

Meeting	Audit, Risk and Finance Committee
Date	Wednesday 11 September 2019
Time	10.00 am
Venue	Mangawhai Club – Molesworth Drive, Mangawhai

Open Agenda

Membership

Chair:

Stana Pezic

Members:

Deputy Mayor Peter Wethey

Councillor Victoria del la Varis-Woodcock

Councillor Jonathan Larsen

Lisa Hong, Governance Advisor
lhong@kaipara.govt.nz

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* Items 3.5 'Audit Constructive Management Report year ended 30 June 2019' and 3.6 'Annual Report 2018/2019' will be supplied under a separate cover (Supplementary Open Agenda). Item 4.4 'Investigation Update' will also be supplied separately (Supplementary Public Excluded Agenda).

Ordinary meeting of Audit, Risk and Finance Committee
Wednesday 11 September 2019 in Mangawhai

1 Opening

1.1 Karakia

1.2 Present

1.3 Apologies

1.4 Confirmation of agenda

The Committee to confirm the Agenda.

1.5 Conflict of interest declaration

Elected members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as Councillors and any private or other external interest they might have. It is also considered best practice for those members to the Executive Team attending the meeting to also signal any conflicts that they may have with an item before Council.

2 **Minutes**

Confirmation of Open Audit, Risk and Finance Committee minutes 12 June 2019

General Manager Governance, Strategy and Democracy **1601.23**

Recommended

That the unconfirmed Open minutes of the Audit, Risk and Finance Committee meeting held 12 June 2019 be confirmed as a true and correct record.

Meeting	Audit, Risk and Finance Committee
Date	Wednesday 12 June 2019
Time	Meeting started at 10.00 am Meeting closed at 12.20 pm
Venue	Gateway North Conference Room – 1999 State Highway 1, Kaiwaka
Status	Unconfirmed

Open Minutes

Membership

Chair: Stana Pezic
Members: Deputy Mayor Peter Wethey
Councillor Victoria del la Varis-Woodcock
Councillor Jonathan Larsen

Jason Marris
General Manager Governance, Strategy and Democracy

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Minutes of the Audit, Risk and Finance Committee meeting Wednesday 12 June 2019 in Kaiwaka

1 Opening

1.1 Karakia

Mayor Smith opened the meeting with a karakia.

1.2 Present

Stana Pezic (Chair), Mayor Jason Smith, Deputy Mayor Peter Wethey, Councillor Jonathan Larsen

The Committee noted Councillor Andrew Wade's resignation from the Audit, Risk and Finance Committee on 20 March 2019.

In Attendance

Name	Designation	Item(s)
Sue Davidson	General Manager Risk, IT and Finance	All
Fran Mikulicic	General Manager Regulatory, Planning and Policy	All
Hannah Gillespie	General Manager People and Capability	All
Donnick Mugutso	Acting General Manager Infrastructure	All
Linda Osborne	Administration Manager	All
Prue Miller	Health and Safety Advisor	All
Shakhin Sharma	Renewals Project Manager (NTA)	All
Bryce Henderson	Deloitte	All
Vera Chian	Deloitte	All
Lisa Hong	Governance Advisor	All (Minute-taker)

1.3 Apologies

Moved Smith/Larsen

That the apology of Councillor Victoria del la Varis-Woodcock be received.

Carried

1.4 Confirmation of agenda

Moved Smith/Wethey

That the Audit, Risk and Finance Committee confirms the agenda for the 12 June 2019 meeting with the addition of 'Verbal Update - Investigation' in the public excluded agenda.

Carried

1.5 Conflict of interest declaration

Nil.

2 Minutes

Confirmation of Open Audit, Risk and Finance Committee minutes 13 March 2019

General Manager Governance, Strategy and Democracy 1601.23

Moved Wethey/Larsen

That the unconfirmed Open minutes of the Audit, Risk and Finance Committee meeting held 13 March 2019 be confirmed as a true and correct record.

Carried

3 Reports

3.1 Audit, Risk and Finance Committee's Proposed Work Programme 2019-2020

General Manager Risk, IT and Finance 2304.15

Moved Smith/Larsen

That the Audit, Risk and Finance Committee:

- a) *Approves the proposed Audit, Risk and Finance Committee's Work Programme 2019-2020 as set out in Attachment A 'Audit, Risk and Finance Committee Agenda – Work Programme'.*

Carried

3.2 Quarterly Finance Report

General Manager Risk, IT and Finance 2304.15

Moved Larsen/Wethey

That the Audit, Risk and Finance Committee:

- a) *Notes the Quarterly Finance report dated 21 May 2019.*

Carried

3.3 Treasury Management

Finance Manager 2304.15

Moved Smith/Larsen

That Audit, Risk and Finance Committee:

- a) *Notes the Treasury Management report and its attachments.*

Carried

3.4 Audit Action Update

General Manager Risk, IT and Finance 2304.15

[Secretarial Note: Bryce Henderson and Vera Chian spoke to this item and answered questions from committee members.]

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Approves Deloitte's scope of audit Planning Report for Council's financial statements for the year ending 30 June 2019.*

Carried

3.5 Draft Annual Plan 2019/20 - Recommendation to Council

General Manager Risk, IT and Finance 2304.15

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Recommends to Council to approve the Annual Plan 2019/2020.*

Carried

3.6 Legal Compliance Update

General Manager Risk, IT and Finance 2304.15

Moved Wethey/Larsen

That the Audit, Risk and Finance Committee:

- a) *Notes the Legal Compliance Update report dated 16 May 2019.*

Carried

3.7 Policy Register Review Programme Update

Administration Manager 2128.01

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Notes the updated Policy Register.*

Carried

3.8 Legislative Compliance Policy Council to Adopt

General Manager Risk, IT and Finance 2304.15

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Directs the Chief Executive to bring back the Legislative Compliance Policy to the next Audit, Risk and Finance Committee meeting with amendments as agreed by the meeting.*

Carried

3.9 Legislative Compliance – Awareness of Obligations

General Manager Risk, IT and Finance 2304.15

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Notes the Legislative Compliance report dated 16 May 2019 and its attachment 'Legislative changes relevant or potentially relevant to Kaipara District Council, April 2018 - March 2019'.*

Carried

3.10 Health and Safety Update – June 2019 (Qtr 3)

General Manager People and Capability 2209.12/AR&F June 2019

Moved Smith/Wethey

That the Audit, Risk and Finance Committee:

- a) *Notes the Health and Safety update June 2019 report and Attachments A-G accordingly.*

Carried

Unconfirmed

4 Public Excluded Audit, Risk and Finance Committee minute items 12 June 2019

The public excluded session started at 11.54am.

Moved Smith/Wethey

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

- Confirmation of Public Excluded Audit, Risk and Finance Committee minutes 13 March 2019
- Contract Monitoring and Reporting: Infrastructure, Planning and Regulatory
- Potential Claims
- Verbal Update – Investigation

And that Bryce Henderson and Vera Chian from Deloitte remain for the public excluded session.

