.	
	5 Processes, Product and Services			Annually	5%			8	Gathering feedback through surveys, now need to deminstrate what is done with that feedback and how we impliment the lessons from them. Have a process now with a Performance Manager to do this. Make sure it is reported to show the value of the surveys.	
	Subtotal Enablers				50%					
	Results	6 People Results				10%	100%			
6 People Results		Alliance Team Safety	Site Safety Observations	Monthly		50%		10	Completed 97.5 SBCs per month and top score was to complete over 25. These targets are to be reviewed with new performance framework.	
6 People Results		Workplace Health	Alliance Surveys	6 Monthly		50%		7	Staff survey scores majority in 4s and 5s out of 5.	
7 Customer Results					10%	100%				
7 Customer Results		Timely Communication	Actual completion date versus required date.	Monthly		35%		7	93.41% of CRMs closed out within 3 day target. Scored 7 which is between 80% to 95%.	
7 Customer Results		Effective Communication	Customer Survey of a random 10% of customers monthly.	Monthly		30%		7	Customer feedback scored 3.86 out of 5.	
7 Customer Results		Minimise Operational Impacts	Retail and Customer complaints as a result of operations.	Monthly		35%		1	Due to receiving more detail through CRMs of complaints, we determined there were 40 complaints for the year.	
8 Society Results					10%	100%				
8 Society Results		Compliance with Traffic Management Plans	Site Safety Audits	Monthly		20%		7	Overall TIM audits scored a 92.2% being between 85% and 95% scoring a 7.	
8 Society Results		Zero Harm - Environment	Toolbox meetings and Site Safety Audits.	3 Monthly		25%		10	Weekly toolbox meetings held which includes talking about environmental controls.	
8 Society Results		Asset Condition	Asset Condition Indicator	Annually		30%		5	Asset condition indicator based on fault severity scored a 5.	
8 Society Results		Smooth Travel Exposure (Roughness)	Roughness Survey	Annually		25%		10	Roughness surevy scored 96% achieving the 93% target	
9 Key Results					20%	100%				
9 Key Results		Stakeholder Confidence	Stakeholder Survey	Annually		10%		7	Majority of stakeholder who completed the survey scored 4 and above.	
9 Key Results		Commercial Tension	Target Cost Estimate versus Actual Costs.	Monthly		40%		5	TCE vs Actual scored 0.9% which scored in the BAU range.	
9 Key Results		Programme Delivery	Actual versus Programme	Monthly		50%	100%			
9 Key Results		Programme Delivery - Pavement and Surfacing		Monthly			46%	1	Due to the affect cyclone gabrielle had on our programmed vs actual work completion and the recovery response being a priority for the remainder of the year, the programme vs actual for pavement and surfacing scored 43.58%.	
9 Key Results		Programme Delivery - Drainage		Monthly			27%	3	Due to the affect cyclone gabrielle had on our programmed vs actual work completion and the recovery response being a priority for the remainder of the year, the programme vs actual for drainge scored 62.23%.	
9 Key Results		Programme Delivery - Footpaths		Monthly			27%	10	Achieved 10 as footpath programmed vs actual was 90.47%	
Subtotal Results		50%								

