



AGENDA

Audit, Risk, and Finance Committee

**Tuesday 20 August 2013
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership:

Councillor Ian Barker (Chairperson), His Worship the Mayor Aldo Miccio, Councillors Gail Collingwood, Ruth Copeland (Deputy Chair), Paul Matheson, and Mr Graeme Thomas

20 August 2013

1573752

Page No.

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Confirmation of Order of Business

3. Confirmation of Minutes – 23 July 2013

4-7

Document number 1560966

Recommendation

THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 23 July 2013, be confirmed as a true and correct record.

4. Status Report – Audit, Risk and Finance Committee

There are currently no items on the status report.

5. Finance Report for the Period Ending 30 June 2013

8-31

Document number 1567112

Recommendation

THAT the Finance Report for the Period Ending 30 June 2013 (1567112) and its attachments (1566367, 1568231, 1545455, 1234107 and 1560321) be received.

6. Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2013 32-60

Document number 1560781

Recommendation

THAT the report Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2013 (1560781) and its attachments (1561431 and 1561556) be received;

AND THAT the Committee note the progress made on identifying and reducing risks associated with non-compliance to date.

7. Regulatory Report for 1 April to 30 June 2013 61-70

Document number 1556352

Recommendation

THAT report Regulatory Report for 1 April to 30 June 2013 (1556352) be received.

8. Corporate Risk Management Progress Report 71-78

Document number 1516356

Recommendation

THAT the report Corporate Risk Management Progress Report (1516356) be received.

9. Future Governance Arrangements 79-81

Document number 1574119

Recommendation

THAT the report Future Governance Arrangements (1574119) for the Audit, Risk and Finance Committee be received;

AND THAT the Committee meetings be moved to a six weekly cycle;

AND THAT specific reports on health and safety, risk management, and periodic reviews of activities be received by the Committee.

Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 23 July 2013, commencing at 9.04am

- Present: Councillors I Barker (Chairperson), and G Collingwood, and Mr Graeme Thomas
- In Attendance: Executive Manager Support Services/Acting Executive Manager Community Services (H Kettlewell), Executive Manager Network Services (A Louverdis), Executive Manager Regulatory (R Johnson), Executive Manager/Kaihautū Community Relations (G Mullen), Acting Chief Financial Officer (T Hughes), Manager Strategic Response (C Ward), Manager Administration (P Langley), Manager Community Relations (A Ricker), Strategy and Planning Analyst (B Wayman), and Administration Adviser (L Canton)
- Apologies: His Worship the Mayor, A Miccio, and Councillors R Copeland and P Matheson

Recommendation to Council

THAT a message of congratulations be sent to the royal family on the announcement of the birth of a son to the Duke and Duchess of Cambridge.

Collingwood/Barker

Carried

1. Apologies

Resolved

THAT apologies be received and accepted from His Worship the Mayor, and Councillors Copeland and Matheson.

Barker/Collingwood

Carried

2. Interests

There were no updates to the Interests Register and no conflicts with items on the agenda were noted.

3. Confirmation of Order of Business

There was no change to the order of business.

4. Confirmation of Minutes

4.1 18 June 2013

Document number 1538456, agenda pages 4-6 refer.

A correction was made to the final paragraph on page 2 of the minutes, substituting 'Council had been issued' for 'Council had issued'.

Resolved

THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 18 June 2013, be confirmed as a true and correct record with the correction as noted.

Collingwood/Barker

Carried

5. Status Report – Audit, Risk and Finance

There were no items on the status report.

6. Finance Report for the Period Ending 31 May 2013

Document number 1545011, agenda pages 7-27 refer.

Acting Chief Financial Officer, Tracey Hughes, presented the report.

In response to a question, Executive Manager Network Services, Alec Louverdis, advised that work to address the December 2011 rainfall event would be ongoing until June 2014, and this would continue to affect budget variances. He added that the effects of the April 2013 rainfall event were still to come.

6.1 Transport

The Committee noted the importance of communicating to the public the decrease in parking income, as this acted to offset rates.

6.2 Water

In response to questions, Mr Louverdis assured the Committee that unprogrammed maintenance remained at a manageable level.

6.3 Social

The Committee noted that Community Housing rentals and maintenance were below budget, and asked for the reasons behind this. Acting

Manager Community Services, Hugh Kettlewell, undertook to provide further detail on this in the next Finance Report to the Committee.

6.4 Corporate

In response to a question, Ms Hughes undertook to investigate what the payment to Tasman District Council for the December 2011 rainfall event response expenditure comprised, and advise the Committee by email following the meeting.

In response to a question, Mr Louverdis said he would address the reasons for underspends in programmed maintenance across various activities, and advise the Committee of any associated risk, in the next Finance Report to the Committee.

The Committee asked that future Finance Reports include a note of the core debt level.

Resolved

THAT the Finance Report for the Period Ending 31 May 2013 (1545011) and its attachments (1542786, 1547275, 1545455 and 1234107) be received and the variations noted.

Collingwood/Thomas

Carried

7. **Bad Debt Write-off Year Ending 30 June 2013**

Document number 1526384, agenda pages 28-29 refer.

Resolved

THAT the report Bad Debt Write-Off Year Ending 30 June 2013 (1526384) be received.

Collingwood/Thomas

Carried

8. **2013/14 Insurance Renewal**

Document number 1539308, agenda pages 30-36 refer.

Ms Hughes presented the report.

The Committee discussed whether it would be appropriate to change the insurance type for the properties noted on Attachment 2 to the report (1539308) in 2013/14. In response to questions, Ms Hughes explained that officers' suggestion was to retain reinstatement insurance for non-earthquake perils, but to change to indemnity insurance only for earthquakes. She said this would allow flexibility around the reinstatement of buildings, and lower insurance costs.

The Committee discussed the difficulties of lowering insurance costs by changing cover to indemnity only, given the range of properties involved, and the implications should an earthquake event cause widespread devastation. It was agreed that the report should be considered by the full Council.

The Committee requested that the report to Council include advice on whether insurers were able to only provide indemnity insurance on some buildings.

Resolved

THAT the report 2013/14 Insurance Renewal (1539308) be referred to Council for information and further discussion.

Collingwood/Barker

Carried

The Committee had a brief discussion about Council-owned buildings that were not generating a rental income. Mr Louverdis advised that he would provide councillors with a list of Council-owned properties that were unoccupied and available for rental, noting how they were being marketed.

9. Results of 2013 Resident and Customer Surveys

Document number 1550689, agenda pages 37-40 refer.

Strategy and Planning Analyst, Brylee Wayman, joined the meeting and provided further explanation for aspects of the report.

Resolved

THAT the report Results of 2013 Customer and Resident Surveys (1550689) be received;

AND THAT the results be published in Live Nelson.

Collingwood/Barker

Carried

There being no further business the meeting ended at 10.10am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Finance Report for the Period Ending 30 June 2013

1. Purpose of Report

- 1.1 To inform the members of the Audit, Risk and Finance Committee on the financial results of activities for the 12 months ending 30 June 2013 compared to budget, and to highlight and explain any material variations.

2. Recommendation

THAT the Finance Report for the Period Ending 30 June 2013 (1567112) and its attachments (1566367, 1568231, 1545455, 1234107 and 1560321) be received and the variations noted.

3. Background

- 3.1 The commentary is prepared comparing actual amounts with the full year budget. Budgets are phased evenly throughout the year for operating revenue and expenses, and weighted in the second half of the year for capital. Timing variances against budget are caused when seasonality is a factor (for instance with some classes of maintenance), and when total budgeted income or expenditure occurs within a very short space of time (for example, grants). Projections in this report form the opening position for the Annual Plan 2013/14.
- 3.2 Further work around financial year end is still to be done, and the results in this report are unaudited. Therefore these results should be regarded as preliminary.

4. Discussion

- 4.1 For the 12 months ending 30 June 2013, there is an operating deficit of \$889,000, compared with the budgeted deficit of \$5.2 million, a \$4.3 million positive variance. The reasons for the budgeted deficit are loan-funded items such as grants for capital expenditure and the recovery from the December 2011 rainfall event, along with unfunded depreciation on some assets, particularly roading.
- 4.2 Operating income and expenditure are discussed by activity.

4.3 Staff expenditure remains under budget for the year. There are large variances against budget in individual activities, reflecting how staff are spending their time against where it was budgeted to be spent. Anticipating (for the budget process) where staff are likely to spend their time is an inexact science, exacerbated as priorities change throughout the year.

5. Transport

5.1 The preliminary result for the transport activity is a \$2.0 million deficit for the year, \$1.5 million less than the budgeted deficit. The reasons for the budgeted deficit are the December 2011 rainfall event including Cable Bay Road, along with unfunded depreciation on a portion of roading assets.

Transport activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(7,161,552)	(174,599)	(672,964)	(7,577,207)	(8,075,572)	(498,365)	(8,075,572)	(7,676,864)	
Operating Income	(5,854,637)	(467,503)	(651,825)	(6,448,245)	(7,821,894)	(1,373,649)	(7,821,894)	(6,294,359)	5.2
Total Income	(13,016,189)	(642,102)	(1,324,789)	(14,025,452)	(15,897,466)	(1,872,014)	(15,897,466)	(13,971,223)	
Expenses									
Staff	1,813,797	159,065	166,791	2,021,082	2,001,494	(19,588)	2,001,494	1,955,529	
Base Service Provision	6,101,273	679,156	576,640	7,148,362	6,919,675	(228,687)	6,919,675	6,929,076	5.3
Unprogrammed Maintenance	1,394,625	42,277	343,875	1,092,395	4,126,500	3,034,105	4,126,500	1,068,000	5.4
Programmed Maintenance	210,516	40,297	33,583	67,906	403,000	335,094	403,000	130,000	5.5
Financial Charges	1,021,077	85,443	95,054	1,004,191	1,140,653	136,462	1,140,653	1,020,022	
Depreciation	5,448,157	392,513	399,436	4,703,744	4,793,226	89,482	4,793,226	4,740,045	
Total Expenses	15,989,445	1,398,751	1,615,379	16,037,679	19,384,548	3,346,869	19,384,548	15,842,672	
Net Surplus/Deficit	2,973,256	756,649	290,590	2,012,227	3,487,082	1,474,855	3,487,082	1,871,449	5.1

5.2 New Zealand Transport Agency grants are under budget by \$1.4 million mainly due to the timing and reclassification of the Cable Bay Road project. These changes are reflected in the projections. Parking income is \$460,000 (24%) under budget. This is mainly in off-street meters (\$403,000) although off-street permits and on-street meters are also significantly under budget. The projection for these budgets has decreased income by \$486,000 in total. This is an area that will be investigated further as part of the work around parking strategy scheduled for 2013/14 financial year. Offsetting this, Public Transport revenue is \$56,000 above budget from ticket revenue, and unsubsidised roading recoveries is \$342,000 above budget mainly due to the UFB rollout and corridor access requests (for which there is corresponding unbudgeted expenditure). Roding properties revenue is \$74,000 over budget mainly due to unanticipated rental income.

5.3 Unsubsidised roading shows a full year overspend of \$86,000 relating mainly to increased street cleaning requirements – longer than usual Autumnal leaf fall requiring additional sweeps and greater public awareness of the effect of blocked sumps and gutters - and above budget street tree and garden maintenance. Street tree maintenance

required extra funds to deal with wind events and the Stoke tornado, and condition assessments in street garden maintenance have uncovered a greater than anticipated maintenance requirement. Unbudgeted expenditure of \$208,000 for corridor access requests is recovered through income (see 5.2).

- 5.4 The Cable Bay Road reinstatement is under budget in unprogrammed maintenance by \$3.25 million for the year. Please note that this work has been reclassified as capital expenditure in the projections, and \$663,000 has been spent, resulting in an underspend for the project of \$2.6 million. The construction work is now expected to start August/September 2013. Other recovery works related to the 2011 event have not been as extensive as originally estimated, and have generated a further underspend of \$130,000. \$185,000 has now been spent in response and recovery from the April 2013 flood, for which there was no budget. Expenditure in excess of \$150,000 will be recovered from the Disaster Recovery Fund. Offsetting unbudgeted income relating to the UFB rollout (see 5.3) is \$153,000 unprogrammed (and unbudgeted) expenditure.
- 5.5 Programmed Maintenance is \$335,000 under budget in total. The Studies and Strategies budgets such as parking strategy and the arterial corridor study which have been moved into the 2013/14 financial year in the final projections show a \$220,000 variance, and the Activity management planning program is \$140,000 under budget for the year as NZTA disagreed that the programme fit their criteria for funding. Some of the items have been funded from elsewhere.

6. Water

- 6.1 The preliminary result for the water activity is a \$499,000 surplus for the year, \$862,000 better than budgeted. The reason for the budgeted deficit is the December 2011 rainfall event.

Water supply activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	0	0	0	0	0	0	0	
Operating Income	(10,492,427)	(1,641,285)	(920,580)	(11,102,801)	(11,046,958)	55,843	(11,046,958)	(10,730,368)	6.2
Total Income	(10,492,427)	(1,641,285)	(920,580)	(11,102,801)	(11,046,958)	55,843	(11,046,958)	(10,730,368)	
Expenses									
Staff	969,766	53,147	55,210	617,590	662,525	44,935	662,525	565,126	
Base Service Provision	2,332,888	299,233	232,759	2,825,532	2,793,106	(32,426)	2,793,106	2,940,882	
Unprogrammed Maintenance	1,793,242	190,885	209,974	1,908,859	2,519,693	610,834	2,519,693	1,896,693	6.3
Programmed Maintenance	20,457	20,314	9,876	33,481	118,513	85,032	118,513	33,513	
Financial Charges	1,514,538	117,174	114,577	1,313,174	1,374,929	61,755	1,374,929	1,346,481	
Depreciation	4,092,664	326,082	328,433	3,905,366	3,941,192	35,826	3,941,192	3,915,129	
Total Expenses	10,723,554	1,006,834	950,830	10,604,002	11,409,958	805,956	11,409,958	10,697,824	
Net Surplus/Deficit	231,127	(634,451)	30,250	(498,799)	363,000	861,799	363,000	(32,544)	6.1

- 6.2 Water revenue is on budget for the year, \$341,000 better than projection. This income is difficult to budget for as it is influenced by variable factors such as weather and economic activity which affect water volumes.
- 6.3 \$285,000 of the underspend in un-programmed maintenance is due to there being only \$108,000 spent for the year on the December 2011 rainfall event recovery in this activity. The estimations of what was required for the recovery work were too high and excess budget was transferred to the Stormwater activity through the projections(see 8.2). Reactive maintenance for water reticulation under budget by \$326k due to \$100k budget reassigned to programmed maintenance through the projections, and the original budget being revised down by \$200k midway through the year due to there having been less failures, mainly of water service lines, than had been the average in recent years.

7. Wastewater

- 7.1 The preliminary result for the wastewater activity is a \$427,000 deficit for the year, \$202,000 more than budgeted. The reason for the budgeted deficit is the December 2011 rainfall event.

Wastewater activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(6,263,016)	(556,365)	(536,352)	(6,456,238)	(6,436,225)	20,013	(6,436,225)	(6,456,551)	
Operating Income	(3,737,006)	(414,976)	(304,813)	(3,429,186)	(3,657,750)	(228,564)	(3,657,750)	(3,470,750)	7.2
Total Income	(10,000,022)	(971,342)	(841,165)	(9,885,424)	(10,093,975)	(208,551)	(10,093,975)	(9,927,301)	
Expenses									
Staff	647,870	48,020	43,746	545,222	524,946	(20,276)	524,946	496,818	
Base Service Provision	6,314,941	566,489	513,560	6,178,188	6,162,716	(15,472)	6,162,716	6,299,499	7.3
Unprogrammed Maintenance	64,777	63,301	60,792	561,945	729,500	167,555	729,500	639,500	7.4
Programmed Maintenance	29,182	37,976	16,917	130,962	203,000	72,038	203,000	139,500	
Financial Charges	0	0	0	0	0	0	0	0	
Depreciation	2,708,858	241,377	224,901	2,895,777	2,698,813	(196,964)	2,698,813	2,902,608	
Total Expenses	9,765,626	957,163	859,915	10,312,093	10,318,975	6,882	10,318,975	10,477,925	
Net Surplus/Deficit	(234,396)	(14,179)	18,750	426,669	225,000	(201,669)	225,000	550,624	7.1

- 7.2 For the purposes of this report, the Nelson Regional Sewerage Business Unit (NRSBU) investment return, for the year \$969,000 against \$894,000 budgeted, has been accrued. The remainder of this variance relates to the NRSBU consolidation and is offset in expenditure.
- 7.3 \$386,000 has been spent on consultancy and legal fees relating to the Nelson North Waste Water Treatment Plant remediation. This has been loan funded and forms the bulk of the activity's deficit. Offsetting this unbudgeted expenditure is the NRSBU consolidation.
- 7.4 Unprogrammed maintenance is \$168,000 under budget mainly due to less expenditure than anticipated on the December 2011 rainfall event.

8. Stormwater

- 8.1 The preliminary result for the stormwater activity is a \$1.2 million deficit for the year, \$1.1 million more than budgeted. The reason for the budgeted deficit is the December 2011 rainfall event and this is also the reason why the activity deficit is more than budgeted (see 8.2).

Stormwater activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(4,168,849)	(139,767)	(317,823)	(3,635,824)	(3,813,880)	(178,056)	(3,813,880)	(3,572,996)	
Operating Income	(820)	0	0	(29,996)	0	29,996	0	0	
Total Income	(4,169,669)	(139,767)	(317,823)	(3,665,820)	(3,813,880)	(148,060)	(3,813,880)	(3,572,996)	
Expenses									
Staff	586,632	39,544	39,342	549,623	472,105	(77,518)	472,105	658,605	
Base Service Provision	483,012	43,066	25,035	272,459	300,420	27,961	300,420	279,215	
Unprogrammed Maintenance	1,203,377	56,298	25,583	1,467,789	307,000	(1,160,789)	307,000	1,382,275	8.2
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	1,180,651	71,724	76,470	892,328	917,641	25,313	917,641	892,979	
Depreciation	2,018,487	138,305	159,726	1,659,666	1,916,714	257,048	1,916,714	1,665,313	8.3
Total Expenses	5,472,159	348,937	326,157	4,841,866	3,913,880	(927,986)	3,913,880	4,878,387	
Net Surplus/Deficit	1,302,490	209,170	8,333	1,176,046	100,000	(1,076,046)	100,000	1,305,391	8.1

- 8.2 There is a \$1.1 million overspend in the December 2011 rainfall event recovery. The major projects report to the 21 February 2013 Council meeting agreed reallocations from water, wastewater and roading for the December 2011 rainfall event to cover this, which has been reflected in the projections. \$66,000 has now been spent for response to and recovery from the April 2013 flood, with \$25,000 underspent in the other unprogrammed asset maintenance budget due to ongoing rainfall event recovery work overriding the need to undertake what would have been expected to spend on normal maintenance work.
- 8.3 Depreciation on Flood Protection assets was incorrectly budgeted in this activity. This has been corrected in the projections.