The general subject matter of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under s48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered:	Reason for passing this Resolution	Ground(s) under Section 48(1) for the passing this resolution:
Confirmation of Public Excluded Audit, Risk and Finance Committee minutes 13 March 2019	LGOIMA Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). LGOIMA Part 1, Section 7(2)(a) to protect the privacy of natural persons, including that of deceased natural persons.	S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
Contract Monitoring and Reporting: Infrastructure, Planning and Regulatory	LGOIMA Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
Potential Claims	LGOIMA Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

General subject of each matter to be considered:	Reason for passing this Resolution	Ground(s) under Section 48(1) for the passing this resolution:
Verbal Update - Investigation	LGOIMA Part 1, Section 7(2)(a) to protect the privacy of natural persons, including that of deceased natural persons.	S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

Carried

Unconfirmed

5 Open Audit, Risk and Finance Committee agenda 12 June 2019

The meeting returned to Open session at 12.09pm.

Mayor Smith closed the meeting with a karakia.

Closure

Meeting closed at 12.20pm.

Kaipara District Council
Dargaville

Unconfirmed

3 **Open agenda items 11 September 2019**

Legal Compliance Update

Meeting: Audit Risk and Finance Committee
Date of meeting: 11 September 2019
Reporting officer: Sue Davidson, General Manager Risk, IT and Finance

Purpose/Ngā whāinga

This report summarises our legal compliance with council's statutory obligations. It provides oversight to the approach to risk and complying with regulatory and statutory requirements.

Executive summary/Whakarāpopototanga

This report details instances of non-compliance with progress with addressing the instances of actual or potential non-compliance.

Recommendation/Ngā tūtohunga

That the Audit, Risk and Finance Committee:

- a) Notes the General Manager Risk, IT and Finance's report 'Legal Compliance Update'.

Context/Horopaki

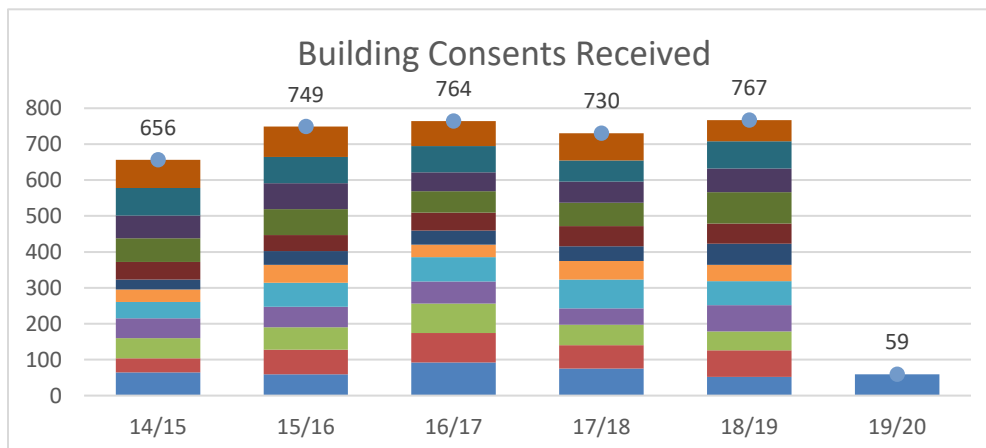
The Audit, Risk and Finance Committee (the Committee) is responsible for identifying and monitoring risks associated with legislative compliance. This report provides details where council is not complying and how this is looking to be remedied.

Discussion/Ngā kōrerorero

This report details instances of non-compliance and progress with addressing the instances of actual or potential non-compliance. The council has provided the following information:

Building consents

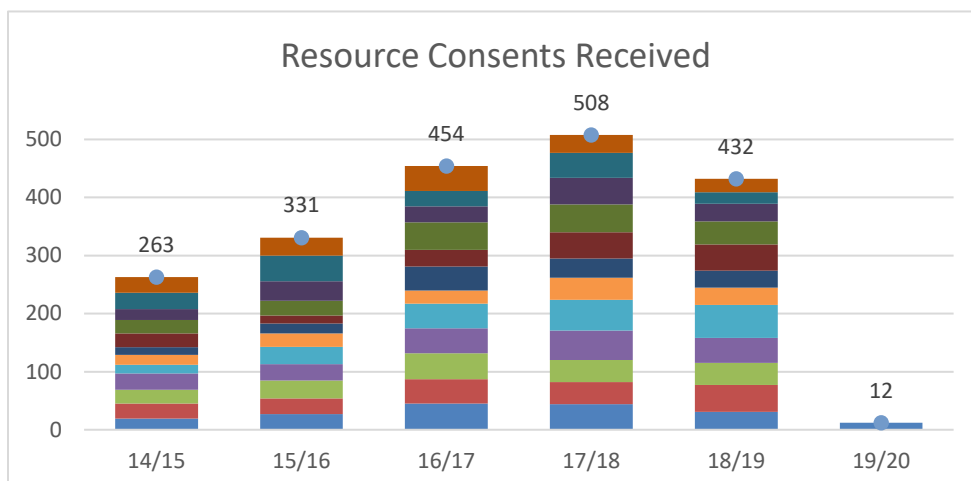
The aim is to have 100% of building consents processed within the statutory timeframe.



Percentage of building consents processed within statutory timeframes					
2014/2015	2015/2016	2016/2017	2017/2018	2018/19	YTD
99%	99%	98%	97%	93%	96%

Resource consents

The aim is to have all non-notified land use and subdivision consents processed within the statutory timeframe.



Percentage of resource consents processed within statutory timeframes					
2014/2015	2015/2016	2016/2017	2017/2018	2018/19	YTD
100%	99%	99%	87%	71%	92%

Environmental Health

The legal documents have been finalised for nine properties in Kaihu to take up the loan for a water tank on their property. Currently they are on a raw water supply. Staff are still waiting for quotes for some of the properties. At the time of writing staff had organised to meet with two owners to sign the documentation

Most of the properties have been identified on Maori land.

Council has a wastewater bylaw and is proactively monitoring a percentage of the district housing with onsite domestic wastewater systems. The monitoring being undertaken has resulted in several areas being identified where there could be an issue. Further facts are being collected and a briefing/workshop has been held with council.

Infrastructure

The discharges of treated effluent from the Kaiwaka and Te Kopuru wastewater treatment plants (WWTPs) have been consistently outside of the discharge limits set by Northland Regional Council (NRC).

Investigations have been undertaken to identify what is causing these issues and what we can do to rectify them.

Kaiwaka WWTP:

- a) KDC will take the consultant's report to NRC and outline our proposed way forward. - We took the report to NRC.

- b) KDC is looking for cost-effective alternative solutions (such as membrane filtration). If this is unsuccessful then chlorination is proposed to be installed with the consent of NRC, or alternatively a UV disinfection system (with a pre-filtration system) will be required. - We have budgeted and identified a contractor to install a membrane filtration plant which provides better quality treated effluent. A prestart meeting is on 28 August 2019. The project is programmed to be completed this financial year.

Te Kopuru WWTP:

- a) KDC will take the consultant's report to NRC and outline our proposed way forward: - We have shared the report with the NRC.
- b) KDC will apply to vary the existing consent to be more in line with the wastewater treatment system currently in place: - We have engaged a specialist environmental engineering consultant to assist us with the application.
- c) A larger aeration unit will be installed to help better manage the ammoniacal nitrate levels within the pond. – We have received quotations from three suppliers which are higher than what is in the current budget. A request for further budget will be sought.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps

Continue to monitor and work towards compliance.