9. Flood Protection

The preliminary result for the flood protection activity is a \$4,000 deficit for the year, \$4,000 more than budgeted.

Flood protection activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	(199,023)	(10,179)	(310,990)	(122,146)	188,844	(122,146)	(373,817)	
Operating Income	0	0	0	0	0	0	0	0	
Total Income	0	(199,023)	(10,179)	(310,990)	(122,146)	188,844	(122,146)	(373,817)	
Expenses									
Staff	0	7,863	0	14,948	0	(14,948)	0	2,573	
Base Service Provision	0	6,359	750	11,350	9,000	(2,350)	9,000	7,000	
Unprogrammed Maintenance	0	63,473	8,583	159,510	103,000	(56,510)	103,000	326,225	
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	0	707	846	4,612	10,146	5,534	10,146	3,775	
Depreciation	0	10,354	0	124,244	0	(124,244)	0	124,244	9.2
Total Expenses	0	88,756	10,179	314,664	122,146	(192,518)	122,146	463,817	
Net Surplus/Deficit	0	(110,267)	0	3,674	0	(3,674)	0	90,000	9.1

9.1 Depreciation on flood protection assets was incorrectly budgeted in the Stormwater activity. This has been corrected in the projections.

10. Environment

10.1 The preliminary result for the environment activity reports is a \$192,000 surplus for the year, \$181,000 more than budgeted.

Environment activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(4,268,895)	1,124,739	(515,534)	(4,573,161)	(6,186,410)	(1,613,249)	(6,186,410)	(5,310,246)	
Operating Income	(6,641,386)	(778,280)	(799,153)	(9,007,894)	(9,589,841)	(581,947)	(9,589,841)	(9,336,099)	10.2
Total Income	(10,910,281)	346,459	(1,314,688)	(13,581,055)	(15,776,251)	(2,195,196)	(15,776,251)	(14,646,345)	
Expenses									
Staff	4,286,222	424,241	520,900	5,241,826	6,250,803	1,008,977	6,250,803	5,933,083	10.3
Base Service Provision	6,877,347	768,047	659,892	6,831,707	7,918,708	1,087,001	7,918,708	7,124,357	10.4
Unprogrammed Maintenance	80,525	23,334	17,417	186,602	209,000	22,398	209,000	207,309	
Programmed Maintenance	456,414	97,342	66,483	468,074	797,800	329,726	797,800	575,089	10.5
Financial Charges	501,761	20,114	20,272	255,658	243,265	(12,393)	243,265	254,050	
Depreciation	293,632	33,870	28,825	405,283	345,896	(59,387)	345,896	407,835	
Total Expenses	12,495,900	1,366,948	1,313,789	13,389,150	15,765,472	2,376,322	15,765,472	14,501,723	
Net Surplus/Deficit	1,585,620	1,713,406	(898)	(191,905)	(10,779)	181,126	(10,779)	(144,622)	10.1

10.2 Building consent fees are \$408,000 under budget, offset by lower staff costs (\$304,000). Solid waste fees and levies total \$510,000 less than budget – in particular, Landfill fees by \$457,000, Recycling by \$51,000 and Waste Minimisation by \$93,000, offset by Transfer Station fees over budget by \$120,000. The LTP budgeted for some recovery in tonnages after a downturn driven by the economic issues late last decade, however this has not come to pass, partly as a result of successful waste minimisation initiatives. Offsetting this Resource consent fees and LIM revenue are \$153,000 and \$40,000 more than budget for the year

respectively, Dog Control income \$35,000 more than budget, and Rural Fire control has \$100,000 unbudgeted income being recovery of unbudgeted fire fighting expenditure.

- 10.3 There has been less staff time spent than budgeted particularly in Resource Consents, Environmental Advocacy, Building Services, Weathertight Homes Resolution, and Resource management planning. There is some reflection in revenue particularly in the Building unit.
- 10.4 Resource management planning development expenditure is \$311,000 less than budget for the year. The projected saving was \$276,000, \$147,000 of which covers the overspend on the Festivals noise consent (see 11.3). Monitoring the Environment is under budget by \$69,000 for the year against a projected saving of \$89,000. The Emissions Trading Scheme levy for Landfill is under budget by \$364,000 as an accrual estimated to be in the region of \$50,000 has yet to be made. The resulting saving of \$314k is due to the depressed price of carbon. Toe Embankment Maintenance with a saving for the year of \$210,000 was largely put on hold and is being done progressively. \$40,000 was spent this year. The remaining variance in Solid Waste of \$266,000 reflects lower volumes. No claims have been made under the Riskpool claim provision, saving \$170,000.
- 10.5 The grant for capital expenditure for the Emergency Operations Centre has not been made, resulting in an underspend for the year of \$150,000. The funding mechanism has been changed and will not require a capital grant. The Emergency Operations Centre will be finished in December 2013. Waste Minimisation programmed expenditure is under budget by \$98,000, which is \$68,000 more than projected. Programmed maintenance savings over the rest of Solid Waste totals \$15,000. There are savings across many of the expenditure lines in the Environmental Advocacy/Advice sub-activity, totalling \$68,000 for the year.

11. Social

- 11.1 The preliminary result for the social activity is a \$860,000 deficit for the year, \$366,000 more than budgeted. The reason for the budgeted deficit is a grant to the Suter Gallery for capital expenditure.

Social activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(8,926,771)	(327,260)	(832,818)	(9,488,258)	(9,993,816)	(505,558)	(9,993,816)	(9,795,358)	11.2
Operating Income	(2,932,011)	(337,024)	(233,628)	(3,074,363)	(2,803,538)	270,825	(2,803,538)	(2,927,036)	
Total Income	(11,858,782)	(664,283)	(1,066,446)	(12,562,621)	(12,797,354)	(234,733)	(12,797,354)	(12,722,394)	
Expenses									
Staff	4,413,769	382,573	396,748	4,858,817	4,760,970	(97,847)	4,760,970	4,898,904	
Base Service Provision	3,254,099	302,090	321,976	3,605,244	3,863,712	258,468	3,863,712	3,631,699	11.3
Unprogrammed Maintenance	341,440	87,310	21,191	356,093	254,290	(101,803)	254,290	305,020	
Programmed Maintenance	2,639,966	190,944	239,618	3,216,441	2,875,413	(341,028)	2,875,413	3,278,473	11.4
Financial Charges	307,671	23,987	31,747	277,555	380,963	103,408	380,963	289,909	
Depreciation	990,624	92,218	96,304	1,108,586	1,155,648	47,062	1,155,648	1,140,003	
Total Expenses	11,947,569	1,079,122	1,107,583	13,422,736	13,290,996	(131,740)	13,290,996	13,544,008	
Net Surplus/Deficit	88,787	414,839	41,137	860,115	493,642	(366,473)	493,642	821,614	11.1

11.2 Festivals income is \$114,000 over budget for the year, mainly related to higher than anticipated income for the Arts Festival . Also Brook Camp and Tahuna Camp rentals are over budget \$56,000 and \$35,000 respectively. The Founders book fair produced \$41,000 more income than anticipated. Library fees are below budget across the board, totalling \$52,000. This is a reflection of current usage patterns and the income was reduced by \$36,000 in the final projections. Community Housing rentals are below budget by \$41,000. An analysis of the budget for the year against actual current rents charged indicates that the budget was set \$33,000 too high.

11.3 The unbudgeted Festivals noise consent totals \$147,000 which will be funded from the underspend in Resource Management Planning (see 10.5). Other underspends due to reclassification of expenditure of \$181,000 in Festivals offset the overspend in programmed maintenance (see 11.4). Maintenance, water, and insurance costs for the Theatre Royal and the School of Music are not yet the responsibility of Nelson City Council, generating a \$193,000 saving for the year. There are contract savings of \$110,000 at Marsden Valley Cemetery and Public Toilets \$41,000. Expenditure for initial seismic assessments in this activity total \$75,000. This was not budgeted within this activity and the projections have transferred the funds from the amount that was held in the Corporate activity (see 14.3) for later distribution. A number of smaller variances make up the balance (total \$45,000 more than budget), reflected in the final projections.

11.4 There is an overspend against budget of \$92,000 relating to the Suter grant for capital expenditure. This is related to bringing forward the resource consent. The consent was brought forward at the request of the Suter so that funding applications could be progressed. Programmed expenditure in Festivals shows a full year overspend of \$362,000. Higher than budgeted income of \$114,000 (see 11.2), and reclassification of expenditure within the sub-activity of \$181,000 (see 11.3), generates a full year deficit in Festivals of \$67,000. There is a \$79,000 underspend in

Community Housing programmed maintenance because \$55,000 expenditure in June was erroneously recorded against unprogrammed maintenance instead. Community Assistance grants (including permissive rates remissions) are now over budget by \$42,000, due to a budget error which was addressed in the projections. Community Development budgets are underspent by \$81,000 in total, most of which is a saving as some budgets incorrectly included staff costs.

12. Parks and Active Recreation

12.1 The preliminary result for the parks and active recreation activity is a \$648,000 deficit for the year, \$486,000 less than budgeted. The reasons for the budgeted deficit are the grant for capital expenditure for the Saxton cycle track along with the December 2011 rainfall event recovery.

Parks and active recreation activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(10,464,464)	799,935	(1,017,218)	(10,389,460)	(12,206,613)	(1,817,153)	(12,206,613)	(10,510,966)	
Operating Income	(2,989,519)	(279,174)	(231,439)	(2,894,203)	(2,777,266)	116,937	(2,777,266)	(2,754,435)	
Total Income	(13,403,983)	520,761	(1,248,657)	(13,283,663)	(14,983,879)	(1,700,216)	(14,983,879)	(13,265,401)	
Expenses									
Staff	1,071,364	75,473	116,123	963,684	1,393,479	429,795	1,393,479	935,694	
Base Service Provision	4,233,765	445,315	411,103	4,573,828	4,933,234	359,406	4,933,234	4,526,002	12.2
Unprogrammed Maintenance	627,444	124,778	79,634	1,459,010	955,604	(503,406)	955,604	1,319,409	12.3
Programmed Maintenance	1,824,515	210,904	243,328	1,907,587	2,919,936	1,012,349	2,919,936	2,076,628	12.4
Financial Charges	3,012,592	201,482	220,475	2,379,209	2,645,703	266,494	2,645,703	2,259,378	12.5
Depreciation	2,503,559	296,133	272,492	2,648,209	3,269,899	621,690	3,269,899	2,631,840	12.6
Total Expenses	13,273,237	1,354,085	1,343,155	13,931,528	16,117,855	2,186,328	16,117,855	13,748,951	
Net Surplus/Deficit	(130,746)	1,874,846	94,498	647,864	1,133,976	486,112	1,133,976	483,550	12.1

12.2 Maintenance contracts show an underspend of \$272,000, including an offset to programmed maintenance in Sports Parks of \$140,000 (see 12.4). There are savings realised for the final projections. General operating expenses for this activity are under budget by \$73,000 in total, including intra-council charges such as rates, water by meter, and insurance.

12.3 The December 2011 rainfall event recovery has resulted in a \$416,000 overspend for the year. Transfers from other activities will cover this shortfall. The April 2013 flood has expenditure in this activity of \$75,000.

12.4 Saxton Cycle Track grant for capital expenditure has not been paid, resulting in \$855,000 underspend for the year. This is projected to occur in 2013/14. No expenditure has been recorded against rural river channel management resulting in a further saving of \$48,000. An overspend of \$196,000 in sports parks programmed maintenance is offset by the saving in base service provision in the same sub-activity (see 12.2) and other programmed asset maintenance underspends total \$230,000 for the year.

- 12.5 Financial charges are under budget to June due to lack of spend in this activity for the year (mainly Marina hardstand, Trafalgar Centre upgrade, and Saxton capital works).
- 12.6 Depreciation \$509,000 for the year was double counted (in both Sports Parks and Saxton Capital works) in the budget with the remaining variance due to revaluations and timing of the capital programme.

13. Economic

- 13.1 The preliminary result for the economic activity is no surplus or deficit for the year, as budgeted.

Economic activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(2,710,117)	295,388	(121,048)	(1,036,137)	(1,452,572)	(416,435)	(1,452,572)	(1,028,865)	
Operating Income	(811,689)	0	0	0	0	0	0	0	
Total Income	(3,521,806)	295,388	(121,048)	(1,036,137)	(1,452,572)	(416,435)	(1,452,572)	(1,028,865)	
Expenses									
Staff	364,266	1,707	2,152	28,290	25,820	(2,470)	25,820	16,393	
Base Service Provision	2,746,809	53,795	58,045	696,544	696,544	0	696,544	696,544	
Unprogrammed Maintenance	69,714	125	0	908	0	(908)	0	3,000	
Programmed Maintenance	396,447	10,000	59,843	298,257	718,118	419,861	718,118	300,838	13.2
Financial Charges	11,570	1,012	1,008	12,138	12,090	(48)	12,090	12,090	
Depreciation	0	0	0	0	0	0	0	0	
Total Expenses	3,588,806	66,639	121,048	1,036,137	1,452,572	416,435	1,452,572	1,028,865	
Net Surplus/Deficit	67,000	362,027	0	0	0	0	0	0	13.1

- 13.2 There has been no spending on Facilities Marketing, or Economic Development fund to the end of June, and a saving of \$24,000 has been recognised as a result of not moving forward with the FIFA Under 20 World cup. The contestable fund is underspent \$204,000 for the year as is Special Economic Projects \$47,000. Sister City programmed expenditure is underspent \$25,000. Final projections recognise \$395,000 savings from programmed expenditure in this activity.

14. Corporate

- 14.1 The preliminary result for the corporate activity is a \$3.5 million surplus for the year, \$2.3 million more than budgeted.

Corporate activity performance for the period ending 30 June 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	1,427,659	(99,590)	(18,334)	(299,307)	(220,008)	79,299	(220,008)	(261,489)	
Operating Income	(17,046,025)	(4,307,111)	(1,096,836)	(15,497,816)	(13,162,033)	2,335,783	(13,162,033)	(13,101,362)	14.2
Total Income	(15,618,367)	(4,406,701)	(1,115,170)	(15,797,123)	(13,382,041)	2,415,082	(13,382,041)	(13,362,851)	
Expenses									
Staff	4,806,921	385,964	357,883	5,006,713	4,294,591	(712,122)	4,294,591	4,717,888	
Base Service Provision	4,123,208	144,292	156,900	1,512,003	1,882,799	370,796	1,882,799	1,573,015	14.3
Unprogrammed Maintenance	1,167,531	2,364	6,156	324,352	73,874	(250,478)	73,874	81,253	14.4
Programmed Maintenance	118,352	4,498	43,729	105,630	524,742	419,112	524,742	240,912	14.5
Financial Charges	4,084,316	470,170	361,480	4,114,337	4,337,760	223,423	4,337,760	4,117,885	14.6
Depreciation	1,062,091	101,883	86,119	1,187,135	1,033,432	(153,703)	1,033,432	1,162,938	14.7
Total Expenses	15,362,418	1,109,171	1,012,267	12,250,169	12,147,198	(102,971)	12,147,198	11,893,891	
Net Surplus/Deficit	(255,948)	(3,297,530)	(102,904)	(3,546,954)	(1,234,843)	2,312,111	(1,234,843)	(1,468,960)	14.1

14.2 A \$2.4 million gain on revaluation of financial derivatives has been recognised. This is a financial year end adjustment and does not affect rates funding but does affect the net surplus. Internal interest income is less than budget by \$673,000, reflecting prior year capital delays and underspends. There is also a \$478,000 favourable variance in forestry revenue including a \$928,000 revaluation gain. Budgeted Forestry income of \$450,000 has not eventuated due to inaccurate forecasting in the LTP, and the Maitai Forest harvest is on hold due to access issues. Dividend income is \$243,000 more than budget. The disaster recovery fund has recognised transfers from other activities of \$382,000, being the excess of insurance expenditure charged to those activities over the total insurance cost. Insurance claims to LAPP and MCDEM have been submitted totalling \$1.7 million and are awaiting confirmation before invoicing, so are not included in the table above but will be accrued in the annual accounts. \$574,000 was budgeted for the insurance claim. This is a correction to the May 2013 Audit Risk and Finance Report comment which indicated that the LAPP claim had been invoiced.

14.3 Contingency budget for the year of \$150,000 has not been used, however \$60,000 of budget has been transferred in the projections against the tornado damage from late 2012. Civic House rental savings of \$80,000 (for Fletcher Vautier Moore accommodation), Prego remediation not required \$109,000 (removed from projection), and administration and meeting expenditure \$77,000 less than budget. The Forestry expenditure is currently \$88,000 more than budget mainly due to the Marsden Forest harvest costs which were budgeted as net revenue. \$123,000 overspend for Nelson Development Strategy – budget is in programmed maintenance rather than base service delivery (see 14.5). The budget for initial seismic assessments is underspent by \$68,000 – the projections have transferred the budget to where it has been spent.

14.4 Includes \$245,000 payment in March to TDC for December 2011 rainfall event response expenditure – funded from the Disaster Recovery Fund.

- 14.5 The Nelson Development Strategy work is \$250,000 under budget in this category (see 14.3). The final projection reflects reduced scope for this work. Forestry programmed maintenance is under budget for the year by \$121,000 as well as Civic House \$46,000.
- 14.6 Internal interest is under budget by \$183,000 in Rental Properties due to interest savings on lower debt and the deferment of strategic property purchases. Also Ridgeways tax budgeted for the year \$63,000 has not yet been accrued.

15. Capital Related Income

- 15.1 This includes Capital related grants and subsidies from external parties (New Zealand Transport Agency, Tasman District Council, sports bodies, Housing New Zealand and development contributions), and in the 2012/13 budget, gifts of property. This continues to be shown below the line this financial year as it often distorts operating results and is only treated as income for Annual Report purposes. The preliminary result is \$8.5 million under budget for the year, \$6.9 million due to the fact that the property transfers of the School of Music and Theatre Royal are not now expected to take place until the 2013/14 financial year.
- 15.2 \$190k of New Zealand Transport Agency 'R' funding has been claimed against a budget for the year of \$1.7 million. The final projection reduced the expected R Fund income by \$1.3 million, with significant projects such as Waimea/Motueka intersection being delayed until the 2013/14 financial year. New Zealand Transport Agency funding for Capital improvements is \$225,000 below budget, and funding for Capital renewals is \$192,000 below budget, both reflecting the timing of Capital expenditure.
- 15.3 Development contributions are \$791,000 under budget for the year. Development contributions have historically tracked over budget. Current year performance reflects both lack of activity and the budget being set \$700,000 higher than in previous years.

16. Capital Expenditure

- 16.1 Capital expenditure is \$31 million below budget for the year. Please see Attachments 2 to 4 for more information on this variance. \$30 million has been removed from capital for the final projections, with \$28 million proposed to be carried forward and \$2 million savings realised.

17. Outstanding Rates

Of the \$54.9 million of rates levied in 2012/13, 0.77% were outstanding at 30 June. At 31 July \$301,547 remains outstanding.

18. Borrowings

- 18.1 A summary of the borrowings and interest rate position as at 30 June 2013 is attached (Attachments 7 and 8).

18.2 Net debt for the full financial year including NRSBU was budgeted to be \$96.42 million in the LTP. Preliminary results indicate that the net debt balance will be \$67.4 million. Net debt has increased over the year by \$4.5 million, being \$20.6 million debt repaid and \$25.1 million debt drawn down.

19. Elected members training and travel expenses

19.1 Under the Expenses Policy for Elected Members, actual expenditure against budget must be reported back to Council on a six-monthly basis. Attachment 10 shows the first six months of the financial year in italics, with the transactions for the last six months in normal typeface.

20. Conclusion

20.1 The net operating deficit of \$889,000 is \$4.3 million better than budget for the 12 months ending 30 June 2013. Capital expenditure is below budget by \$31 million, largely related to the timing of the budgeted Theatre Royal and School of Music assets transfers and changes to the timing of the capital programme. These results are preliminary, and may be adjusted through the process of compiling the Annual Report, and the subsequent audit.

Tracey Hughes
Acting Chief Financial Officer

Attachments

Attachment 1: Nelson City Council Summary Performance [1566367](#)

Attachment 2: Capital Expenditure by Activity [1566367](#)

Attachment 3: Capital Expenditure Over \$750,000 [1566367](#)

Attachment 4: Capital Expenditure Graph [1566367](#)

Attachment 5: Outstanding Rates [1566367](#)

Attachment 6: Balance Sheet [1568231](#)

Attachment 7: Council Borrowings [1566367](#)

Attachment 8: Interest Rate Position Report [1545455](#)

Attachment 9: Debtors Report [1234107](#)

Attachment 10: Elected members training and travel expenses [1560321](#)

No supporting information follows.

Nelson City Council summary performance for the period ending 30 June 2013

	YTD Actual Prior yr 000s	YTD Actual 000s	YTD Budget 000s	YTD Budget Var 000s	YTD Budget Var % 000s	Full year Budget 000s	Full year Proj 000s	Projection Budget Var 000s
Revenue								
Rates	42,536	43,767	48,507	4,741	9.8%	48,507	45,087	3,420
Water supply	10,409	11,014	11,015	1	0.0%	11,015	10,673	342
Activity income								
Transport	5,855	6,448	7,822	1,374	17.6%	7,822	6,294	1,528
Water supply	83	89	32	(57)	-175.3%	32	(284)	317
Wastewater	3,737	3,429	3,658	229	6.2%	3,658	3,471	187
Stormwater	1	30	0	(30)	N/A	0	0	0
Flood protection	0	0	0	0	N/A	0	0	0
Environment	6,641	9,008	9,590	582	6.1%	9,590	9,336	254
Social incl arts and heritage	2,932	3,074	2,804	(271)	-9.7%	2,804	2,927	(123)
Parks and active recreation	2,940	2,894	2,777	(117)	-4.2%	2,777	2,754	23
Economic	812	0	0	0	N/A	0	0	0
Corporate	17,046	15,498	13,162	(2,336)	-17.7%	13,162	13,101	61
Total revenue	92,992	95,251	99,367	4,115	4.1%	99,367	93,360	6,007
Activity Expense								
Transport	15,989	16,038	19,385	3,347	17.3%	19,385	15,843	3,542
Water supply	10,724	10,604	11,410	806	7.1%	11,410	10,698	712
Wastewater	9,766	10,312	10,319	7	0.1%	10,319	10,478	(159)
Stormwater	5,472	4,842	4,535	(307)	-6.8%	4,535	4,878	(344)
Flood protection	-	315	122	(193)	-157.6%	122	464	(342)
Environment	12,496	13,389	15,765	2,376	15.1%	15,765	14,502	1,264
Social incl arts and heritage	11,948	13,423	13,291	(132)	-1.0%	13,291	13,544	(253)
Parks and active recreation	13,273	13,932	16,118	2,186	13.6%	16,118	13,749	2,369
Economic	3,589	1,036	1,453	416	28.7%	1,453	1,029	424
Corporate	15,362	12,250	12,147	(103)	-0.8%	12,147	11,894	253
Total expense	98,619	96,140	104,545	8,405	8.0%	104,545	97,078	7,467
Net operating (surplus)/deficit	5,627	889	5,178	4,289	82.8%	5,178	3,718	1,460
Capital related income	4,614	4,321	12,793	8,472	66.2%	12,793	4,681	8,112

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Capital Expenditure

Total Council - by Activity

Activity	Actual YTD \$(000)	Budget YTD \$(000)	Variance YTD \$(000)	Annual Budget plus C/fwd \$(000)	Latest Forecast Significant variances against budget \$(000)
Transport	7,058	10,943	-3,884	10,943	6,929 Waimea/Motueka Junction, Princes Drive, Maitai Shared path
Water supply	7,867	7,823	45	7,823	7,500 Water Meters, system improvements, Maitai pipeline, Observation Hill reservoir
Wastewater	2,580	4,881	-2,300	4,881	2,885 NNWTP Upgrade, growth projects, Franklin St, Beatson Rd
Stormwater	896	2,808	-1,912	2,808	962 Vanguard St, Marlowe St, and many various
Flood protection	210	419	-209	419	220
Environment	345	384	-39	384	366
Social incl arts and heritage	1,430	11,063	-9,634	11,063	1,829 SoM, Theatre Royal, Buxton Toilet
Parks and active recreation	6,424	15,743	-9,319	15,743	Reserve Development, Wakefield Quay, Marina Hardstand, Skatepark, Land
Economic	0	0	0	0	6,660 Purchase, Wakapuaka sandflats, Trafalgar Centre, Saxton o'head power relocation and hockey turf
Corporate	1,288	5,052	-3,763	5,052	1,460 IT projects, land purchases
	<u>28,100</u>	<u>59,115</u>	<u>-31,015</u>	<u>59,115</u>	<u>28,812</u>
					(30,303)
Financial reserves	1,750	7,578	-5,828	7,578	1,750
Nelson Regional Sewerage BU	648	1,109	-461	1,109	2,063
	<u>30,498</u>	<u>67,803</u>	<u>-37,305</u>	<u>67,803</u>	<u>32,625</u>

Capital Expenditure

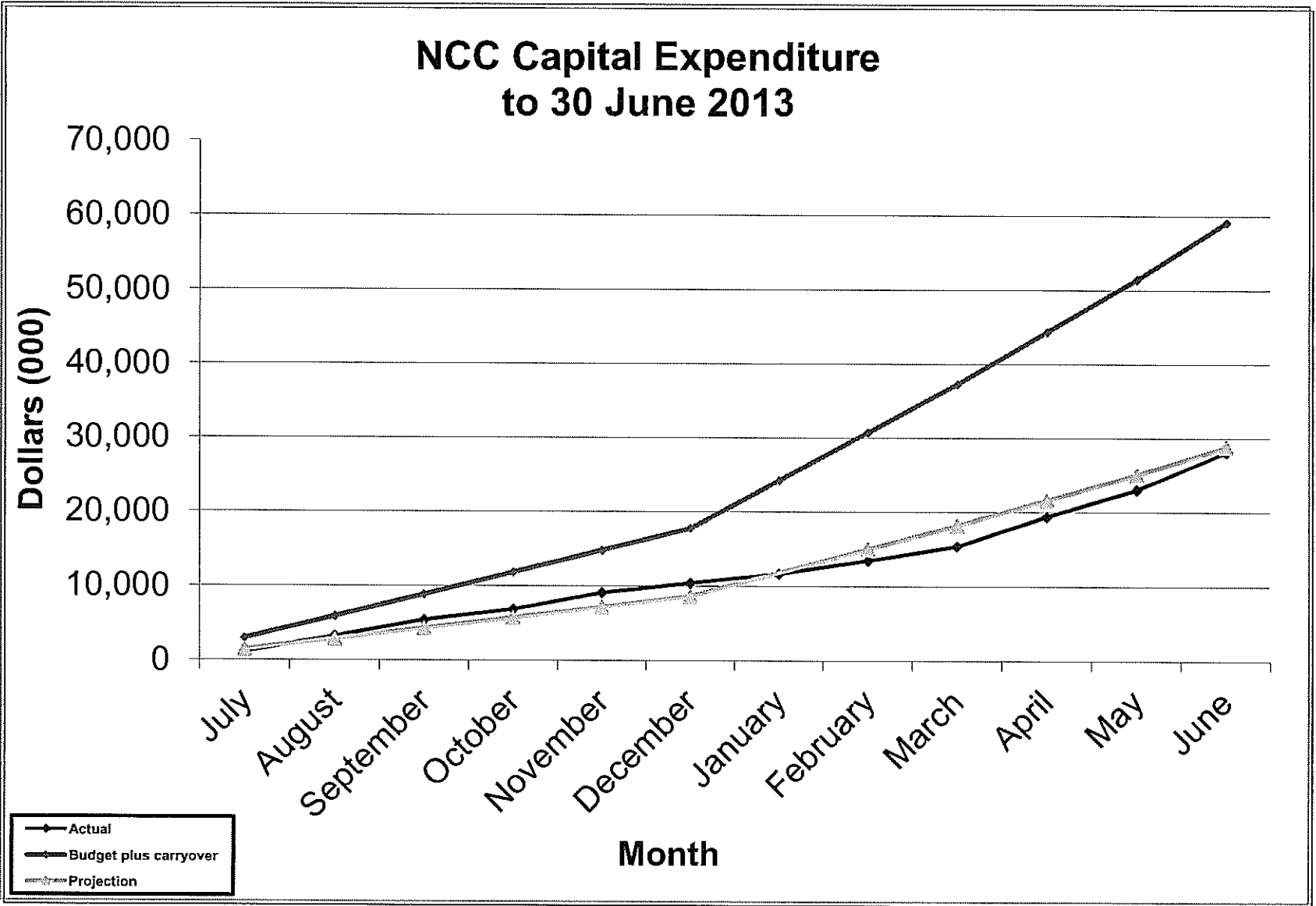
12 Months to 30 June 2013

Total Council

	Actual YTD \$(000)	Annual Budget plus C/fwd \$(000)	Contract Completion Date	Latest Forecast \$(000)	Variance against Forecast	Comments
Major projects (over \$750,000 in any column)						
Infrastructure						
Maitai Pipeline Duplication	5,455	5,132		5,132	6.3%	
Princes Drive	30	1,076		45	-33.4%	
Queens Road	986	1,073		984	0.2%	
Road: Waimea/Motueka Jct	44	1,194		75	-41.5%	
Strategic Land Purchase	3	2,400		0		
Nelson North Wastewater Treatment	462	2,251		750	-38.4%	
Road Renewals: Friction Course	825	989		989	-16.6%	
Emergency 2011 Cable Bay Road	779	0		570	36.7%	
Maitai Shared Path	308	791		273	12.7%	
Marsden Valley Trunk Main	992	578		995	-0.3%	
York Stream Channel Upgrade	140	98		150	-6.6%	
Community Services						
Theatre Royal	34	6,590		40	-14.2%	
Nelson School of Music	22	2,406		20	10.7%	
Marina Hardstand	29	2,400		30	-3.5%	
Trafalgar Center North Upgrade	529	1,438		532	-0.6%	
Land Purchase: General Reserve	0	1,189		0	0.0%	
Replace Hockey Turf	962	950		950	1.2%	
Total other (under \$750,000)	16,501	28,561		17,278	-4.5%	
Council Total	28,100	59,115		28,812	-2.5%	
Vested Assets	1,750	7,578		1,750		
Nelson Regional Sewerage business unit	648	1,109		2,063		

Attachment 3

1566367



Attachment 4

Outstanding Rates

Attachment 5

Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	Commercial included in total
30 June 2007	180,780	0	180,780	0	
30 June 2008	340,391	0	340,391	0	
1 September 2008	907,606	633,127	0	274,479	
1 December 2008	677,694	591,693	?	86,001	
1 March 2009	852,643	644,579	169,842	38,222	
4 June 2009	607,313	425,511	181,802	0	
30 June 2009	294,833	0	294,833	0	
1 September 2009	907,209	711,869	0	195,340	
13 October 2009	355,162	246,305	0	108,857	
31 December 2009	337,758	175,274	106,774	55,710	
1 March 2010	630,376	445,311	175,929	9,136	
1 June 2010	660,645	464,202	195,213	1,230	
30 June 2010	337,253	0	337,030	223	
1 September 2010	835,862	650,520	0	185,342	
1 November 2010	260,349	161,242	0	99,107	
1 December 2010	688,461	528,857	129,635	29,969	
31 December 2010	245,476	150,655	78,443	16,378	
1 March 2011	644,113	498,068	141,592	4,453	
1 June 2011	601,476	421,150	178,873	1,453	
30 June 2011	338,162	0	338,162	0	
October 2011	373,025	252,535	0	120,490	
November 2011	246,409	0	166,278	80,131	
1 December 2011	777,480	578,542	150,757	48,181	145,274
5 March 2012	649,187	514,491	129,140	5,556	58,517
30 May 2012	816,798	592,400	224,213	185	181,182
30 August 2012	923,938	753,415	0	170,523	187,299
3 December 2012	793,522	593,648	165,742	34,132	175,194
1 March 2013	1,117,653	704,633	406,606	6,414	198,492
4 June 2013	786,550	540,429	243,165	2,956	151,587

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Nelson City Council

Abbreviated Balance Sheet

	31/06/2013	31/05/2013	30/06/2012
Current Assets			
	Cash and Bank	329,368	220,170
Bank Deposits	Investments	(300,000)	1,250,000
	Rates Debtors	(660,948)	552,267
Amounts due from customers.	Trade Debtors	11,832,418	8,802,848
	Debtors and Accruals	1,638,513	1,200,863
	<u>12,839,351</u>	<u>12,026,148</u>	<u>15,256,781</u>
Current Liabilities			
Cash Book Balance	Bank Overdraft	0	0
Amounts owed to suppliers.	Creditors	(14,471,808)	(11,929,081)
	Commercial paper	(39,718,002)	(39,718,002)
Term Loans to be paid in 12 months	Current Portion of Term Liabilities	(9,965,000)	(5,715,000)
	<u>(64,154,810)</u>	<u>(57,362,083)</u>	<u>(54,360,980)</u>
	Net Working Capital	(51,315,459)	(45,335,935)
	Non Current Assets		
Shares in Subsidiaries etc	Investments	29,311,057	29,342,810
Total value, net of depreciation of all	Fixed Assets	1,191,366,482	1,191,448,278
	<u>1,220,677,539</u>	<u>1,220,791,088</u>	<u>1,214,937,336</u>
Non Current Liabilities			
	Term borrowings	(11,425,260)	(13,846,794)
Money borrowed that requires payment after 12 months	Other Term Liabilities	(1,519,887)	(1,489,032)
	<u>(12,945,147)</u>	<u>(15,335,826)</u>	<u>(22,258,514)</u>
	<u>1,156,416,933</u>	<u>1,160,119,327</u>	<u>1,153,574,623</u>
Shareholder Funds			
	Ratepayers Equity	318,534,345	321,610,624
	Reserves	837,882,587	838,508,703
	<u>1,156,416,933</u>	<u>1,160,119,327</u>	<u>1,153,574,623</u>

Council Borrowings & Swaps

The Council borrowing as at 30 June 2013, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate
		\$000	\$000	\$000	\$000
Jul 2013	Call	\$4550		4,550	3.80%
Sep 2013	CP	9,930		9,930	2.84%
Sep 2013			8,000	8,000	3.69%
Jul 2013			200	200	3.69%
Jun 2013		3,110		3,110	3.61%
Jun 2013		2,600		2,600	3.61%
July 2013	CP	19,859		19,859	2.84%
Aug 2013	CP	9,930		9,930	2.84%
Mar 2019	LGFA FRN	5,000		5,000	3.26%
May 2021	LGFA FRN	5,000		5,000	3.32%
Total Borrowings		59,979	8,200	68,179	

The weighted average interest rate was **3.14%**

Made up of:

NCC	3.06%
NRSBU	3.69%

Council Interest rate swaps

Weighted average **4.27%**

Deal Date	Pay/Rec Fixed	Bank	Amount (\$millions)	Start Date	Maturity Date	Swap Rate	extend: Actual details	
							Start Date	Maturity Date
11-May-12	pay	WPC	4.00	26-Oct-10	28-Apr-16	4.300%		28-Oct-14
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-May-15	4.235%		27-May-15
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-Aug-21	4.835%	27-May-15	27-Aug-21
29-Jul-10	pay	WPC	4.00	27-Sep-10	27-Sep-18	5.250%		
29-Jul-10	pay	WPC	5.00	27-Aug-10	27-May-20	5.365%		
4-Aug-10	pay	WPC	4.00	27-Jan-11	29-Jan-19	4.750%		27-Jan-17
3-Sep-10	pay	WPC	5.00	27-Mar-11	27-Jun-19	4.980%		
3-Sep-10	pay	WPC	6.00	27-Apr-11	27-Oct-17	4.820%		
12-Mar-12	pay	WPC	5.00	27-May-11	27-Aug-16	3.580%		27-Aug-14
3-Mar-11	pay	BNZ	3.00	27-Nov-11	27-Nov-15	4.560%		
11-May-11	pay	ANZ	5.00	27-Sep-11	27-Sep-18	4.450%		27-Sep-16
11-May-11	pay	ANZ	4.00	27-Jan-12	27-Apr-18	4.485%		27-Apr-16
11-May-11	pay	ANZ	3.00	27-Jan-12	27-Jan-17	3.980%		27-Jan-15
11-May-11	pay	ANZ	3.00	27-Sep-11	27-Mar-22	3.960%	27-Mar-14	27-Mar-22
2-Aug-12	pay	ANZ	2.00	27-Mar-13	27-Jun-22	3.860%		
2-Aug-12	pay	ANZ	2.00	27-Apr-13	27-Oct-21	3.820%		
2-Aug-12	pay	ANZ	2.00	27-May-13	27-Nov-20	3.770%		
2-Aug-12	pay	ANZ	2.00	27-Jun-13	27-Sep-19	3.660%		
12-Nov-12	pay	BNZ	3.50	21-Dec-12	21-Dec-14	2.620%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-21	3.830%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-19	3.570%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-17	3.220%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-15	2.770%		
			76.50					

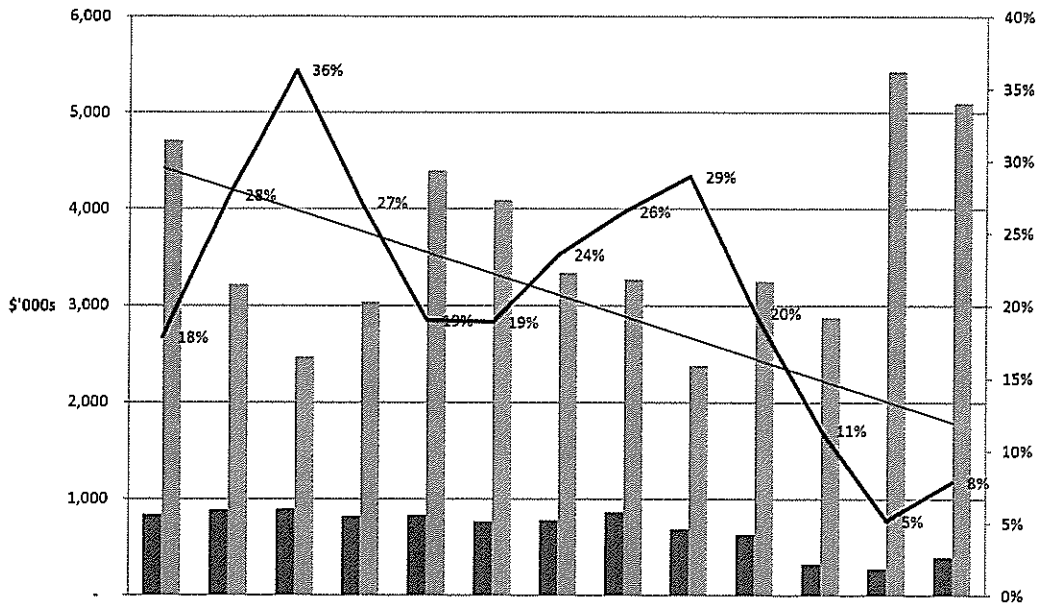
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Nelson City Council Interest Rate Position			
12 month forecast core debt:	\$103m	31-Jul-13	
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	74%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	113%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	16%	30%	54%
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	54%	34%	11%
Policy Compliance	Y	Y	Y
Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) =	5yr Swap Rate (end of month) =	
	3.09%	4.80%	
Interest Cost (incl margin)	This Month	Last Month	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			
Counterparty Credit Risk (Interest Rate Risk Mgmt. Instruments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)			10,000,000
Minimum Credit Rating is A-1+/A+	Notional (\$m)	Credit Exposure (\$m)	
Bank			
WPC	47.0	6.9	Within Policy
ANZ	23.0	4.3	Within Policy
BNZ	6.5	0.4	Within Policy
Total (NZ\$m)	76.5	11.6	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	2.94%	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.06%	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	77%	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	7%	Y

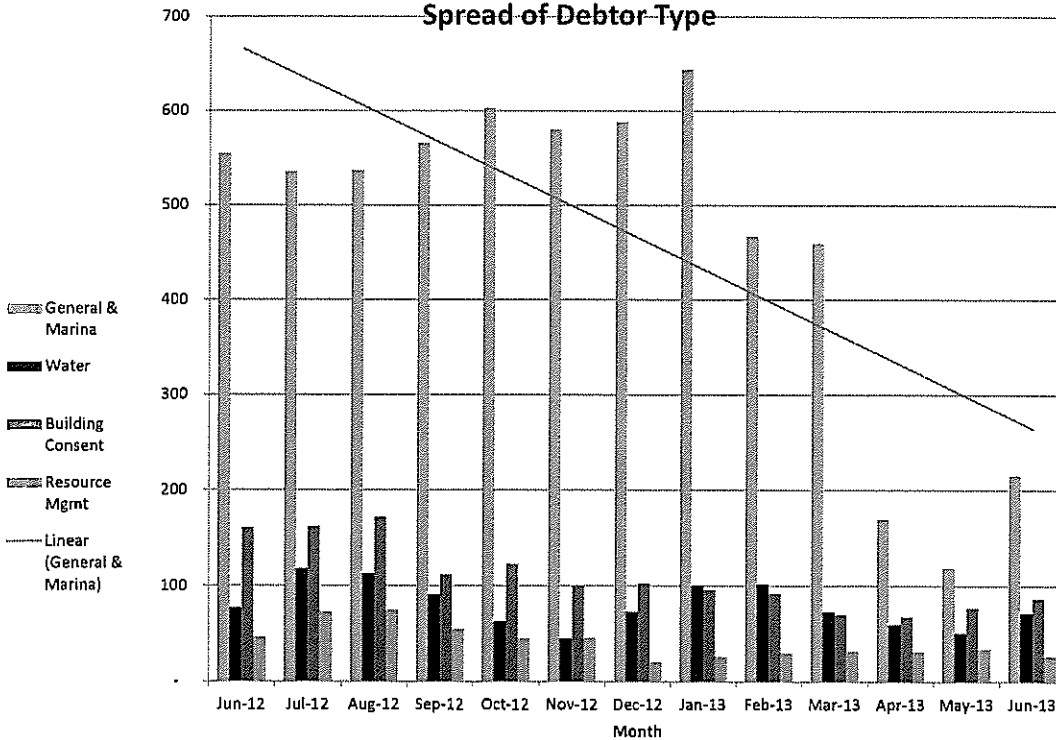
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Debtors Totals & 3 Months Overdue June 2013



	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total 3 months & over	840	889	897	824	834	772	785	867	691	635	330	281	402
Total Debtors	4,712	3,219	2,473	3,041	4,393	4,091	3,338	3,272	2,390	3,255	2,881	5,431	5,105
Percent 3 mths to Total	18%	28%	36%	27%	19%	19%	24%	26%	29%	20%	11%	5%	8%

Spread of Debtor-Type



June 2013 General Debtors Analysis 3 months overdue

Overdue - no arrangements	Queries	Legal action pending	Payment arrangements in place	With Creditmans/ Credit Recovery	Since Paid	Marina
\$ 4,260	\$ 125,557	\$ -	\$ 16,593	\$ 23,645		\$ 40,893

1234107

Elected members training and travel up to 31 December 2012

Mayor Miccio	84.00 Mayor - Zane 5 Dinner
	202.00 Mayor - Flights - LGNZ Metro meeting
	170.00 Mayor - Accommodation - LGNZ Metro meeting
	372.17 Mayor - Flights - Metro -6 November
	30.00 Mayor - Commerce Nelson luncheon
	401.74 Mayor - Auckland City Council visit
	345.00 Mayor - Tourism Industry summit registration
	141.00 Mayor - Accommodation - Auckland City Council
	17.00 Mayor - Passport photos
	233.00 Mayor - NZTA investment briefing
	496.09 Mayor - flights - Tourism Industry summit
	346.00 Mayor - flights - Italian Ambassador visit
	115.22 Mayor - Accommodation Tourism Industry summit
	43.48 Mayor - Taxi's
	13.65 Mayor - coffee - visit to Auckland City Council
	111.30 Mayor - taxi's - visit to Auckland City Council
	41.30 Mayor - taxi's - NZTA investment briefing
	2,283.78 LGNZ conference - July 2012
	59.13 Mayor - Zone 5 Taxi's and coffee at Airport with NZTA Reps
	6.96 Mayor - airport parking
	6.96 Mayor - airport parking
	279.70 Mayor - Taxis - Tourism Industry Summit and Taxis LGNZ Metro meeting
	57.83 Mayor - breakfast Mayor TDC and coffee LGNZ Metro sector
	194.78 Mayor - Accommodation - LGNZ Metro Sector meeting
	159.30 Mayor - Accommodation - Private to be reimbursed
	156.52 Mayor - Accommodation - Suter Charity Auction/Governor General
	376.33 Mayor - Taxis, dinner - Suter Charity Auction/Governor General
	259.13 Mayor - KimMiccio Flights to Wellington - Suter Charity Auction/Governor General
	388.70 Mayor - Flights to Wellington - Suter Charity Auction/Governor General
	415.13 Mayor - Accommodation LGNZ and Italian Ambassador meetings
	13.91 Mayor - airport parking
	11.30 Mayor - airport parking
	36.96 Mayor - Flights booking change fee
	734.78 Mayor - Flights to Napier - contact centres discussion
	318.26 Mayor - Flights to Queenstown - LGNZ Zone 5
	337.39 Mayor - Flights to Wellington - LGNZ Metro Sector meeting
	62.13 Mayor - Taxis LGNZ Metro meeting
	81.80 Mayor - Taxis - Napier - contact centres discussion
	1,291.31 Mayor - registration Local Government Conference 2013
	<hr/>
	10,695.03
Ali Boswijk	2,283.78 LGNZ conference - July 2012
	380.87 Boswijk - flights Suter briefing with the Minister
	2,664.65
Pete Rainey	2,283.78 LGNZ conference - July 2012
Gail Collingwood	433.04 Collingwood - Flights Zone 5 - 7 November
	123.04 Collingwood - Accommodation - Opportunities of Ageing Conference
	493.91 Collingwood - Flights to Napier - Opporunities of Ageing Conference
	826.09 Collingwood - Registration - Opportunities of Ageing Conference
	34.78 Collingwood - Shuttle - Opportunities of Ageing Conference
	16.09 Collingwood - taxi Zone 5 meeting
	<hr/>
	1,926.95

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Derek Shaw	321.00	Shaw - Flights - Regional Sector Group
	2,283.78	LGNZ conference - July 2012
	346.00	Show - Energy Cultures Roadshow
	288.70	Shaw - Accommodation - RMA recertification & LGNZ Regional Sector
	151.74	Shaw - Accommodation LGNZ Regional Sector Group meeting
	354.78	Shaw - Flights to Wellington - LGNZ Regional Sector Group meeting
	320.00	Shaw - Flights to Wellington - RMA recertification & LGNZ Regional Sector
	1,340.00	Shaw - Registration and book - Making Good Decisions training
	<hr/>	
	5,406.00	
Ruth Copeland	172.00	Copeland - Massey University registration - Seven Steps to Effective Governance seminar
	65.65	Copeland - taxi's - Governance seminar
	155.00	Copeland - registration - Fit for Future Conference
	228.00	Copeland - flights Governance seminar
	530.00	Copeland - flights Fit for Future Conference
	500.00	Copeland - registration Paerangi te tau ihu economic summit
	225.35	Copeland - taxi's Fit for Future conference
	200.00	Copeland - Registration District Licensing Authority seminar
	<hr/>	
	2,076.00	
Rachel Reese	1,023.39	LGNZ conference - July 2012
	320.00	Reese - Remuneration authority
	241.74	Reese - RMA meeting with Minister
	192.17	Reese - Accommodation - Wellington RMA meeting
	197.83	Reese - Accommodation Wellington- RMA meeting
	302.61	Reese - Flights - Wellington RMA meeting
	241.74	Reese - Flights to Wellington for RMA meeting
	200.00	Reese - Registration District Licensing Authority seminar
	<hr/>	
	2,719.48	
Ian Barker	400.00	Barker - Registration SOLGM Benchmarking Consultation Forum
	216.00	Barker - Flights SOLGM Benchmarking Consultation Forum
	51.00	Barker - Taxi's SOLGM Benchmarking Consultation Forum
	138.00	Barker - accommodation - SOLGM Benchmarking Consultation Forum
	200.00	Barker - Registration District Licensing Authority seminar
	<hr/>	
	1,005.00	
Kate Fulton	350.00	Fulton - registration - SOLGM Sustainable Sydney 2030 Masterclass
	363.00	Fulton - flights SOLGM Sustainable Sydney 2030 Masterclass
	485.83	Fulton - Accommodation - Making Good Decisions training
	103.48	Fulton - Flights to Wellington - Making Good Decisions training
	200.00	Fulton - Registration District Licensing Authority seminar
	1,860.00	Fulton - Registration Making Good Decisions training
	<hr/>	
	3,362.31	
Paul Matheson	200.00	Matheson - Registration District Licensing Authority seminar
Mike Ward	1,291.31	Ward - registration Local Government Conference 2013
Total spent vs budget	<hr/> <hr/>	
	33,630.49	45,900.00 - 12,269.51

Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2013

1. Purpose of Report

- 1.1 To present an update on Nelson City Council's statutory and internal compliance; reporting on resolution of issues raised, timeframes, key risks and possible consequences.

2. Recommendation

THAT the report Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2013 (1560781) and its attachments (1561431 and 1561556) be received;

AND THAT the Committee note the progress made on identifying and reducing risks associated with non-compliance to date.

3. Background

- 3.1 In the previous two iterations of this report there has been a view expressed around the Council table that this report should be tabled on the public agenda. To this end staff were advised that this would be the case this year and to adjust the responses accordingly, i.e. not identify individual staff or other individuals.
- 3.2 The impact rating for each non-compliance is calculated by scoring each of the facets below on a 1 to 5 scale, where 0 = no impact and 5 = high impact.

Facet	Description
Internal Processes	This risk would affect Council's internal business processes and ability to conduct business as usual (noting that this might have a financial impact or affect customer satisfaction).
Financial Impact	This risk would create a severe financial impact on Council, either by direct loss or loss of revenue (more than \$100,000).

Facet	Description
Customer Satisfaction	This risk would significantly affect customer satisfaction (either by severely affecting satisfaction with Council's performance for a moderate number of customers or by moderately affecting the satisfaction with Council's performance for a large number of customers).
Internal and External Liability	This risk would make Council legally liable and subject to civil or criminal proceedings or judicial review (which in turn might have a financial impact or affect customer satisfaction).
Risk of Death or Injury	This risk would result in death or serious injury to any person, which may include Council staff, customers or members of the public.

3.3 These scores are then weighted and averaged (i.e. Process = 1, Financial = 2, Customer = 2, Liability = 2 and Death = 3). The resultant number is reported as the impact rating.

4. Previous Reports

4.1 In the reporting round in July 2012 no additional top five issues were raised. The table below provides information on the top 5 issues as at 30 June 2012.

Unique ID	First Reported	Description	Impact Rating	History
S2579	July 2011	Fire Service Act 1975: Develop an approved Evacuation Scheme under the Fire Service Act for relevant facilities.	3.5	Scoping complete.
S3040	January 2011	Building Act 2004 - Structures on road reserve particularly relevant for retaining wall structures.	3.1	We have documented an agreed procedure to "Formalise Existing Structure on Road Reserve", where these are identified. This procedure includes both application for building consent (or certificate of acceptance) and application for licence to occupy road reserve. There are still known instances outstanding, and this issue will be re-rated at the next reporting time to reflect progress.

Unique ID	First Reported	Description	Impact Rating	History
S595	January 2012	Resource Management Act 1991, section 15 Discharge of contaminants into the environment.	2.3	Nelmac now operating Nelson Waste Water Treatment Plant.
S3009	January 2012	Fire Service Act 1975, section 92, regulations.	2.1	Budget approved in the Long Term Plan 2012-2022.
S2215	January 2012	Health Act 1956 no policy for backflow protection in place.	2.0	Backflow protection policy is still to be approved by Council. Not a priority in Project Balance.

5. Compliance statistics at previous review

Numbers of issues

- 5.1 As at June 2012 there were 84 compliance issues; after removing duplications 65 separate issues were reported to Council.

Aggregate Impact

- 5.2 The impact rating for each non-compliance is calculated by scoring each of the facets below on a 1 to 5 scale. Where 0 = no impact and 5 = high impact.
- 5.3 When considering changes in relation to compliance it is important to consider the numbers of issues discovered and resolved and also the relative impact of those two groups of compliance issues.
- 5.4 To assist with interpretation, aggregate impact has been reported. Aggregate impact is a sum of the individual impact scores across all non-compliances recorded.
- 5.5 In June 2012 staff reported an aggregate impact of the compliance issues as 69.2.

6. Discussion

- 6.1 A complete list of all non-compliance issues reported as at 30 June 2013 is provided as Attachment 1.
- 6.2 The current status of the top 5 issues as at July 2012 are reported in the table below.

Unique ID	First Reported	Description	Impact Rating	History
S2579	July 2011	Fire Service Act 1975: Develop an approved Evacuation Scheme under the Fire Service Act for relevant facilities.	3.5	Detail in Attachment 1, item 1 No change in impact
S3040	January 2011	Building Act 2004 - Structures on road reserve particularly relevant for retaining wall structures.	3.1	Detail in Attachment 1, item 2 No change in impact
S595	January 2012	Resource Management Act 1991, section 15 Discharge of contaminants into the environment.	1.1 (down from 2.3)	Detail in Attachment 1, item 22 Impact significantly reduced
S3009	January 2012	Fire Service Act 1975, section 92, regulations.	2.1	Detail in Attachment 1, item 3 No change in impact
S2215	January 2012	Health Act 1956 no policy for backflow protection in place.	2.0	Detail in Attachment 1, item 4 No change in impact

- 6.3 With the reduction of the potential impact of item S595 it has now fallen from the top 5 and is replaced in that list by item S2704 in relation to the Gambling Act 2003.
- 6.4 Over the last year 26 issues have been resolved (Attachment 2) and 19 new issues (highlighted in yellow) added giving a total of 77 outstanding issues. Subtracting 18 duplications leaves 58 issues reported here, a reduction of 7 compared with last year.
- 6.5 In June 2012 staff reported an aggregate impact of the compliance issues as 69.2. As a result of the new issues raised, the issues resolved and changes to impact ratings, the current round shows a new aggregate impact of 59.5, a reduction of 9.7 compared with last year.