Sue Davidson, 28 August 2019

Quarterly Finance Report

Meeting: Audit, Risk and Finance Committee
Date of meeting: 11 September 2019
Reporting officer: Sue Davidson, General Manager Risk, IT and Finance

Purpose/Ngā whāinga

To monitor financial performance.

Executive summary/Whakarāpopototanga

Commentary is provided on both land debt outstanding and sundry debtors.

Recommendation/Ngā tūhunga

That the Audit, Risk and Finance Committee:

- a) Notes the Quarterly Finance report dated 11 September 2019.

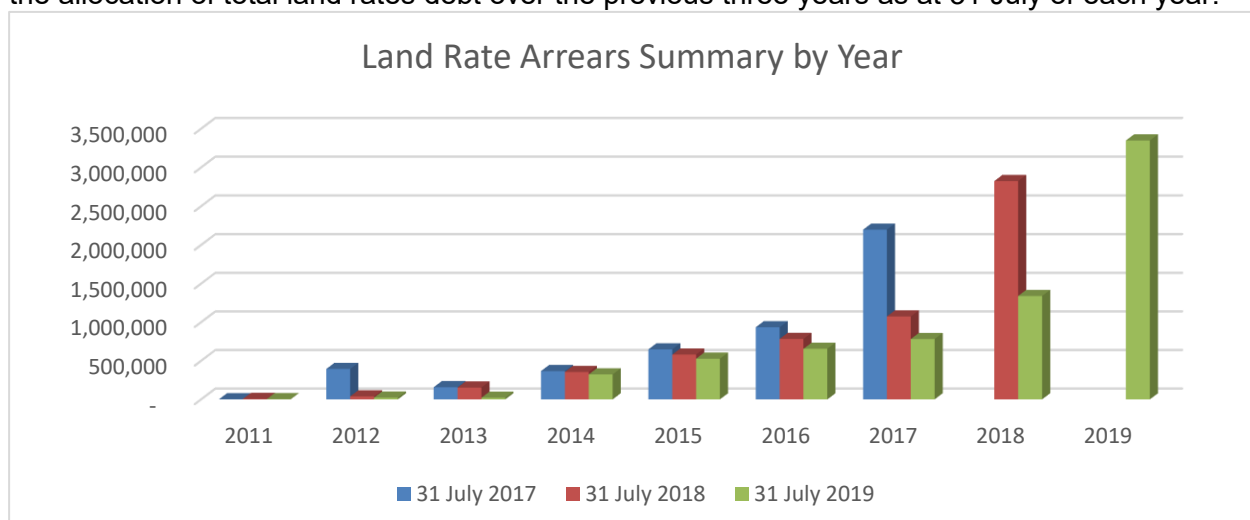
Context/Horopaki

Council Staff provide the Audit, Risk and Finance Committee (the Committee) with an update on year to date finances and debtors. Graphs have been provided to clarify debtors further.

Discussion/Ngā kōrerorero

Rates Debtors as at 31 July 2019

Earlier reports to the Committee focused on the land rates debt for the years up to June 2018 (previous year's arrears). System generated arrears reports exclude current debt, which means that the beginning of each year sees the opening debt balance increasing substantially due to the previous year debt being re-categorised as previous year arrears. The chart below shows the allocation of total land rates debt over the previous three years as at 31 July of each year.

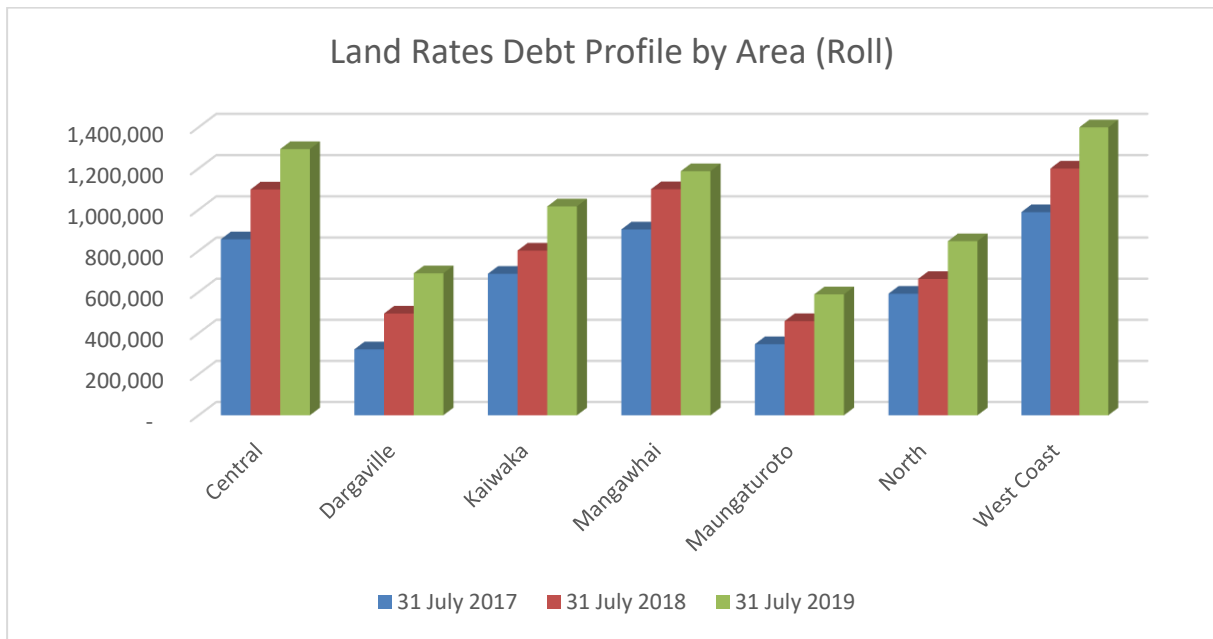


This graph shows that outstanding arrears has been increasing, however when people make payments of arrears the payment is allocated to the oldest debt first. The additional penalty charged on 1 July and 1 January each year also adds to this increase.

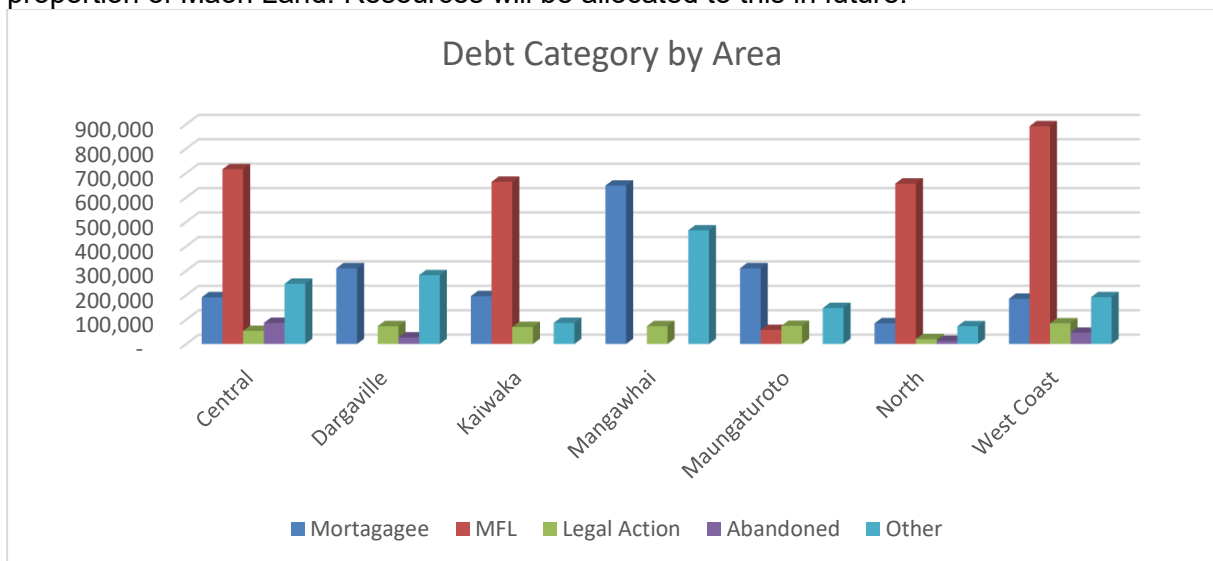
The total debt as at 31 July 2019 was \$7,025,000, which is an overall reduction of \$364,300 for the month.