Changes Planned for this Year

- 6.6 There are no changes planned to the reporting cycle for the current year and only minor alterations to the software are expected as a result of this reporting round.
- 6.7 Staff are developing an organisation-wide risk framework and there is a likely convergence of risk management with the process-based quality management framework. How these two systems interrelate with compliance reporting will be given careful consideration.

7. Conclusion

- 7.1 There continues to be a growing understanding of the legislation that underpins many of the activities Council undertakes and consideration of this can be seen in the increasing references to the statutes in the documented processes.
- 7.2 With the development of a Council-wide risk framework, in conjunction with our process-based quality management, it is important to consider how these processes can work together with our compliance reporting processes and tools.

Hugh Kettlewell

Executive Manager Support Services

Acting Executive Manager Community Services

Attachments

Attachment 1: Compliance Reporting – Non-Compliance Issues – rated by potential impact [1561431](#)

Attachment 2: Compliance Reporting Round – Resolved Non-Compliance Issues Reported [1561556](#)

No supporting information follows.

Nelson City Council: Reported non-compliance with statutes, bylaws and policies for period 1 July 2012 – 30 June 2013

PDF RAD 1575574

RANK	ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	RATING
1.	S2579	parks and facilities	Applicable, Responsible and Not Compliant	Fire Service Act 1975	92 Regulations	Fire Safety and Evacuation of Buildings Regulations 2006 Section 6 requires the building owner to have evacuation procedures for a range of facilities including public toilets, childcare centres and kindergartens, day-care centres and facilities, commercial buildings and premises for business and professional purposes, central, regional, and local government offices and facilities, libraries, museums, art galleries, and other cultural institutions educational institutions, holiday cabins, groups of pensioner flats, chapels, places of assembly, including auditoriums, theatres, cinemas, halls, sports stadiums, conference facilities, clubrooms, recreation centres, and swimming baths, restaurants, bars, cafeterias, and catering facilities, public laundries, car parks, other buildings, premises, or facilities to which the public are to be admitted, whether for free or on payment of a charge. I am not confident that all relevant facilities owned by Council have these plans all in place (although I am confident regarding the major facilities)	All facilities have been reviewed and a plan has been developed to roll out simple evacuation procedures for other facilities not covered by Evacuation Schemes. Richard Popenhagen has this on his work programme as a priority item for 13/14.	3.5
2.	S3040	policy and planning	Applicable, Responsible and Not Compliant	Building Act 2004	17 All building work must comply with building code	not all structures on road reserve comply with the Act	Resources to be included with development of the 2012 Transport AMP. Investigations passed to Network Services. 25 June 2013.	3.1
3.	S3009	policy and planning	Applicable, Responsible and Not Compliant	Fire Service Act 1975	92 Regulations	Part (na) Distances of buildings from fire hydrants. Change to way these are measured.	Budget identified in AMP and LTP 2012 to address this. Works to address the issue currently underway and programmed for 2013-14. 25 June 2013.	2.1

RATING: Potential impact of compliance issue based on impact on internal processes, financial impact, customer satisfaction and internal and external liability and risk of death or injury.

- 0 = no impact
- 1 = low impact
- 3 = moderate impact
- 5 = high impact

YELLOW SHADING New issue

Attachment 1

RANK	ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	RATING
4.	S2215 S1788	alec Louverdis utilities	Applicable, Responsible and Not Compliant Applicable, Responsible and Not Compliant	Health Act 1956 Health Act 1956	69ZZZ Protecting water supplies from risk of back-flow 69ZZZ Protecting water supplies from risk of back-flow	<p>Council about to approve process of dealing with backflow prevention and will roll out from 2013/14.</p> <p>From the Drinking Water Amendment Act 2007: "A networked supplier— (a) must test each back-flow protection device operating in its network at least once a year; and (b) must advise the territorial authority in its area of the results,...."</p> <p>There are numerous devices installed for which regular test results have not been sought.</p> <p>June 2013: BFP programme report which includes proposed policy for BFP installation still to be adopted. As part of trial installations there have been several BFPs installed to Council properties in early 2013 which also need to be incorporated into a testing schedule within the next 12 months</p>	<p>Backflow prevention policy to be approved in late June 2013 by Council.</p> <p>A Backflow Prevention Policy has been drafted and is to be submitted for approval by Council for early 2012 This will clarify procedure for installing and testing BFPs and provide for the oncharging of costs to the property owners. Once policy is approved the procedure for testing can be implemented</p> <p>As at 13 June 2012 the report is due to go to Council Aug 2012. Still to be actioned at 20/01/13</p> <p>June 2013: Report 1507355 has been prepared but needs to be workshopped with Council before being recommended for adoption. Once finalised a programme for BFP installation will be implemented which will include for the required testing and reporting. In the meantime the existing and recently installed BFPs will be tested by Nelmac in the coming 12months</p>	2
5.	S2704	policy and planning	Applicable, Responsible and Not Compliant	Gambling Act 2003	101 Territorial authority must adopt class 4 venue policy	Policy to be reviewed every 3 years (s 102 of the Act). The last review was completed in June 2010 (but High Court declared SCP process invalid). The previous review was completed in 2007.	Council expected to have completed review and approved amended policy by end of August 2013.	1.9

RATING: Potential impact of compliance issue based on impact on internal processes, financial impact, customer satisfaction and internal and external liability and risk of death or injury.

0 = no impact
1 = low impact
3 = moderate impact
5 = high impact

YELLOW SHADING New issue

RANK	ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	RATING
6.	B620	roading solid waste	Applicable, Responsible and Not Compliant	No 214 Trade Waste Bylaw, adopted 2007	3. Trade waste discharges and permits	Discharge of leachate to York Stream during periods of heavy rainfall (September 2012 and April 2013). This breaches RC065160.	See RAD http://tardis/1347181 and http://tardis/1509914 for leachate discharge.	1.9
7.	S2979	policy and planning	Applicable, Responsible and Not Compliant	Soil Conservation and Rivers Control Act 1941	126 General powers of Catchment Boards	It shall be a function of every Catchment Board to minimise and prevent damage within its district by floods and erosion. Council under its regional hat has taken over the role of catchment board and does not maintain rivers and streams in rural properties or east of Gentle Annie.	Discussed with exec team as part of Stormwater AMP 2011. Council should be rating these areas. Exec team considered not the right time to suggest additional rate. Issue still to be resolved. See Eastern Agriculture Ltd v Manawatu-Wanganui Regional Council. Report due to Council 27 June 2013. 25 June 2013.	1.7
8.	S3665	roading solid waste	Applicable, Responsible and Not Compliant	Resource Management Act 1991	15 Discharge of contaminants into environment	Discharge of leachate to York Stream during periods of heavy rainfall (September 2012 and April 2013). This breaches RC065160. Also, a small fire occurred at the landfill in April 2013. This breaches RC975261.	See RAD http://tardis/1347181 and http://tardis/1509914 for leachate discharge. See RAD http://tardis/1509771 for the fire.	1.6
9.	S4113 S1675	roger ball community dev	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Resource Management Act 1991 Resource Management Act 1991	16 Duty to avoid unreasonable noise 16 Duty to avoid unreasonable noise	Amplified sound is currently a controlled activity in Open Space and Recreation Zone. <i>1. Amplified sound is currently a controlled activity in Open Space and Recreation Zone. Two consents have been obtained but are not yet active.</i>	Two consents have been obtained. Plans being put in place. Consents expected to be live by September 2013. <i>Work is underway on setting up systems to ensure conditions of consent are complied with - consents expected to go live by September</i>	1.6

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YELLOW SHADING New issue

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10.	S2929	policy and planning	Applicable, Responsible and Not Compliant	Building Act 2004	132 Adoption and review of policy	Policy due to be reviewed by May 2010.	Earthquake Prone Building Policy Review currently underway by Department of Building and Housing. Expected to lead to legislation 2013. NCC policy to follow. No change 25 June 2013.	1.5
11.	S4165	parks and facilities	Applicable, Responsible and Not Compliant	Electricity Act 1992	169 Regulations	Need more robust systems in place to ensure that Section 76 of the Electricity safety Regulations 2010 is fully complied with in respect to the Brook Motor Camp, Nelson Marina and other remote sites. Also there is no reisk assessment in place for electrical applicaince and annual testing/tag regime not fully rolled out yet.	Review systems and ensure both the the Marina Manager and Brook Camp Manager are aware of requirements and maintain the necessary schedule. Finalise systems for testing and tagging for remote sites	1.5
12.	S3024	policy and planning	Applicable, Responsible and Not Compliant	Resource Management Act 1991	[79 Review of policy statements and plans	The Regional Policy Statement has not been reviewed in the last ten years or since it was made operative in 1997. The review was put on hold on the basis that it should be considered alongside the review of the TDC RPS which is due in 2012, to respond to National Policy changes, and follow the Nelson Development Strategy	The S35 efficiency and effectiveness review of the NRMP was broadened to assess the RPS. This provides a basis for review and allow NCC to be clear about what amendments need to be made so that they can be programmed. The RPS review is currently scheduled for review in 2014/2015	1.5
13.	S3247	parks and facilities	Applicable, Responsible and Not Compliant	Health Act 1956	[120B Regulations as to camping grounds	Camping-Grounds Regulations 1985 s2 Interpretation Definition for temporary living place under these regulations only provides for periods of time not exceeding 50 days in any continuous term of occupancy. Long term residents exceed this.	EXEC NOTE: Report coming to Council 2013/14.	1.4

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14.	B140	alec louverdis	Applicable, Accountable and Not Compliant	No 213 Trading in Public Places Bylaw adopted 2007	9. Retail Displays on Footpaths	Staff have been inconsistent with how they deal with retail displays as required under the bylaw. EXEC NOTE: There has been inconsistent application of this bylaw.	Council have agreed to retain the status quo until such time as the bylaw is again reviewed in 2014.	1.4
15.	S1394	resource consents	Applicable, Responsible and Not Compliant	Local Government Official Information and Meetings Act 1987	13 Decisions on requests	On a small number of requests, information provided is likely to have been outside the required 20 day timeframe. This is due to the nature of the request and volume of material being requested and also the need for review by Executive Manager and Senior Legal Advisor.	Staff are reminded to action these requests as quickly as practical bearing in mind the need for review and legal input within the required timeframe.	1.3
16.	S4065 S1653	roger ball community dev	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Health and Safety in Employment Act 1992 Health and Safety in Employment Act 1992	7 Identification of hazards 7 Identification of hazards	Hazards at storage area of Halifax St Building not identified and not assessed as significant or not. No action taken to deal with hazards. Hazards at storage area in Halifax Street were not identified, and therefore not assessed as to whether these were significant hazards or not. If significant there was no action taken to eliminate, isolate or minimise these hazards.	Internal investigation undertaken completed (no with CEO). Manager Community Development has in place a plan to ensure compliance and follow-up. Actions from investigation will need to be implemented when known. Workplace assessment now put in place for storage area in Four Seasons building as part of the regular workplace assessment procedure.	1.2

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17.	P175 P74	roger ball community dev	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	HR – Health and Safety HR – Health and Safety	2 All the BU significant hazards are recorded in the hazard register & controls in place 2 All the BU significant hazards are recorded in the hazard register & controls in place	The fire in the Halifax St Storage area suggested that the following aspect of the policy was not being followed: "Systematically identifying and managing hazards". Proactive action not taken with regard to hazards at the Halifax Street storage site - details yet to be confirmed through fire investigation	An internal investigation has been undertaken and is currently with the CEO. Workplace inspection now carried out for Four Seasons building storage as part of regular workplace inspection processes	1.2
18.	S1139 S2907	alec Louverdis parks and facilities	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Reserves Act 1977 Reserves Act 1977	44 Unauthorised use of reserve 44 Unauthorised use of reserve	Does not permit a tent or caravan to remain for a period of 4 weeks between 1 Nov and 31 March. Not achieving at Brook or Maitai camps. Section 44(2) Does not permit a caravan or tent to remain on a reserve for a period of more than 4 weeks between the 1 November and 31 March. This is likely to be exceeded at the Brook Camp (and possibly Maitai)	Piece of work to be undertaken, and has been signalled to Council to be undertaken sometime in 2013/14 - report to follow. EXEC NOTE: Report to follow.	1.2

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19.	S4051 S3007	roger ball libraries	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Employment Relations Act 2000 Employment Relations Act 2000	[69ZD Entitlement to rest breaks and meal breaks [69ZD Entitlement to rest breaks and meal breaks	staff at Nightingale Library cannot be guaranteed 10 min rest breaks Unable to ensure 10 min uninterrupted tea break at Nightingale Library Memorial as library is single staffed and staff are only there for period of opening	supervision of Manager Libraries, who has in has a plan in response to this issue. 28/6/13. This remains an ongoing issue and is unlikely to be resolved with current legislation. After discussion with HR there is no practicable option to address this issue. Staff do take a tea break but it can not be guaranteed to be uninterrupted.	1.1
20.	S3248	parks and facilities	Applicable, Responsible and Not Compliant	Health Act 1956	[120B Regulations as to camping grounds	Camping-Grounds Regulations 1985 s9 General standards Various areas at Brook Camp (and other leased camps): Ratio of sanitary fixtures, location and distribution of rubbish bins, etc etc.	EXEC NOTE: Complete stock take of non compliance in this area by 30 June 2014.	1.1
21.	S2232	policy and planning	Applicable, Responsible and Not Compliant	Reserves Act 1977	41 Management plans	Have not prepared Management Plans for all reserves within the required timeframe.	No resource available at present to address this. Continue to assess against other priorities.	1.1
22.	S595 S1889	alec Louverdis utilities	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Resource Management Act 1991 Resource Management Act 1991	15 Discharge of contaminants into environment 15 Discharge of contaminants into environment	In Breach of RC for NWWTP odour consent. EXEC NOTE: June 2013: Persistent odour issues recurred during 12/13 summer period.	1. UGL replaced with NeIMAC. 2. Mediation underwya with UGL. 3. New aerators in and commissioned. 4. De-sludging to taker place 2013/14. EXEC NOTE: June 2013: Aerators installed May 2013 and desludging of pond programmed for 13/14 year. These measured anticipated to provide significant improvement	1.1

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23.	S3915 S1081	richard johnson Building	Applicable, Accountable And Not Compliant Applicable, Responsible And Not Compliant	Building Act 2004 Building act 2004	48 processing application for building consent 48 processing application for building consent	Not meeting timeframes 90%+ processed within 20 working days (over the year). This is considered substantial compliance. Ianz recommend to re-accredit bca from june 2013 accreditation assessment. Occurs due to fluctuating workloads, decision to delay recruitment for 9 months, complex applications and time to process and approve,. The bca can not drop or delay work when other demands arise as most of it is time/statutory bound.	Manager building responsible for monitoring and improving Regular weekly and monthly monitoring in accordance with the bca qa system and reporting. Tighter controls of time clock are required by ianz assessment in june 2013 and ianz issued corrective action request to meet or report of failure to meet statutory timeframes	1
24.	S4251 S2571	roger ball emergency management	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Health and Safety in Employment Act 1992 Health and Safety in Employment Act 1992	[2A All practicable steps [2A All practicable steps	NZ RT2 Volunteers not identifying hazards in RAMS forms, therefore as employer we are not taking all practical steps to ensure their safety. NZ RT2 Volunteers are not identifying hazards in RAMS forms prior to events or exercises, therefore as employer we are not taking all practical steps to ensure their safety.	The Manager Emergency Management has a plan to rectify this incl training in the use of forms . RAMS reporting forms are now being completed. Reporting and hazard identification system requirement training will be given to team annually. Tardis 1543649	1
25.	S3495	policy and planning	Applicable, Responsible and Not Compliant	Land Transport Management Act 2003	25 Procurement procedures	Final NCC Procurement Policy is not completed and approved by NZTA	EXEC NOTE: Work on procurement policies continues.	1

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26.	S936	geoff mullen	Applicable, Accountable and Not Compliant	Local Government Official Information and Meetings Act 1987	46 Meetings of local authorities to be publicly notified	Timeliness of publications does not meet publication time frames.	Manager working on new scedule to allow compliance	1
27.	B528	policy and planning	Applicable, Responsible and Not Compliant	No 217 Water supply, adopted 2008	1.0 Preamble	Section not compliant with is under Terms and Conditions of Connection to the Water Supply System, section 3, charging - but this isn't listed above. We haven't set and published the special fees as required by the bylaw.	When staff resource is available the policy will be updated and this will be resolved. No change. 25 June 2013.	1
28.	S957 S1446	geoff mullen community relations	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Public Records Act 2005 Public Records Act 2005	17 Requirement to create and maintain records 17 Requirement to create and maintain records	No back up system in place for current website. <i>Non compliance is vague as regards website being a 'record'. However, no backups are done of the existing Council website. No record of the site at a given interval is held on the premises or by the site host that can be referenced at a later date.</i>	Budget bid will go to council in the 2013 - 2014 Financial year <i>EXEC NOTE: Budget bid will go to council in the 2013 - 2014 Financial year</i>	1

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29.	S2715	parks and facilities	Applicable, Responsible and Not Compliant	Resource Management Act 1991	[88 Making an application	4 Items of which 2 and additional since last reporting period: Parks herbicide discharge applications not finalised - this has taken a long time and has required technical reports from Cawthron etc. Vegetation clearance within the Open Space/Recreation Zone (close to the riparian margin) - recently discovered and listed. Non compliance of existing Consents for operation of a Marina (Carparking and Hardstand) and parking for the operation of the Trafalgar Centre. Heritage Tree notifications/applications for trees that have needed to be removed for a variety of reasons - a number of historical ones. (only recently picked up and listed)	Herbicide discharge and vegetation clearance consents close to being issued. Heritage tree one to be resolved during the 13/14 year Marina one awaiting decision/action on hardstand from Council	1
30.	S3996	richard johnson	Applicable, Accountable and Not Compliant	Resource Management Act 1991	[115 Time limits for notification of decision	few non-notified decisions issued outside 20 working days	98% on time, some complex consents take longer to get quality outcome	1
	S1452	resource consents	Applicable, Responsible and Not Compliant	Resource Management Act 1991	[115 Time limits for notification of decision	Decision for non-notified consents issued in 20 working days	Some consents legitimately require more time to reach a quality outcome. Continue to review process and train staff to ensure it is as efficient as possible. Look at following what is required by the RMA rather than best practice that has full documentation	

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31.	S3995	richard johnson	Applicable, Accountable and Not Compliant	Resource Management Act 1991	[95 Time limit for public notification or limited notification	Processing pathway not always decided in 10 working days	processes in place, need more vigilance	1
	S1451	resource consents	Applicable, Responsible and Not Compliant	Resource Management Act 1991	[95 Time limit for public notification or limited notification	Within 10 days decide whether to publicly or limited notify and do so - not always achieved within 10 days	Process established with other staff assisting with consent assessments to have comments back in 5 days. More vigilance in this area.	

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32.	S2689	nikki Harrison	Applicable, Accountable and Not Compliant	Income Tax Act 2004	CA 1 Amounts that are income	<p>Schedule 4 F</p> <p>5 A payment for services connected with a New Zealand resident providing or performing [a Part F activity] has a 0.20 rate for each dollar of the payment, if clause 6 does not apply to the payment and it is—</p> <p>(a) to the New Zealand resident:</p> <p>(b) to an agent of the resident:</p> <p>(c) to a person acting on behalf of the resident.</p> <p>We are not currently deducting withholding tax from per diem payments to festival performers. Per diem payments are for daily expenses while performing.</p>	we will need to get tax advice.	0.9
	S2719	finance	Applicable, Responsible and Not Compliant	Income Tax Act 2004	CA 1 Amounts that are income	<p>Schedule 4 F</p> <p>5 A payment for services connected with a New Zealand resident providing or performing [a Part F activity] has a 0.20 rate for each dollar of the payment, if clause 6 does not apply to the payment and it is—</p> <p>(a) to the New Zealand resident:</p> <p>(b) to an agent of the resident:</p> <p>(c) to a person acting on behalf of the resident.</p> <p>We are not currently deducting withholding tax from per diem payments to festival performers. Per diem payments are for daily expenses while performing.</p>	we will need to get tax advice	

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33.	B470	parks and facilities	Applicable, Responsible and Not Compliant	No 213 Trading in Public Places Bylaw adopted 2007	4.1 Licensing	Reserves Concessions did not obtain a licence using the form prescribed under the Trading in Public Places Bylaw. (the reserve concession process uses other forms - however the prescribed forms were used partway through the year)	Wording of bylaw needs changing at next review, and possible better alignment of both systems. In the meantime we will use the prescribed forms	0.9
34.	S3581	monitoring research	Applicable, Responsible and Not Compliant	Resource Management Act 1991	[44A Local authority recognition of national environmental standards	National Environmental Standard for Contaminates in Soil requires Councils to have a Hazardous Activities and Industries List (HAIL) and to be using it to assess resource consent and building consent applications. NCC does not have an up to date HAIL list with the current records prepared under old requirements in the early 1990s.	Contractor is currently reviewing the HAIL list and to be completed by 30 June 2013. information will go to Council workshop in August to get direction on next steps in order to comply with the NES.	0.9
35.	S3169	parks and facilities	Applicable, Responsible and Not Compliant	Health and Safety in Employment Act 1992	[3C Application of certain provisions to volunteers doing regular work	Systems for managing volunteers are not as advanced as those for managing staff despite the amendment giving them the same status under the Act. EXEC NOTE: Needs to be recorded as an HR issue.	EXEC NOTE: In the meantime will aim to establish improved local processes by end of June 2014. Managing to minimum standard at present.	0.8
36.	S4176	policy and planning	Applicable, Responsible and Not Compliant	Local Government Act 2002	[158 Review of bylaws made under this Act or the Local Government Act 1974	Failed to adopt Long Term Plan by 30 June 2012 (although approved by Audit due to extenuating circumstances of rain event costs needing to be included in Plan).	Annual Plan will be adopted on 27 June 2013.	0.8
37.	S2717	policy and planning	Applicable, Responsible and Not Compliant	Resource Management Act 1991	108 Conditions of resource consents	The Marina does not provide hardstand with appropriate contaminated sediment control as required under the Resource Consent http://tardis/853244	Council has carried over funding for the project to 2013/2014 financial year and will consider undertaking the work during this time period	0.8

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38.	S2281	parks and facilities	Applicable, Responsible and Not Compliant	Building Act 2004	40 Buildings not to be constructed, altered, demolished, or removed without consent	1 new Council Item as per http://tardis/853244 built without building consent recently discovered - Isel Park bridge. Other issues from last year resolved. Also various Brook Camp structures built by third parties that may not have building consent but are not required to be declared as part of this reporting process. (at this stage)	There is a Project in the 13/14 year to resolve the bridge access approaches to comply with the building code. This process should also replace the historic lack of building consent.	0.7
39.	P113	capital projects	Applicable, Responsible and Not Compliant	Finance – Financial Delegation Register	1 My staff are compliant with the current Financial Delegation Register	Previously some purchase orders were being signed and authorised by same person this is now resolved.	New electronic purchase order system ensures this can no longer happen	0.7
	P178	parks and facilities	Applicable, Responsible and Not Compliant	Finance – Financial Delegation Register	1 My staff are compliant with the current Financial Delegation Register	Previously some purchase orders were being signed and authorised by same person this is now resolved. In addition I overlooked on occasions to get my one up manager to sign off telecom accounts. This is now also resolved	New electronic purchase order system and telecom account system ensures this can no longer happen	
40.	S1797	hugh kettlewell	Applicable, Responsible and Not Compliant	Local Government Act 2002	64 Statements of intent for council-controlled organisations	Failed to get get the 2012/13 SOIs from TBHT and NAL signed off before the statutory deadline. TBHT signed in Decemebr and NAL not until May.	All SOIs for CCOs for 2013/14 signed already so compliance for next year is certain	0.7
41.	S3038	human resources	Applicable, Responsible and Not Compliant	Local Government Act 2002	48 Further provisions of Schedule 7	Schedule 7 part 1 36 2 (b) - EEO programme not yet developed	Work yet to be prioritised	0.6

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42.	S2634	parks and facilities	Applicable, Responsible and Not Compliant	Reserves Act 1977	[16 Classification of reserves	Not all reserves are classified.	This is common and generally accepted by the Department of Conservation and not enforced. Substantial amount of work is involved to resolve with little benefit. Action those where real risk issues exist as a result of not classifying. Identify any of these by 30/6/2012 - not issues of substance	0.6
43.	S2960	policy and planning	Applicable, Responsible and Not Compliant	Resource Management Act 1991	35 Duty to gather information, monitor, and keep records	Every Local authority must compile and make available an effectiveness and efficiency monitoring report every five years - This has not been done but is now in project balance Every local authority shall keep reasonably available information that is relevant to the administration of the plans - Several documents such as NES and copies of all material referenced in the plan are not readily available	EXEC NOTE: Efficiency and effectiveness report goes to Council for finalisation on 18 July 2013.	0.6
44.	S4233 S1698	policy and planning strategic response	Applicable, Responsible and Not Compliant Applicable, Responsible and Not Compliant	Resource Management Act 1991 Resource Management Act 1991	[55 Local authority recognition of national policy statements [55 Local authority recognition of national policy statements	The NPSREG requires that Councils Resource management Plans make provision for renewable Electricity Generation. Gap analysis has indicated that the NRMP needs to make better provision for micro hydro and possibly wind <i>We have failed to meet the deadline for implementing the NPS for electricity generation within our district plan</i>	A plan change is on the work programme for 2013/2014 Development work is ongoing - report to Council in July to receive a consultant's report which will be used as the basis for consultation	0.6

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45.	S2478	parks and facilities	Applicable, Responsible and Not Compliant	Fencing of Swimming Pools Act 1987	8 Obligations of owner and persons in control of pool	There is a rule regarding climbable vegetation within proximity of a pool fence. No 36 Cable Bay Road has this vegetation issue as reported by the Council Swimming Pool Compliance Officer.	As at 30 June 2013 this issue had not been resolved however was resolved during July 2013.	0.5
46.	S3499	strategic response	Applicable, Responsible and Not Compliant	Freedom Camping Act 2011	12 Bylaws must not absolutely prohibit freedom camping	Our current bylaw effectively prohibits freedom camping.	The bylaw is scheduled to be revoked through a special consultative procedure - report going to 18 July 2013 Council meeting	0.5
47.	S3249	parks and facilities	Applicable, Responsible and Not Compliant	Health Act 1956	[120B Regulations as to camping grounds	Camping-Grounds Regulations 1985 s5 Marking of sites At the Brook camp (and other leased camps) the number of each camp site is not necessarily always permanently marked at each site	Low risk, low priority. No assigned timeframe for action.	0.5
48.	S2629	parks and facilities	Applicable, Responsible and Not Compliant	Public Records Act 2005	17 Requirement to create and maintain records	Not all emails and other documents saved and stored in an easily retrievable form	No action: concentrate on storing important ones	0.5
49.	S757	information mgmt	Applicable, Responsible and Not Compliant	Public Records Act 2005	18 Authority required to dispose of public records and protected records	IM advises that with many older records currently entering protected record status, further work is required to improve compliance in archiving of those records.	Records Administrator has agreed to investigate any area of the Business that this issue could be better addressed by end of 2011/12. Project Balance ID 1453 Delayed to 2012/13 10/6/2013: Investigation completed and records have been identified that need to be reviewed. These records will now be extracted from the store and reviewed in the 13/14 financial year.	0.5

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50.	S4114 S3909	roger ball community dev	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant	Resource Management Act 1991 Resource Management Act 1991	17 Duty to avoid, remedy, or mitigate adverse effects 17 Duty to avoid, remedy, or mitigate adverse effects	banners in city do not have a resource consent. Banners throughout city (apart from clock tower) do not have resource consent.	28/6/13. Assessment by Policy team planned for 2013/14, then Manager Community Development to apply for Resource Consent. Once the policy team has carried out a scoping assessment for banners, application will be made for a resource consent for banners. The assessment expected to take place 2013/14	0.5
51.	S1130 S1813 S2277	alec Louverdis capital projects parks and facilities	Applicable, Accountable and Not Compliant Applicable, Responsible and Not Compliant Applicable, Responsible and Not Compliant	Building Act 2004 Building Act 2004 Building Act 2004	92 Application for code compliance certificate 92 Application for code compliance certificate 17 All building work must comply with building code	Various historical Building CCC not in place for Network assets (Parks and Facilities/Utilities/Capita and Rooding) A number of historical schemes where building consents were in place but paperwork not submitted and or final inspection not requested to allow issue of CCC 11 Items requiring Code Compliance Certificate as per http://tardis/853244 EXEC NOTE: Similar issues exist in Community Development and should also be reported	Working through list steadily. Good progress. Aiming to have Parks and Facilities completed by June 2014. Continuing to work with Building Consents Dept to resolve all historical non compliance. All except 1 location (2 consents) are in the process of being signed off though additional non compliances from other business units will also also be actioned in 13/14 More progress in reducing this number of outstanding CCC's. Larger issues at Civic House and Brook Camp being covered by Projects during the 13/14 year.	0.3

RATING: Potential impact of compliance issue based on impact on internal processes, financial impact, customer satisfaction and internal and external liability and risk of death or injury.

- 0 = no impact
- 1 = low impact
- 3 = moderate impact
- 5 = high impact

YELLOW SHADING New issue

RANK	ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	RATING
52.	S1867	capital projects	Applicable, Responsible and Not Compliant	Historic Places Act 1993	11 Application to destroy, damage, or modify archaeological site	Did not submit application for Maitai Duplicate Pipeline Scheme	Archiological site was noted on Historic Places Trust website but is not listed on Nelson Resource Management Plan. Staff are now aware that not all archeological sites are recorded on NRMP though this is being actioned. If there is any doubt staff have been instructed to discuss with an Archeologist.	0.3
53.	S4232	policy and planning	Applicable, Responsible and Not Compliant	Land Transport Management Act 2003	105 Regional transport committees	The Regional Transport Committee composition will be non compliant with the 2013 amendment for the period 13/7/13 to 18/7/13.	No action proposed. MoT have advised that as long as the RTC make no decisions during this time the intent of the Act is maintained	0.3
54.	S4252	human resources	Applicable, Responsible and Not Compliant	Local Government Act 2002	48 Further provisions of Schedule 7	Report not prepared in time for Agenda for The Remuneration Review Committee meeting on 17 August 2012 which was distributed late	Work to agreed timetable	0.3
55.	S3817	policy and planning	Applicable, Responsible and Not Compliant	Building Act 2004	161 Regional authority must adopt policy on dangerous dams[, earthquake-prone dams, and flood-prone dams]	Policy due to be reviewed Nov 2011.	Minister has extended this period allowing DBH to review criteria. Awaiting DBH advice. No change 25 June 2013.	0.2
56.	P142	parks and facilities	Applicable, Responsible and Not Compliant	HR – Health and Safety	3 All emergency procedures are in place and trialled in the last 6 months	Brook Valley Holiday Park only commenced these during the reporting period as missed previously as a workplace (as just a house)	Now compliant and trial evacuation includes whole of camp.	0.2

RATING: Potential impact of compliance issue based on impact on internal processes, financial impact, customer satisfaction and internal and external liability and risk of death or injury.

0 = no impact
 1 = low impact
 3 = moderate impact
 5 = high impact

YELLOW SHADING New issue

RANK	ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	RATING
57.	P144	human resources	Applicable, Responsible and Not Compliant	HR - Employment	1 Annual Holidays are being managed in terms of the Management of Annual Holidays Procedure	Application to carry over annual leave not in writing	Retrospective Email request approved by Divisional Manager and Chief Executive #1544689	0.1
58.	B781	policy and planning	Applicable, Responsible and Not Compliant	No 212 Stormwater Bylaw adopted 2007	5 Pollution prevention plans	Duplication with Resource Management Plan appendix 21.	Hazardous materials and processes monitoring passed to Resource Consents team/ EIL.	0.1
59.	S4215	strategic response	Applicable, Responsible and Not Compliant	Resource Management Act 1991	1 Short Title and commencement	Non compliance is with Schedule 1, section 32(1)(b) We do not have copies of all externally referenced documents	EXEC NOTE: We are working through the entire list to ensure we have physical or digital copies to hand. Expected completion - first half of 13/14 year	0.1
TOTAL RATING (POTENTIAL IMPACT)								59.5

RATING: Potential impact of compliance issue based on impact on internal processes, financial impact, customer satisfaction and internal and external liability and risk of death or injury.

- 0 = no impact
- 1 = low impact
- 3 = moderate impact
- 5 = high impact

YELLOW SHADING New issue

Nelson City Council: Non-compliance issues resolved at 30 June 2013 (issues reported 1 January 2012 – 30 June 2012)

Count = 26

PDF RAD 15/75574

ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	ACTION TAKEN
S3907	Emergency Management	Applicable, Accountable and Compliant	Electricity Act 1992	169 Regulations	32 Base set radios owned by Emergency Management in Volunteer homes and community centres around the Nelson Tasman area have not been tested and tagged.	Work programme is in place for Radio contractor to carry this out over the next six months	Electrician/radio contractor has tagged and checked all radios currently held by CDEM
S3035	Administration	Applicable, Accountable and Compliant	Local Government Act 2002	48 Further provisions of Schedule 7	The Local Government Act, 2002, Schedule 7 (19) (2) (c) states clearly that meetings have to be conducted in accordance with Standing Orders. Accordingly, where Standing Orders provide that an Agenda and all relevant attachments must be sent to every member not less than four working days before the day appointed for a meeting, Council is in breach of the Local Government Act, 2002 if it fails to comply with this time limit. "Working Day" does not include Saturday or Sunday and Public Holidays.	The report process has been implemented and when followed correctly it accounts for this. However, there were still some non-compliances in this reporting period. For description of non-compliances see document 1309025	We have adhered to processes and when this has not been possible, the items not in the agenda have been covered by a procedural memo and treated as a late item not on the agenda.
S4048	Roger Ball	Applicable, Accountable and Compliant	Electricity Act 1992	169A Regulations that prescribe requirements for safety management systems	the EM office advises some items operated by CDEM volunteers are not compliant	supervision of the EM Office which has plan to ensure compliance	The EM Office has ensured compliance with this requirement.
S2333	Parks and Facilities	Applicable, Responsible and Compliant	Burial And Cremation Act 1964	37 Regulations as to cremation	Crematorium Regulations under this Act Section 9 (1) requires the formal appointment of a registrar. No registrar has been formally appointed to this role http://tardis/853244	In staff members PM to commence process to appoint registrar before the end of June 2012. This process is imminent - person has been arranged, delegations register in the process of being changed	Appointed an internal registrar (Team Leader Records)
S2587	Parks and Facilities	Applicable, Responsible and Compliant	Forest and Rural Fires Act 1977	67 Regulations	Section 41 requires Fire Plan policies and procedures to include the following matters:(a) the Fire Authority's fire hazard and fire risk management strategies; and(b) the fire prevention planning carried out in the Fire Authority's district; (c) the public education activities carried out in the Fire Authority's district; and The Waimea Rural Fire Authority Fire Plan requires risk mitigation strategies for high risk areas such as Split Apple Rock and Atawhai/Nelson North	Seek to obtain Council approval/understanding for rolling out the Fire Smart campaign for Nelson North. (and project balance fit)	Commenced Fire Smart campaign to meet this obligation