Total rates debt (including previous years) reported as at 30 June 2019 was \$7,389,300. This reflects \$3,348,000 relating to the 2018/2019 year, of which \$1,135,500 is for penalties added to the overdue accounts. Rates charged for the year totalled \$35,000,000.

The chart below compares the debt over three years and shows by roll where the debt sits.



Council would expect the outstanding debt to be higher in Mangawhai where residents have historically resisted making payments. This graph shows that both Central (which covers the area including Turiwiri, Arapohue, Okaho, Ruawai and Matakoho) and West Coast (covering Waipoua through to Te Kopuru and Poutu) have high debt these areas incorporate a high proportion of Maori Land. Resources will be allocated to this in future.



Previous reports have shown the distribution of debt into various categories, these being properties with mortgages, those without mortgages, abandoned land and Maori freehold land. Revenue staff have reconciled the data to provide more up-to-date information. The table below summarises the data whilst the chart shows the distribution of the debt by category and area.

Arrears debt	No	30 April 2019		No	31 July 2019
Mortgaged Properties	283	541,916		725	1,926,486
Maori Freehold Land (MFL)	117	2,377,304		140	2,985,103
Legal Action				48	448,529
Abandoned Land	7	136,965		7	172,587
Properties with no Mortgage	309	1,030,821		1,275	1,491,976
TOTAL	716	4,087,006		2,195	7,024,681

Mortgaged Properties Category

Records of Titles have been searched for all properties that had arrears debt over \$500 as at 30 June 2019. This has enabled staff to clearly identify those properties that have a mortgage secured over the Title. Letters of Intent will be sent to the identified mortgagee's by 1 September with formal demands following early in December. These timeframes are within the provisions of the Local Government (Rating) Act.

Maori Freehold Land

Clarity around the properties that fall into this category has been established with the recent Title searching that the revenue team has undertaken. It is recognised that further attention is required in the Maori Freehold Land space and future resourcing will assist with this.

Legal Action

Stayed defendants contribute \$65,000 towards the category 'properties with no mortgage' arrears debt shown above. These accounts continue to be stayed until there is absolute certainty that all challenges to the rates have been heard and resolved through the Courts. As reported in the Contingent Liabilities within the 2018/2019 Annual Report there remains one remote possibility that a case relating to these stayed defendants will be appealed, which may affect the remaining stayed cases. The words from the Annual Report are:

"The Rogans have advised recently that they intend to apply to the Supreme Court for leave to extend time to appeal (they are about 8 months late) and if that application is granted, for leave to appeal to the Supreme Court. We consider their chances of succeeding with these applications to be remote." However, until this is certain the lawyers have advised that we continue to hold these stayed accounts and not progress further.

Sealed judgments contribute \$200,000 towards the category 'properties with no mortgage' arrears debt. Some payment arrangements have been entered into and are being monitored, whilst charging orders have been placed on the remaining properties as the first step towards enforcing the judgment by way of rating sale.

Abandoned Land

Brookfields has completed the necessary searches required under the Local Government (Rating) 2002 ("LGRA") to progress these matters through the District Court. These searches have included:

- (a) advertising for a will(s) in LawTalk and LawNews;
- (b) inquiries through the High Court to confirm the issuing of probate or letters of administration; and
- (c) request for death certificate(s) with the Department of Internal Affairs.

Staff are in the process of carrying out site inspections. Public Notice pursuant to section 77 of the LGRA was advertised in the Kaipara Lifestyler on 23 July 2019. This notice expires on 23 August 2019.

It is anticipated that these matters can be progressed through the District Court in the early part of the 2019/2020 financial year.

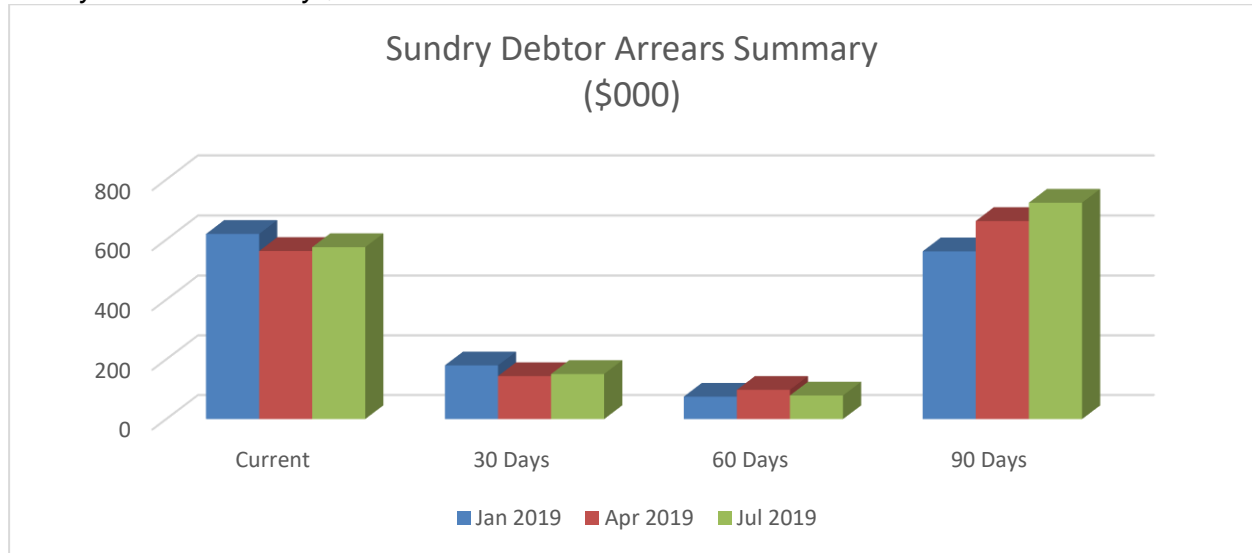
Other

Staff continue to make progress with the customers in this category and have agreed to numerous payment plans that will see the debt repaid over the next one to two years. We have also seen a number of lump sum payments being made that have cleared the debt.

Conversations have been had with a couple of third party debt collectors to discuss whether they can add value to collecting debt from customers in this category. Revenue and General Managers will give this further consideration over the coming months.