Attachment 2

56

ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	ACTION TAKEN
S2591	Parks and Facilities	Applicable, Responsible and Compliant	Health and Safety in Employment Act 1992	13 Training and supervision	There is no organisational wide competency register to confirm who is trained/qualified for different tasks. While the process may take place at the moment to ensure suitably qualified people undertake various tasks the record keeping is poor.	This matter needs to be resolved at an organisational level therefore Parks and Facilities will advocate for this improvement but cannot control resolution timeframes.	Parks and Facilities has a competency register. Previous non compliance reported related to wider organisation which is not permitted.
S2593	Parks and Facilities	Applicable, Responsible and Compliant	Health and Safety in Employment Act 1992	10 Significant hazards to employees to be minimised, and employees to be protected, where elimination and isolation impracticable	Section 10 2(c, d,e) requires monitoring. This has commenced for the Cemetery staff but not yet in place for Brook Camp staff. In addition there is no organisational wide process for this.	Continue to advocate for organisational wide system and set up local BU monitoring methodology in the meantime by 24 Dev 2011. Not achieved to required standard. Not completed. Carry forward into 2012/13	Health monitoring more formally commenced for relevant staff.
S3854	Information Mgmt	Applicable, Responsible and Compliant	Electricity Act 1992	169 Regulations	IM advises that equipment has entered the building since the last annual audit that has not been subject to inspection and testing. Work has been done to put a process in place to ensure that new equipment is tested and tagged before being put into service.	Now have a documented procedure (Promapp) so that new equipment is tested and tagged before entry to service	Procedure now exists to ensure all new electrical devices are checked before they are entered into service.
S755	Information Mgmt	Applicable, Responsible and Compliant	Public Records Act 2005	17 Requirement to create and maintain records	IM advises that in regards to part (1) "including the records of any matter that is contracted out to an independent contractor", there is an opportunity to improve compliance with this statute in regards to direction on expectations for creation and maintenance of records given to contractors, and auditing of this process. IM suggest initiating a process to provide guidelines on this statute to contractors and Council Controlled Organizations (CCOs).	A task is to be undertaken by the Records Administrator to define and distribute Guidelines on record management for CCO's by end of 2011/12. Project Balance ID 1213. Draft of guidelines ready for authority. Complete by 30/6/2012	Guidelines on record management have been distributed to CCO's
S1393	Resource Consents	Applicable, Responsible and Compliant	Local Government Act 1974	[684B Bylaws relating to navigation and related activities	Navigation Safety Bylaw overdue for review	Final being drafted to be reported to Council	Bylaw has been adopted, only infringement regime to be confirmed

ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	ACTION TAKEN
S1450	Resource Consents	Applicable, Responsible and Compliant	Resource Management Act 1991	[37A Requirements for waivers and extensions	The Consent Authority must not extend a time limit unless it has considered its duty under section 21 to avoid unreasonable delay. There have been times when an applicant (MinEd) has agreed to extend the time limit but the process was not justifiably delayed due to technicalities/unique circumstances (air discharge consents for boilers).	All decisions to extend the time limit are signed by the Team Leader or Manager, once historical applications are issued this matter should become compliant. June 2012 - some historical applications (inc. from Ministry of Education) are still being processed but now prioritised in an effort to issue decisions.	waivers for extension of time are peer reviewed to ensure fair and reasonable
S1082	Building	Applicable, Responsible and Compliant	Building Act 2004	93 Time in which building consent authority must decide whether to issue code compliance certificate	Currently achieving 98% CCC issued within 20 working days (average over year). IANZ considers this substantial compliance and the BCA is accredited without corrective actions. Usually timing waiting for information, review and audit of BC files.	Ongoing weekly and monthly monitoring in accordance with BCA QA system. Monthly reporting and continuous review of CCC, document control and audit process. (see TM32/32.1)	IANZ considers substantial compliance is achieved - Accreditation assessment June 2013
S1573	Strategic Response	Applicable, Responsible and Compliant	Dog Control Act 1996	[10AA Local authority must review policy if bylaw implementing policy requires review	The Council bylaw lapsed in April 2012, and the newly drafted bylaw has not yet been adopted.	A new bylaw and policy have been drafted and will be released for public consultation. See RAD1298043 for timelines. Debra Bradley is project lead.	The dog policy review and bylaw review have been completed
S3916	Richard Johnson	Applicable, Accountable and Compliant	Building Act 2004	93 Time in which building consent authority must decide whether to issue code compliance certificate	Timeframe to decide whether to issue	Manager Building responsible to monitor and improve	Specific staff focus on meeting timeframes...
S3963	Richard Johnson	Applicable, Accountable and Compliant	Local Government Act 1974	[684B Bylaws relating to navigation and related activities	Navigation safety Bylaw overdue for review	Final being drafted to be reported to Council	Bylaw 212 adopted by the Council; transfer of navigation safety powers to Port Nelson Ltd under Part 39 LGA 1974

ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	ACTION TAKEN
S4177	Richard Johnson	Applicable, Accountable and Compliant	Local Government Act 2002	[158 Review of bylaws made under this Act or the Local Government Act 1974	No 205 Navigation and Safety Bylaw 2002. Overdue for review, second round of special consultative procedure and hearing of submissions has occurred, final draft to be presented to Council. No 209 Control of Dogs adopted 2005. Overdue for review, requires a second round of special consultative procedure	No 205 Navigation and Safety Bylaw 2002. Senior planner preparing final draft. No 209 Control of Dogs adopted 2005. Report due to go to Council July/August	Navigation Safety Bylaw adopted by the Council; Dog Bylaw adopted by the Council
S3965	Richard Johnson	Applicable, Accountable and Compliant	Local Government Official Information and Meetings Act 1987	13 Decisions on requests	A few responses are outside the 20 working day timeframe	these need to take higher priority with staff allowing time for legal review	Made more of an effort to track and get compliance with 20 working days limit
S3994	Richard Johnson	Applicable, Accountable and Compliant	Resource Management Act 1991	[55 Local authority recognition of national policy statements	Must not unreasonable extend timeframes - this has been done with applicant agreement but for long timeframes for boilers	process in place for team leader to check all extensions	Closer monitoring of timeframes
S2912	Policy and Planning	Applicable, Responsible and Compliant	Dog Control Act 1996	10 Duty of territorial authorities to adopt policy on dogs	Current Bylaw has expired. Refer to Chris Ward for further info	Policy review undertaken in 2011/ 12 but not yet adopted by Council. Expected to be adopted in April.	New Dog Control Policy adopted
S3946	Policy and Planning	Applicable, Responsible and Compliant	Resource Management Act 1991	[55 Local authority recognition of national policy statements	s55 RMA requires that National policy statements are implemented. The National Policy Statement Electricity Transmission requires amendments to the NRMP by April 2012.	The minister has been advised that the deadline will not be met given that NCC is currently working with Transpower to clarify what changes are needed, if any, and with TDC and MDC to attempt to get a consistent approach across the top of the south.	Gap analysis has identified that NRMP meets the NPS. This has been reported to Council and the minister for the Environment and Transpower have been advised.
B687	Policy and Planning	Applicable, Responsible and Compliant	No 210 Speed Limit Bylaw adopted 2011	3.0 APPLICATION OF THIS BYLAW	Rural speed signs not installed to new Bylaw. School variable speed signs not yet installed	School variable speed signs scheduled for installation June 2012. Advised Shane Davis to correct rural speed signs in accordance with the new Bylaw	Change of opinion. As the relevant transport legislation only says we may have a bylaw we can't be non-compliant if we don't have one.
B619	Roading Solid Waste	Applicable, Responsible and Compliant	No 212 Stormwater Bylaw adopted 2007	5 Pollution prevention plans	Surface runoff from York Vily into York Stream not meeting the minimum suspended solids concentration set by RM065160. Breach due to December 2011 rainfall event.	NCC Projects have engaged a consulting engineer to consider options. Design to be completed 2011/12	We have not endured concentrated rainfall of a volume or intensity to cause this to occur.

ID	REPORTED BY	STATUS	REPORTED AGAINST	SECTION	DESCRIPTION - WHY NOT COMPLIANT	ACTIONS - TO MAKE COMPLIANT	ACTION TAKEN
B490	Parks and Facilities	Applicable, Accountable and Compliant	No 216 Burial and cremation, adopted 2008	5 Cremations	Requirement to meet the terms of applicable regulations and a Registrar is still needed to be appointed.	In staff members PM to commence process to appoint registrar before the end of June 2012.	Appointed registrar
B135	Alec Louverdis	Applicable, Responsible and Compliant	No 214 Trade Waste Bylaw, adopted 2007	3. Trade waste discharges and permits	See declration from roading and solid waste.	Discharge of leachate to York Stream. Breaches RC.	EXEC NOTE: Reported instead by Roading & Solid Waste to avoid duplication.
P134	Michael Schruer	Applicable, Accountable and Compliant	Finance – Financial Delegation Register	1 My staff are compliant with the current Financial Delegation Register	Staff have been the initiator and signatory on purchase orders	Instructed BUMs on the correct practice and they have informed their staff. This will be addressed by EPOs but in the interim I am working on a process with Frith to document how these should be done.	the elctronic purchase order system is now in place
P57	Quality Management	Applicable, Responsible and Compliant	HR – Health and Safety	2 All the BU significant hazards are recorded in the hazard register & controls in place	Hazards were identified, reported, and control measures put in place (ref docs 1179371, 1179362) but were not recorded in the hazard register	I have made a further verbal request to H&S Coordinator to complete the updates before 5th June when my next quarterly workplace inspection is scheduled and will follow this up regularly	Our business unit is now included in the hazard register. 4 hazards specific to our business unit are recorded, and controls are in place. New hazards are added when identified as a result of a workplace inspection, or a health and safety incident report

Regulatory Report for 1 April to 30 June 2013

1. Purpose of Report

- 1.1 To provide a quarterly update on activity and performance for the Council's regulatory functions.
- 1.2 To provide a brief summary on activities in the Council's regulatory division for the 2012/2013 financial year.

2. Recommendation

THAT report Regulatory Report for 1 April to 30 June 2013 (1556352) be received.

3. Building Unit Performance – 1 April to 30 June 2013

Recovery

- 3.1 The Building Unit continues to actively monitor the remaining 29 properties with s.124 Building Act 2004 notices in place from the December 2011 Rainfall Event.
- 3.2 Council has almost completed recording all known slope failures in a Slope Failure Register arising from the December 2011 Rainfall Event. The data is being entered in to the Council's GIS system. This information is important for asset management purposes as well as resource consent and building consent applications and LIMS.

Earthquake Prone Buildings Policy

- 3.3 The original policy worked on the priority types 1 to 4. Below is the current status for each priority:
 - **Priority 1 Post Disaster Buildings** - 23 identified to date, about 95% complete.
 - **Priority 2 Crowds, High Value** - 32 identified to date, about 48% complete.
 - **Priority 3 Heritage A & B (NRMP Appendix 1)** - 97 identified – 100% complete.

- **Priority 4 Two storey or more than three residential units Buildings** - 330 identified to date. It is estimated that it could be 1500 buildings.
- **Remainder of Buildings on EQB Register (not included above)** - 165 excluded from scope of policy or fall outside screening criteria of Initial Evaluation Procedure. 48 Buildings to be prioritised.

The Earthquake Prone Building Register has 695 entries to date.

There are currently 17 private and six Council buildings issued with s.124 Building Act 2004 Earthquake Prone Building notices.

Building Consents

- 3.4 The total number of building consents issued over the April 2013 –June 2013 quarter has increased 1% from the same period in 2012 (239 to 242). It should be noted the number of building consents for alterations to commercial buildings has increased over the last quarter 46%. This is believed to be building owner response to the Council Earthquake Prone Buildings Policy.
- 3.5 The total value of work for all building activity over the quarter has increased by 19% over the previous year's quarter.
- 3.6 Residential activity value of work has fluctuated but is stable and reasonably comparative being 83% of the same quarter of last year.
- 3.7 Commercial activity value of work has a 46% increase compared to this quarter last year. This includes some major projects including NMIT Trades and Teaching Block, Summerset Retirement Village and 51 Halifax Street. It should be noted within the commercial sector we have increased numbers of consents for strengthening which have arisen in relation to the EPB.

Building Consent Numbers 1 April – 30 June

Building Category Trends	2012 Number of Consents	2013 Number of Consents
New House	55	38
Altered Dwelling	86	107
Minor works	75	66
New Commercial	10	12
Altered Commercial	13	19
Total	239	242

Value of Works 1 April – 30 June

Building Category Trends	2012 Value \$	2013 Value \$
New Houses	18,570,146	12,737,040
Altered Dwelling and Minor works	3,288,933	5,420,033
New Commercial	5,823,000	21,354,000
Altered Commercial	1,177,650	2,800,978
Total Value works	28,859,729	42,312,051
Note: previous quarter comparison	25,104,551	30,052,507

- 3.8 Processing timeframes for building consents are 11 days average compared to a statutory requirement of 20 working days. It needs to also be noted that our current turnaround on Code Compliance Certificates is 3 days which is less than the 20 working days allowed for determination under the Building Act 2004.
- 3.9 The processing times for the quarter ranged from 1 day to 25 days.

Building Consent Authority Processing Time Statistics 1 April – 30 June

Consent Processing Trends	1 April - 30 June 2012	1 April - 30 June 2013	Year to date 2012	Year to date 2013
Total number of consents granted	244	242	548	501
Total value of works \$	29,353,774	40,938,087	66,626,486	77,852,179
Completed within 20 working days %	208 85%	227 93%	487 88%	445 88%
Average process time (days)	16	9	13	11

Building Unit Highlights 1 July 2012 – 30 Jun 2013

- 3.10 IANZ Accreditation
- 3.10.1 The team has worked hard over the last three months to prepare for the IANZ accreditation assessment. The BCA has received five Corrective Action Requests (CARs) which have been formed into a project to complete by the 15 September 2013. IANZ has recommended that the Building Consent Authority is reaccruited upon adequately responding to these Corrective Action Requests (CAR).
- 3.10.2 IANZ has identified 20 Strong Recommendations for later action by the BCA. Re-accreditation is not conditional on addressing these Strong Recommendations. They form a suite of process and document

improvement actions that will add value to the Quality System approach of the BCA. These Strong Recommendations will be formed into a discrete project for action over the next two years before the next accreditation review in 2015.

- 3.11 Larger Projects - Over the last year we have seen some larger projects in Nelson including Summerset Retirement Village, NMIT, Waterfront Apartments and Collingwood Medical Centre. These have given the processing and inspection team some challenges but have also given opportunity for both teams to gain experience in the more complex commercial building field.
- 3.12 Earthquake Prone Buildings (EPB) Policy- In the last year staff awareness around the EPB policy has increased due to the procedure library (Promapp) being formulated and socialised. In addition to this several local building owners have been proactive about their responsibilities under the Policy and we have seen Building Consents being applied for without being incentivised by section 124 notices being issued.
- 3.13 Rain Event - In April 2013 the skills of the team were put to the test with a natural event which has affected many properties causing an unforeseen spike in applications for building consents for remedial or reinstatement works. The team has worked well to maintain control of business as usual with these additional consents whilst having staff in acting roles resulting in less Processors and Inspectors on the ground.
- 3.14 Annual Overview

Building Consents issued	850
Building Consents Value (Total)	\$124,784,824
Building Consent processing time average	12 days (89.76% completed on time)

Looking Ahead: Building Unit

- 3.15 Completing the CAR Project for the IANZ Accreditation and then all 20 Strong Recommendations.
- 3.16 The Building Unit has completed its recruitments to bring it up to a full complement of staff with two staff yet to commence work.
- 3.17 The Building (Accreditation of Building Consent Authorities) Regulations 2006, Regulation 18 requirement for staff qualification. This is required to be in place by 1December 2013.

4. Parking Unit Performance 1 April to 30 June 2013

- 4.1 There was a decrease in the number of infringement notices issued for this quarter, but an increase in the number of service requests received for abandoned vehicles and requests for enforcement in suburban areas. The increase in enforcement relates to the number of infringement

notices issued for safety offences which includes vehicle entrance and broken yellow line offences.

4.2 The Unit lost three staff early in the quarter and this impacted significantly the level of enforcement activity. A recruitment process was commenced.

4.3 School holidays ran from Friday 19 April to Monday 6 May 2013 which brings more people into the central CBD therefore there is a tendency for more vehicles to be parked over time limits.

Activity	April	May	June
Enforcement			
Safety	29	43	42
Licence labels /WOF	406	381	296
Central Business District meters	788	397	264
Time Restrictions	156	126	50
Freedom Camping	-	-	-
Total Infringement notices issued	1379	947	655
Tows			
Abandoned Vehicles	2	5	2
Enforcement	1	1	-
Nelson market tows	5	4	5
Total vehicles towed	8	10	7
Challenges to tickets issued			
Explanations not accepted	38	61	39
Explanations accepted	148	121	80
Total explanations actioned	186	182	119
Service Requests			
Abandoned Vehicles	16	19	24
Requests for Enforcement	45	51	39
Meter Faults	41	32	21
Freedom Campers	2	1	1
Information /advice	96	108	131
Infringement appeals	228	232	181
Other	2	2	1
Total service requests	430	445	397
Courts			
Notices lodged for collection of fine	506	412	301
Defended hearing(s)	1	2	4

Activity	April	May	June
Appeals	-	-	7

Looking Ahead: Parking Unit

- 4.4 The Vehicle Licensing Reform Bill, to be implemented by July 2014 will introduce changes to the frequency of warrant of fitness testing.
- No further inspection is required for new light vehicles (cars, vans, motorcycles and trailers) after an initial inspection, until they are three years old and yearly thereafter for the life of the vehicle.
 - Yearly inspections for light vehicles over three years old first registered anywhere in the world on or after 1 January 2000, for the life of the vehicle.
 - Six-monthly inspections for light vehicles first registered anywhere in the world before 1 January 2000.
- 4.5 In the last year there has been an increase in the number of infringement notices issued for warrant of fitness offences. With changes to the warrant of fitness testing frequency we may initially see a drop in the number of infringement notices issued.

5. Resource Consent Unit Performance 1 April to 30 June 2012

- 5.1 This quarter is seeing a gradual slowing of application numbers. The notified consents were for the Green Gables and Suter redevelopments.
- 5.2 Six discounts for consents processed outside the statutory timeframe were given during this period. This represents 1% of all decisions processed incorporated a discount for being late. The total discounted was \$1331.66.
- 5.3 The processing times for the quarter ranged from 1 day to 41 days.
- 5.4 Land Information Memorandum applications are still high with overall numbers continuing to increase compared to previous years.