Sundry Debtors

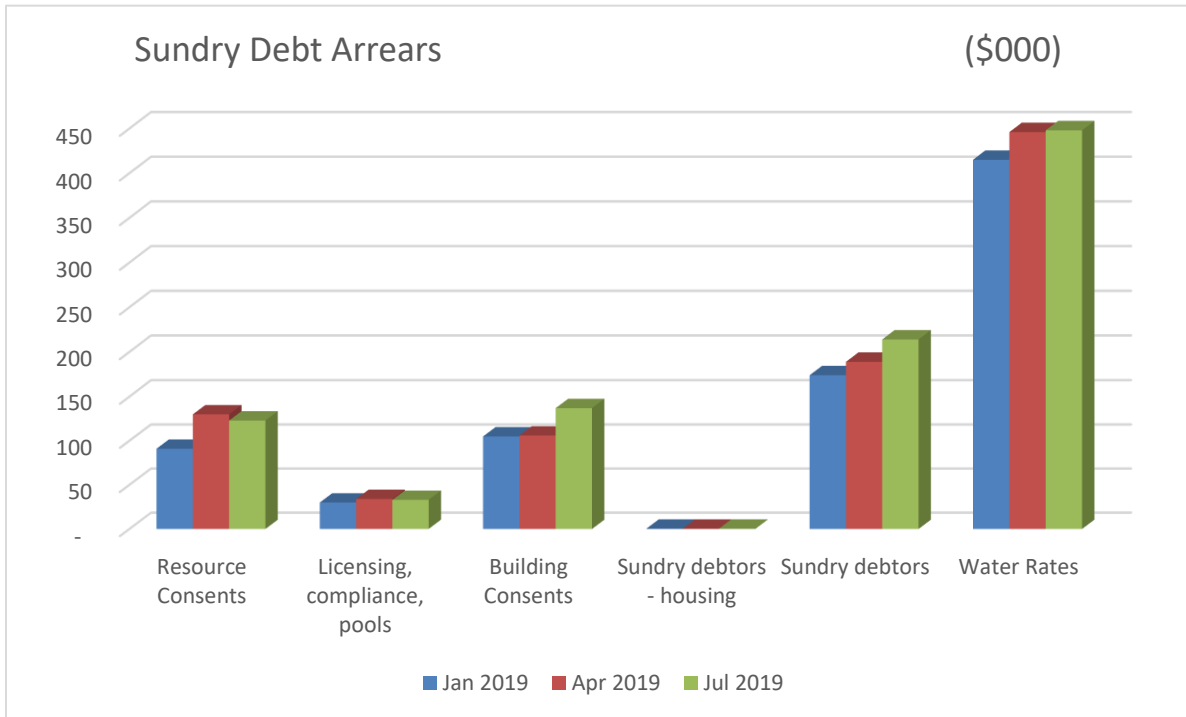
Sundry Debtors Summary \$000



The above graph demonstrates a slight increase in current, 30 day and 90 day debt whilst the 60 day debt has shown a slight decrease. Staff are investigating options for increasing the collection rate of older debt and have liaised with third party debt collectors to consider the benefits of engaging their services.

	Current	30 Days	60 Days	90 days	Total
Month of July 2019	575	151	79	723	1,528
Aging Percentage	43%	13%	5%	47%	100%
Month of April 2019	562	144	98	662	1,466
Aging Percentage	38%	10%	7%	45%	100%
Month of January 2018	619	180	75	561	1435
Aging Percentage	44%	12%	5%	39%	100%

Summarising the aging of arrears for other debtors (\$000)



The total sundry debt reported here is \$955,000. Of this \$448,000 relates to water rates and \$103,000 of this will be collected through the mortgagee process, mentioned above under the land rates section.

Resource within the team has been focused on daily processes relating to setting rates for the new year, preparing and delivering the invoices and responding to the influx of enquiries relating to the rates. Since 1 July 2019, 437 service requests have been received into the revenue department with 372 of these having been completed. These service requests cover a diverse range of enquiries, from customers requesting change of mailing address, transfer of funds, requests for penalty remission, water enquiries, questions about the change in their rates to complex rating issues that can take up to half a day to work through. In addition to these service requests the team have received 126 requests from solicitors for rating information due to upcoming property sales, and 524 rate rebate applications have been processed.

July 2019 Financial Report

Statement of Operating and Capital Performance

	Year to Date July 2019			Indicator	Whole Year
	Actual \$'000	Annual Plan \$'000	Variance \$'000		Annual Plan \$'000
Whole of Council					
Rates	3,706	3,622	(84)	●	36,884
Activity Revenue and Other Income	486	615	130	●	6,839
Subsidies and Grants - Operational	415	509	94	●	8,786
Total Operating Income	4,606	4,746	140	●	52,508
Employee Benefits	992	1,048	56	●	12,683
Contractors	247	265	18	●	2,448
Professional Services	392	526	134	●	8,356
Repairs and Maintenance	767	878	111	●	11,861
Finance costs	222	232	10	●	2,780
Other Operating Costs	233	368	135	●	6,004
Total Operating Costs	2,853	3,316	463	●	44,133
Operating Surplus/(Deficit) (before Depreciation)	1,753	1,430	(323)	●	8,375
Capital Subsidies	470	509	39	●	23,219
Contributions	224	243	19	●	3,019
Other Capital Revenue	0	0	0	●	175
Total Capital Revenue	694	752	58	●	26,413
Capital Expenditure	1,548	806	(742)	●	38,896
Total Capital Payments	1,548	806	(742)	●	38,896
Subtotal Capital	(854)	(54)	800	●	(12,483)
Surplus/(Deficit) - before Loan Payments and Depreciation	899	1,376	476	●	(4,108)

Key: ● Within 5% of budget
 ● Over or under budget by 5 - 10%
 ● Over or under budget by more than 10%

Public Debt: The public debt position at 31 July 2019 is \$49 million and the net debt position (debt less cash) is \$45.9 million.

Public Debt and Requirements			
	Jun-19	Jul-19	Jun-20
	\$000's	\$000's	\$000's
Debt			
Debt	45,000	49,000	48,257
Cash in bank (overnight deposits)	(1,926)	(3,067)	(500)
Net debt	43,074	45,933	47,757
Reserves (future obligations)			
Development Contribution Reserve	(24,648)	(24,397)	(26,829)
Other Reserves	16,946	15,193	17,678
Total	(7,702)	(9,204)	(9,151)
Debt Requirements			
Debt	45,000	49,000	48,257
Future obligations	16,946	15,193	9,151
Gross Debt Requirement	61,946	64,193	57,408
Less cash in bank	(1,926)	(3,067)	(500)
Net Debt Requirement	60,020	61,126	56,908

*Note: Reserves balances are only recalculated at end of year.