Resource Consent Processing Times

Month	NON NOTIFIED				NOTIFIED AND LIMITED NOTIFIED		
	% processed on time	Average process days	Median process days	Consent numbers	% processed on time	Average process days	Consent numbers
April 2013	93	17	13	47	100	49	1
May 2013	81	20	16	33	100	62	1
June 2013	96	13	13	26	0		0
Average from 1 July 2012	86	23	16	32	67	69	1
Total from 1 July 2012				381			9

Month	NON NOTIFIED				NOTIFIED AND LIMITED NOTIFIED		
	% processed on time	Average process days	Median process days	Consent numbers	% processed on time	Average process days	Consent numbers
2011/12 average	97	18		27	100	66	1
2011/12 totals				322			10

Land Information Memorandum Applications

Month	Percentage processed on time	Average process days	Total LIMs
April 2013	100	5	55
May 2013	100	5	49
June 2013	100	5	45
Average from 1 July	100	4	45
TOTAL from 1 July 2012			545
2011/12 Average	100	3	38
2011/12 Total			465

Resource Consent Unit Highlights 1 July 2012 – 30 Jun 2013

- 5.5 The larger consents issued during the year were: the Council's noise consent for events in the Open Space and Recreation zone, the demolition of the heritage building Dalton House, the Maitai walkway upgrade, Green Gables redevelopment, alteration to the Auckland Point School designation, Todd Valley stream channel erosion works, the Suter redevelopment, and Gibbons landfill in York Valley. The larger subdivisions in Stoke, Marsden Park, Princes Drive continued with stages of their development.
- 5.6 The main category of consents processed for the year were land use (74%) then subdivisions (13%). The main activity status is discretionary (62%) then controlled (13%). A third of these consents did not have enough information provided with the initial application. Only 5% of applications had the timeframe extended.
- 5.7 The median charges (excluding GST) were as follows:
- Notified consents - \$18,797
 - Limited notified consents - \$5,101
 - Non-notified consents - \$1,041
- 5.8 35 discounts of charges were given for late processing of consents totalling \$8,565.

Looking Ahead: Resource Consents Unit

- 5.9 Proposed changes to the Resource Management Act are likely to have some impact on the teams work particularly around the calculation of processing timeframes.
- 5.10 The team will be relocating back into the main Council building later this year.

6. Environmental Health and Dog Control Activities 1 April to 30 June 2012

- 6.1 Level of complaints covering Dogs, Stock, Bylaws, Building, Planning, Noise and Pollution have increased by about 4%.
- 6.2 All Health Licences have been inspected in the last year with a total of 528 inspections being carried out.

Summary of Activities

Activity	Responses			Year to Date
	April	May	June	
Dog Control	156	168	113	1816
Resource consent monitoring	219	313	213	1729
Noise nuisance	74	76	71	1156
Bylaw / Building / Planning	51	41	39	653
Liquor applications	43	53	33	557
Pollution	19	25	20	327
Liquor inspections	42	38	41	363
Stock	9	6	6	87
Total	613	720	536	6688

7. Harbour Safety Activities

- 7.1 The Deputy Harbourmaster is preparing an audit form for Hot Work Permits (e.g. welding or flame-cutting operations on board a vessel). This will be used to audit/ monitor hot works being undertaken to ensure compliance with the conditions of the Hot Work Permit issued by the Harbourmaster under the Navigation Safety Bylaw No 218.
- 7.2 The Deputy Harbourmaster is continuing to monitor compliance with the Navigation Safety Bylaw and provides an on-water presence to educate water users as to their responsibilities. His current focus is to remind all commercial vessel operators to obtain the required licence and provide them with information and an application form.

7.3 The Navigation Safety Bylaw 218 includes infringement provisions for non-compliance with the Bylaw. The Department for Internal Affairs is overseeing the drafting of Regulations (Infringement Fees for Offences – Nelson City Council Navigation Safety Bylaw 2012) by the Parliamentary Counsel to provide a legal basis to the infringement regime.

7.4 Harbourmaster Patrol Hours

Month	Patrol Hours
April	66.5
May	11.5
June	67.25

8. Summary of Hearing Panel Activities

Legislation	Matter & date of Hearing	Status
Fencing of Swimming Pools Act 1987	Application for exemption 24 April 2013	Granted
RMA 1991	RM015257 S357 objection to conditions Hearing 24 April 2013	Objection upheld in part

9. Official Information Act Requests

Period 1 July 2012 – 30 June 2013	Number received	Number completed	Number outstanding
	76	76	

10. Summary of Legal Proceedings

Party	Legislation	Matter & date of initial action	Status
Life	RMA 1991 (ENV-2012-WLG-88)	Plan Change 14 Appeal - 10 August 2012	Agreement reached - Consent order authorised by Environment Court 18 July 2013.
Gibbons Holding Ltd and Fulton Hogan Ltd	RMA 1991 (ENV-2012-WLG-86)	Plan Change 17 Appeal - 10 August 2012	Consent order with appellant.
McFadden Family Trust	RMA 1991 (ENV-2012-WLG-83)	Plan Change 18 Appeal - 9 August 2012	Environment Court mediation deferred pending Saxton Creek upgrade design.
Hamilton and Hardyman	RMA 1991 (ENV-2012-WLG-84)	Plan Change 18 Appeal - 9 August 2012	Environment Court mediation deferred pending Saxton Creek upgrade design.
Raine	RMA 1991 (ENV-2012-WLG-85)	Plan Change 18 Appeal - 10 August 2012	Environment Court mediation deferred pending Saxton Creek upgrade design.

Party	Legislation	Matter & date of initial action	Status
RG Griffin Children's Trust	RMA 1991 (ENV-2012-WLG-87)	Plan Change 18 Appeal - 10 August 2012	Environment Court mediation deferred pending Saxton Creek upgrade design.
Caltex/ Chevron	RMA 1991	Prosecution for unlawful discharge 6 November 2012	Pleaded guilty and fined \$24,000
King	RMA 1991	Prosecution for unlawful discharge 24 January 2013 Prosecution for failure to comply 1 March 2013	Council agreed to suspend the prosecutions as long as agreed actions to remedy the situation were undertaken within specified timeframes.
Connor & Smithline	RMA 1991	Appeal against granting 2 lot subdivision RM125174 14 March 2013	Agreement reached at mediation, appeal withdrawn.
Takarangi	Dog Control Act 1996	Offences relating to dog attacks	Prosecutions withdrawn. Dog euthanased.

11. Summary of Insurance Claims

11.1 There are no current insurance claims lodged with our insurers.

Richard Johnson
Executive Manager Regulatory

Attachments

None.

No supporting information follows.

Corporate Risk Management Progress Report

1. Purpose of Report

- 1.1 To inform on the progress of corporate risk management.

2. Recommendation

THAT the report Corporate Risk Management Progress Report (1516356) be received.

3. Background

- 3.1 Previous audit reports have identified that a formalised risk management framework would help Nelson City Council better manage and respond to strategic and operational risks.
- 3.2 Nelson City Council has some existing mechanisms for assessing and responding to risks throughout its operational and strategic activities (i.e. Asset Management Plans, Project Risk Management, Emergency Management, Health and Safety checklists, etc.) but has lacked a uniform framework for capturing, assessing, and controlling risks at a corporate level.
- 3.3 The Chief Executive requested that a corporate framework be established to introduce a consistent approach for managing risk at Nelson City Council.
- 3.4 The International Organisation for Standardization (ISO) defines risk as the "effect of uncertainty on objectives." The uncertainty can be either a negative (threat) or positive (opportunity) event that, if occurs, will have an effect on the achievement of objectives.
- 3.5 Risk is measured through consideration of the likelihood of an event occurring and, if the event occurs, the magnitude of its impact on objectives.
- 3.6 Risk management is the coordinated set of processes to identify, assess, and control risk. A standard framework provides a consistent approach to risk management activities. (i.e. project environment, strategic planning, operational service delivery, etc).

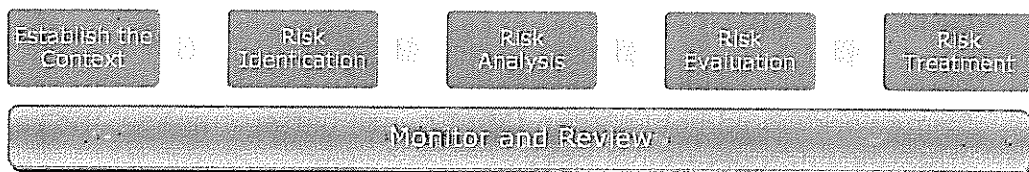
3.7 The primary goal of risk management is to increase the probability of efficiently achieving objectives through minimising threats and maximising positive opportunities. Effective risk management also protects organisational value (i.e. assets and reputation), reduces surprises necessitating reactive effort and better prepares the organisation to deal with changes if the eventuate.

4. Framework

4.1 The Nelson City Council’s corporate risk management framework was developed to align with the joint Australian New Zealand International Standards (AS/NZS ISO 31000:2009) and the New Zealand Risk Management for Local Government Standards (SNZ HB 4360:2000).

4.2 The framework developed can be tailored to fit the context of the specific activity area being evaluated and monitored so useful across all areas of the organisation. To be most effective, risk management should also be incorporated in existing decision-making processes.

Process



Stage	Description
Establish the Context	<p>This step sets the basis for the following activities.</p> <p>The objective is to understand the goals being used as basis for risk assessment and define parameters around scope, fit within the wider organisation, stakeholders, and any other relevant internal & external factors.</p> <p>The likelihood consequence matrix is established to align with risk tolerance thresholds for the activity being reviewed.</p>
Risk Identification	Identify and document risks to activity goals (consider both possible threats and opportunities).
Risk Analysis	Assess the likelihood of the event occurring and the resulting impact of that event on the activity objectives. Note any relationship between risks.
Risk Evaluation	Review all risks in activity against criteria and decide on preferred response. Prioritise for treatment if risk isn't considered acceptable.

Stage	Description
Risk Treatment	Prepare response for unacceptable risks to remove or reduce threats and maximise opportunities. Plan and implement.
Monitor and review	Ongoing monitoring of risk treatment effectiveness. Periodic review of the context and risks to ensure they are still relevant.

Likelihood Definitions

4.3 The level of risk is expressed by the combination of the likelihood of the event occurring and the associated consequence of the event. The table below was used to help quantify the likelihood, or chance that something could happen.

4.4

Description	Chance of the event occurring next 12-24 months
Almost certain	71 - 99%
Likely	51% - 70%
Possible	31% - 50%
Unlikely	6% - 30%
Rare	Less than 5%

Consequence Definitions

4.5 The areas of impact and corresponding definitions help quantify the consequence of the event on objectives. This is used to guide evaluation of the magnitude of the event and allows comparisons across organisational risks. In most cases, the risk consequence is mainly guided by one or two of the most relevant factors from the table.

4.6

Areas of Impact	Factor			
	Minor	Moderate	Major	Severe
Goals/ Objectives	Requires adjustment of an objective - does not impact progress towards goals/ outcomes	May require changes to several objectives and will impact goals/ outcomes	Significant changes required to objectives, hinders ability to deliver majority of agreed goals/ outcomes	Completely prevents ability to deliver agreed goals/ outcomes

Areas of Impact	Factor			
	Minor	Moderate	Major	Severe
Financial	Unplanned loss of <\$100k	Unplanned loss <\$250k	Unplanned loss <\$1.2m OR >1% affect on rates	Unplanned loss > \$1.2m OR >2% affect on rates
Reputation / Customer Perception	Issue or event that paints Council in a negative light with small group of customers; no media coverage	Significant issue or event that persistently paints Council in a negative light; media interest	One off event or series of events that result in significant portion of community losing confidence in Council. One off negative media coverage	Relentless/sustained reputation issues. Resignation of senior staff or elected members. Scandal. Sustained negative media coverage
Legal / Compliance	General concerns or 'could do better' within context of overall compliance	Compliance issues cause concern at corporate level and need to be addressed	Significant compliance breach which exposes the organisation to legal challenge/prosecution	Significant compliance failure resulting in sustained legal issues/action or ministerial intervention
Relationship / Political	Relationship issues between key parties or between elected members causes delays to decisions	Significant relationship issues that impacts on decisions	Severe breakdown of relationships resulting in isolation of Council preventing effective decision making	Public severance of relationship with Council. Or appointment of Commissioner

Corporate Risk Management Progress Report

Areas of Impact	Factor			
	Minor	Moderate	Major	Severe
Service Delivery / Asset Performance	Limited disruption to a stated Level of Service (LOS)* affecting small group of customers	Repeated or significant disruption to LOS affecting whole neighbourhood or interest group	Reduction in critical LOS over extended period of time to significant portion of the community	Permanent reduction in a critical LOS to significant portion of the community
People / Skills	Insufficient cover for vacancies	Delays in recruiting/ difficulty in retaining core skills	Sustained inability to recruit, retain core skills	Inability to resource in any way the provision of core skills
Health and Safety	Injury to members of staff, contractors, or public	Serious injuries to members of staff, contractors, or public	Fatality or multiple serious injuries to members of staff, contractors, or public	Fatalities of multiple staff, contractors, or public

* As stated in the Activity and Asset Management Plans

Likelihood – Consequence Matrix

4.7 The likelihood consequence matrix combines the scoring and defines the total impact of the described risk event. The likelihood consequence matrix provides a means to prioritise risks and guide decision making.

4.8

		Potential consequence			
		Minor	Moderate	Major	Severe
Likelihood	Almost certain	Medium	High	Extreme	Extreme
	Likely	Medium	High	Extreme	Extreme
	Possible	Medium	High	High	Extreme
	Unlikely	Low	Medium	High	High
	Rare	Low	Low	Medium	Medium

5. Progress to date

5.1 The context stage has been completed. The Executive Team agreed to use the council priorities and financial strategies described in the 2009-19 Long Term Plan for the strategic risk assessment. They also agreed on the framework and definitions as described in this report.

6. Next Steps

- 6.1 The Executive Team will perform an initial assessment of strategic risks (identification, analysis, evaluation) and consider treatment options.
- 6.2 Risks will be recorded in the corporate risk register and the initial assessment will be reported back to the Council by the end of the year.
- 6.3 A workshop with the Council will also be planned for sometime in the first six months of the new term.

Don Bartkowiak
Project Portfolio Manager

Attachments

None.

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The approach taken was intended to minimise time spent by a large number of staff and instead focus on summarising risks at a high level from existing sources and knowledge from a few staff experts. It was felt that the most significant risks were already well known and could readily be captured via this approach.

Risk management supports the new purpose as it is focused on ensuring objectives are met as defined and managing threats and opportunities to successful achievement.

2. Fit with Community Outcomes and Council Priorities

Risk management focuses on evaluating threats and opportunities to the Council priorities and goals and acting to mitigate the threats or maximise the opportunities.

3. Fit with Strategic Documents

The framework can be tailored to meet the requirements of the activity being evaluated and risks should be addressed in key strategic documents.

4. Sustainability

Only applicable from the standpoint of using the framework in helping identify risks to achieving sustainability objectives.

5. Consistency with other Council policies

There is room to incorporate the framework once fully established into risk management practice in other areas of the organisation. The project and programme risk management approach is aligned with the corporate framework.

6. Long Term Plan/Annual Plan reference and financial impact

The framework can be tailored to meet the requirements of the activity being evaluated and risk should be considered in key strategic documents.

No financial impact at this point. However, some risk treatment options may require expenditure and would need to be approved by Council before proceeding.

7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

8. View from Stakeholders

Key internal stakeholders were involved in risk identification and assessment.

Supporting Information

9. Inclusion of Māori in the decision making process

This would be considered at point of decision making for risk treatment.

10. Delegation register reference

N/A.

Future Governance Arrangements

1. Purpose of Report

- 1.1 To consider future reporting expectations of, and to, the Audit, Risk and Finance Committee.

2. Recommendation

THAT the report Future Governance Arrangements (1574119) for the Audit, Risk and Finance Committee be received;

AND THAT the Committee meetings be moved to a six weekly cycle;

AND THAT specific reports on health and safety, risk management, and periodic reviews of activities be received by the Committee.

3. Background

- 3.1 The Audit Risk and Finance Committee meets monthly. Its functions are to ensure compliance procedures are in place for all statutory requirements relating to the operation of the Council. In particular, it should have regard to reporting safety, service quality and regulations, financial reporting and risk management.
- 3.2 The Chief Executive has suggested that the Committee could play a stronger role in providing a governance oversight. This report suggests some possible changes for the incoming Council to consider.

4. Discussion

- 4.1 The Audit Risk and Finance Committee meets monthly. Its agendas can be short, and it typically has a focus on financial reporting.
- 4.2 The Chief Executive previously suggested to the Committee some changes in its operation could provide the opportunity for greater oversight in a wider range of activities.

- 4.3 Financial reporting is currently provided monthly. It typically details what has happened, rather than drawing members' attention to the exceptions and trends. Capital expenditure is provided monthly. This seems to be inefficient (for both elected members and the time taken to collate the information) when for at least the first six months of the financial year, capex is programmed to be low. Capital expenditure could be quarterly in the first six months of the year, moving to each meeting for the second half.
- 4.4 It is recommended that the Audit Risk and Finance Committee move to six weekly meetings. This would allow time for more meaningful reports to be prepared between meetings, and align better with the governance portfolio of Council. Officers would move from reporting 'what has been' to providing trend and exception data. Supporting that, there is work occurring within the organisation to have a more dynamic budget, that includes changes agreed at Council. This will mean that changes, once reported, can be treated as adopted and the Committee's attention will only be on new matters, not a repeat of matters previously reported.
- 4.5 Elected members have an interest in health and safety matters. It is proposed to include an update on this to each meeting.
- 4.6 Council's auditors have identified that more attention should be paid to risk management. Officers have prepared a risk management matrix, which they would like to workshop with the Committee. Progress against those indicators would then be reported each half year.
- 4.7 Currently environmental reporting is very input focussed, ie the number of consents granted within statutory timeframes. Whilst this is useful to committee members, it would be more useful to understand the nature of those consents – the outputs and outcomes that they will affect or influence. Improved reporting of the monitoring/research functions is also appropriate.
- 4.8 Finally, as reviews are undertaken of specific activity areas (and this may be in response to trend information shown in the financial reports), eg forestry, property, these should be reported to the Audit Risk and Finance Committee.

5. Conclusion

- 5.1 The Audit Risk and Finance Committee could play a stronger role in governance oversight of the organisation, particularly in some critical areas, eg:
- Health and Safety;
 - Risk management;
 - Reviews of activities.

- 5.2 This report suggests altering the cycle to a six weekly cycle to better align with Council, and to provide time for more meaningful information to be prepared.
- 5.3 It also suggests that reporting be altered to recognise the seasonal nature of some activity.

Clare Hadley
Chief Executive

No supporting information follows.