Activities Net Cost for the period to 31 July 2019

Activity	Actual			Annual Plan Full Year
	Actual Operating Income \$000s	Actual Operating Costs \$000s	Net Operating Surplus/(Deficit) \$000s	Net Operating Surplus/(Deficit) \$000s
Community Activities	580	402	178	150
District Leadership	883	292	591	(1,738)
Flood control	60	0	60	143
Regulatory Management	567	565	2	51
Wastewater	649	324	325	2,970
Solid Waste	102	83	19	307
Stormwater	152	67	85	836
Roads and Footpaths	1,274	908	366	4,116
Water Supply	339	212	127	1,540
Whole Council	4,606	2,853	1,753	8,375

Activities Capital projects for the period ended 31 July 2019

	Year to Date			Full Year
	Actual \$'000	Annual Plan \$'000	Variance \$'000	Annual Plan \$'000
Community Activities	145	16	(129)	2,643
District Leadership, Finance and Internal Services	92	122	30	6,175
Flood Protection and Control Works	0	0	0	421
Regulatory Management	0	0	0	0
Sewerage and the Treatment and Disposal of Sewage	373	100	(273)	2,911
Solid Waste	0	0	0	0
Stormwater Drainage	3	0	(3)	216
The Provision of Roads and Footpaths	768	506	(262)	24,578
Water Supply	167	62	(105)	1,952
Grand Total	1,548	806	(742)	38,896

Significant Capital projects for the period ended 31 July 2019

	Year to Date	Full Year
	Actual \$'000	Annual Plan \$'000
PGF - Pouto Road sealing	0	8,050,000
Roads Resurfacing 2019/2020	0	2,288,276
PGF - Extension Bridges	0	2,160,000
Tomorata Bridge Repairs	12,823	1,450,000
Upgrade Existing Reticulation	0	1,000,000
Upgrade WWTP	179,116	800,000
Drainage Renewals 2019/2020	98,089	784,000
MCP Paths - Walkways and Cycleways 2019/2020	0	560,000
Insley/Moir Intersection (Intersection 1)	18	540,000
Moir/Molesworth Intersection (Intersection 2)	18	540,000
Matakohe West Road - Road works sealed	0	520,000
MCP Intersection 4	0	500,000
MCP Intersection 3	0	500,000
Flexible workspace	39,333	480,000
Wood Street - Main street redevelopment	0	400,000
Racecourse State Highway 14 watermain	0	400,000
Ararua Road	0	400,000
Total Significant Projects	329,396	21,372,276

Provincial Growth Fund
Kaipara Kickstart Programme

There are now two signed contracts with MBIE. The Kai for Kaipara contract was signed by MBIE on 06 June and the Kaipara Wharves contract was signed by MBIE on 21 June.

Payment requests for the first milestones within these contracts have been processed and the payment for the Kai for Kaipara contract, being \$50,000, has been received.

The roading contracts have been split into two contracts. The first contract covers the bulk of the physical works and the second covers the physical works for the unsealed network.

Focus is on working with MBIE to complete the first contract so that work can get underway as soon as possible. The Council resolution to sign these contracts is expected to be presented to the August Council meeting, after a legal review has been completed.

After the Council Briefing on 06 June, the Programme Steering Group has been established and the first meeting was held on 02 July. The programme management plan, which provides the management framework for programme delivery was presented to the meeting and with minor revisions was approved.

The team are working on a programme stakeholder engagement approach, communications plans and high-level schedule, which are all expected to be presented to the next Programme Steering Group meeting on 16 July. Summary project updates are as follows: -

Kai for Kaipara Project Update: -

- Procurement management plans for topo-climate report have been approved by Steering Group and procurement underway.
- Establishing the Advisory Group to support the project is nearing completion with first meeting planned for 06 August.

Kaipara Wharves Project Update: -

- Identifying procurement approaches and developing procurement management plans.
- Proposed membership names for the Advisory Group are ready for presentation at the 16 July PSG meeting.

Roading Package Project Update: -

- The scope to deliver Phase 1 of the Centre of Excellence Unsealed Network is being identified.
- Resources to deliver the project are being identified and confirmed.
- Council approved to sign the Provincial Growth Fund Kaipara KickStart Rooding Package Funding Agreement 1 on 29 August.

Policy and planning implications

These reports are in line with the Terms of Reference for monitoring the finances of the Council.

Financial implications

These are the latest Council reports. Capital expenditure is low as this is the first month of the financial year.

Risks and mitigations

Best value for the community would be delivering on the projects we stated in the Long Term Plan. The community will be more satisfied if we plan appropriately this year.

If the Council does not deliver on its projects and debt is not required as has been previously calculated, then there is a risk that this can impact on the advice our treasury advisers have provided and Council does not meet its treasury requirements.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Sue Davidson, 28 August 2019

Treasury Management

Meeting: Audit, Risk and Finance Committee
Date of meeting: 11 September 2019
Reporting officer: Violeta Kayryakova, Finance Manager

Purpose/Ngā whāinga

To provide the Audit, Risk and Finance Committee (the Committee) with detailed treasury management information and to provide an opportunity to discuss strategic directions.

Executive summary/Whakarāpopototanga

Council undertakes treasury management activities in accordance with its Treasury Management Policy and Treasury Operations schedule. Council is working closely with PwC Treasury advisors.

Council management provides the Committee with detailed operational Treasury reporting.

Tools and techniques that are used to manage debt and funding are:

- Daily cash flow forecasting, undertaken in-house;
- A treasury model, managed jointly by Council and PwC to monitor Council's funding and interest rate risk management position at a given point; and
- PwC treasury advisors provide in-depth advice on a monthly basis.

Council primarily borrows from the Local Government Funding Agency (LGFA) who provides the cheapest debt financing and longest maturity terms for debt financing available. Since 2016 Council has progressively refinanced and repaid debt. At 31 July 2019 a total of \$49 million was drawn. \$6 million of this is short term (due within one year).

Recommendation/Ngā tūhunga

That Audit, Risk and Finance Committee:

- a) Notes the Treasury Management report and its attachments.

Context/Horopaki

Council's current Treasury Management Policy was adopted in February 2018. Council's specialist Treasury advisors are PwC, since 2011.

Discussion/Ngā kōrerorero

Council management conducts treasury operations in conjunction with Council's advisors, PwC.

Tools and techniques that are used to manage debt are:

- Daily cash flow forecasting - projecting timing of cash movements over the course of the year;
- A treasury model, managed jointly by Council and PwC to monitor Council's debt management position at a given point. This tool records loans and swaps that have been

entered into and monitors the position against policy limits. It reflects on the current positions and projects future positions.

Council's funding and liquidity risk position (note that this position assumes existing funding maturities are repaid as they fall due).

Council's maturity profile showing its funding and liquidity risk position:

	Minimum cover to Maximum cover	Actual %	Compliance
0 to 3 years	15% to 60%	60.5%	No
3 to 5 years	15% to 60%	24.0%	Yes
5 years plus	10% to 60%	14.0%	Yes

The Liquidity risk position is only just outside of the policy.

Current Position (31 July 2019): Indicates whether or not Council is within Treasury Policy parameters and its current funding and liquidity risk position, **Attachment A:**

- Actual liquidity ratio is 116%

Council's borrowing should be within the following fixed/floating interest rate risk control limit.

Period	Minimum to Maximum Fixed	Actual %	Compliance
Less than 12 months	50% to 95%	76% Fixed	Yes
12-36 months	40% to 90%	53% Fixed	Yes
37 to 60 months	30% to 80%	46% Fixed	Yes
Greater than 60 months	Nil to 50%	26% Fixed	Yes

There are no breaches of Policy parameters.

Projected Positions: Indicates whether or not Council is within Treasury Policy parameters and its interest rate risk position, **Attachment B:**

- 68% of the portfolio is fixed (based on a debt forecast level of \$55 million).

Debt Interest rate policy parameters, **Attachment C.**

Debt ratios and limits:

Ratio	KDC Policy	LGFA Covenants	KDC as at 31 July 2019	Compliance
Net debt as a percentage of total revenue	<170%	<175%	84%	Yes
Net interest as a percentage of total revenue	<15%	<20%	4%	Yes
Net interest as a percentage of annual rates income	<20%	<25%	7%	Yes
Liquidity	>110%	>110%	116%	Yes

- Council is well within its policy limits as at 31 July 2019.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

This report is for information only and does not trigger legal or delegation implications.

Attachments/Ngā tapiritanga

	Name
A	Funding and liquidity risk position at 31 July 2019
B	Interest rate risk position at 31 July 2019
C	Debt Interest rate policy parameters at 31 July 2019

31-Jul-19

Kaipara District Council Funding & Liquidity Risk Position

Committed Loans/Stock/Facilities/Investments \$50.3m

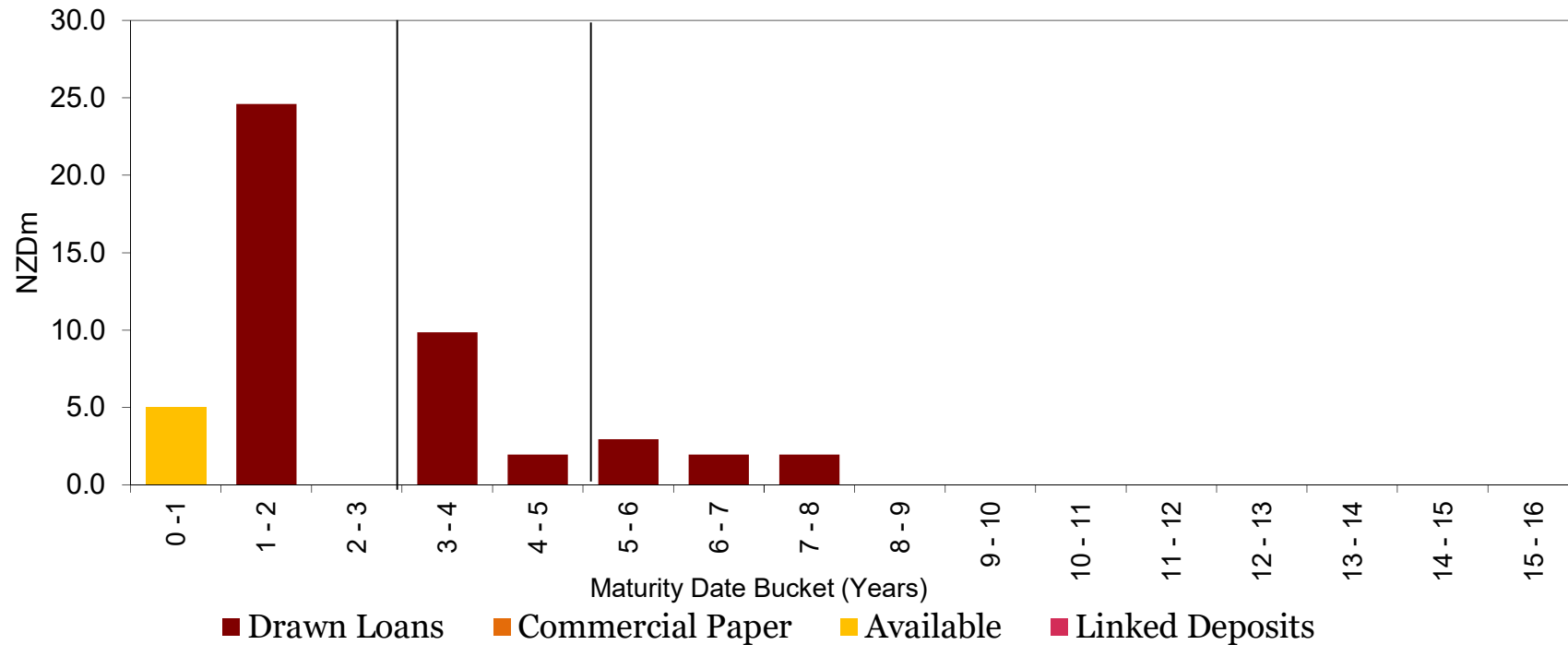
Current External Debt \$43.3m

Current Net Debt \$41.3m

Policy Liquidity Ratio $\geq 110\%$

Actual Liquidity Ratio 116%

	0 - 3 years	3 - 5 years	5 years plus
Policy Target Band	15%-60%	15%-60%	10%-60%
Actual	61%	24%	14%
Actual (NZDm)	29.60	11.81	6.89



Attachment 2: Interest rate risk

31-Jul-19

Kaipara District Council

Interest Rate Risk Position

Overall Fixed

Policy Min 60%

Policy Max 90%

Actual 68%

based on projected debt of \$54.77m 31 July 2020

Actual Floating

32%

17.8m

Policy Target band

Actual

Actual (NZDm)

1 - 3 years

15%-60%

38%

14.06

3 - 5 years

15%-60%

30%

11.10

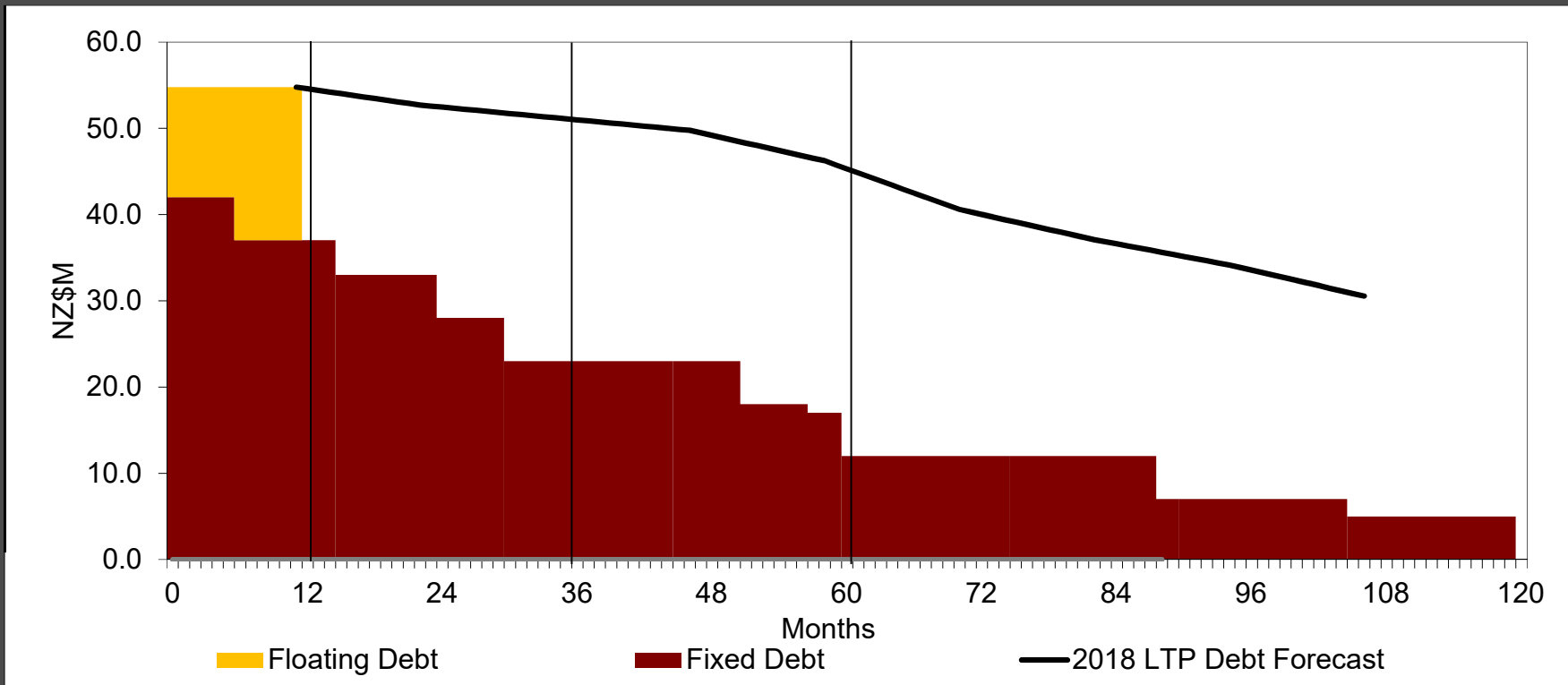
5 years plus

0%-60%

32%

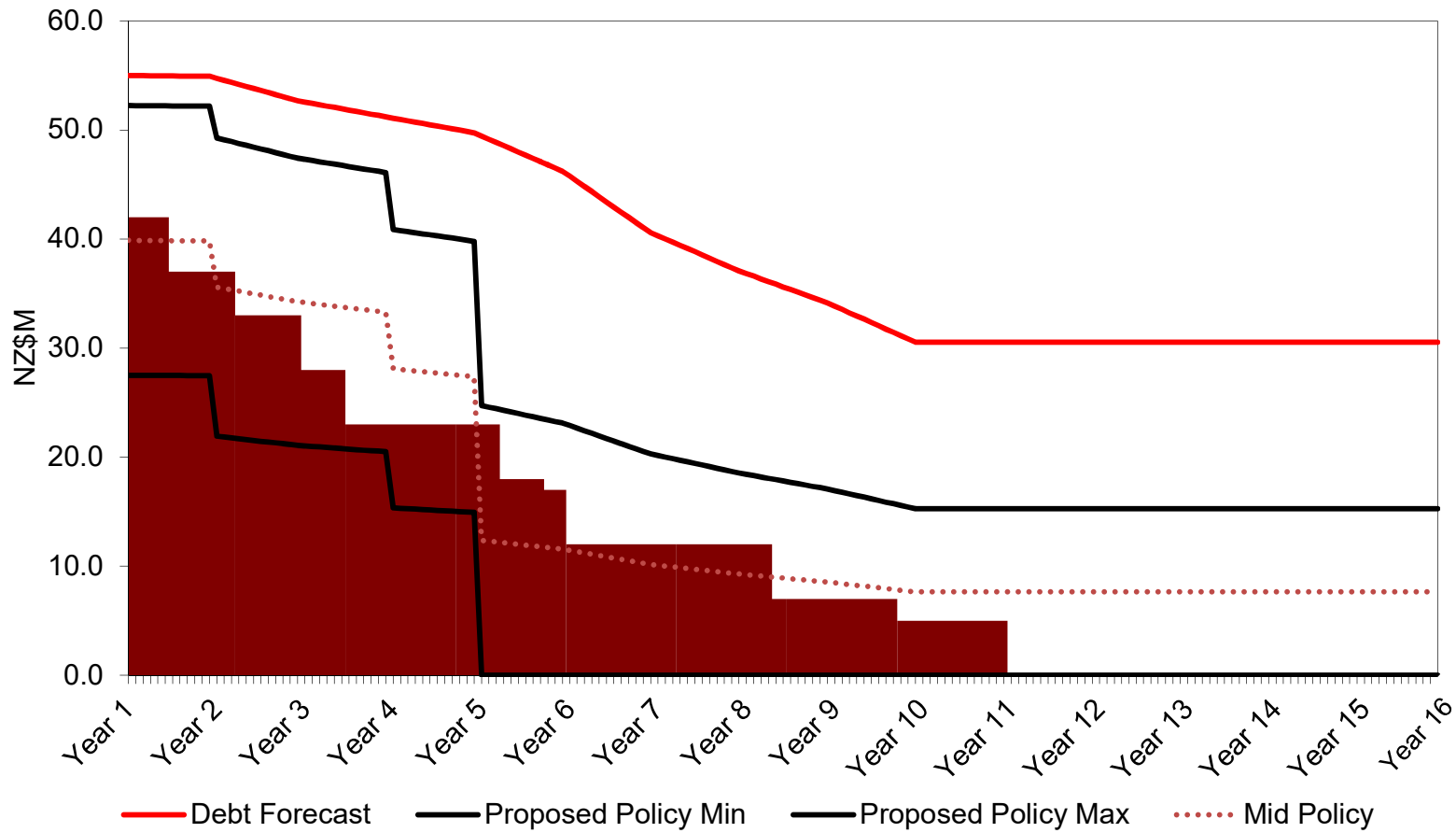
11.84

37m



31-Jul-19

Kaipara District Council Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)



Local Government Funding Agency Quarterly Report

Meeting: Audit, Risk and Finance Committee
Date of meeting: 5 September 2019
Reporting officer: Sue Davidson, GM Risk, IT and Finance

Purpose/Ngā whāinga

This report is for information only. Council is a member of Local Government Funding Agency (LGFA) and a guarantor. Reports are provided regularly to Council staff and it is appropriate that the Audit, Risk and Finance Committee have an understanding of the benefit and risks of our membership and receive a report once a year.

Executive summary/Whakarāpopototanga

The report from LGFA details the key performance indicators and how this LGFA has performed. The report is positive although not all the key performance indicators were met.

Recommendation/Ngā tūtohunga

That Kaipara District Council:

- a) Notes the Quarterly Report from LGFA ending 30 June 2019.

Context/Horopaki

Council has been a member of LGFA since February 2016. All our borrowings are made through LGFA and total \$44,000,000 as at 30 June 2019. The interest rate is slightly cheaper than that charged by other lenders. The LGFA Quarterly Report is **Attachment A**.

Discussion/Ngā kōrerorero

Pages of this report have been highlighted where they may be of particular interest to the Committee. For the year ended 30 June 2019 and 30 June 2020 there have been calls on Guaranteeing Councils of \$22,937 per year. This still works out to be cheaper than paying a higher interest rate.

Policy and planning implications

The Treasury Policy allows the Council to borrow from a number of banks or other agencies.

Financial implications

Council receives on average a cheaper interest rate of at least 10 basis points.

Risks and mitigations

That a member Council finds itself with larger debt than it can afford to repay and calls are made on member Councils. This is mitigated by having to adhere to certain treasury ratios enforced by LGFA and reported on six monthly to LGFA.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Attachments/Ngā tapiritanga

	Title
A	LGFA Quarterly Report

Sue Davidson, 2 September 2019

Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



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Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



A. June quarter issuance and highlights summary

Quarter	Total	Bespoke Maturity	2020	2021	2022	2023	2024	2025	2027	2033
Bonds issued \$m	331	N/A	-	-	100	21	-	100	-	110
Term Loans to councils \$m	617.4	280.5	-	-	4.5	37.5	187	-	16.5	35
Term Loans to councils #.	38	20	-	-	2	6	5	-	5	2

Year to date	Total	Bespoke Maturity	2020	2021	2022	2023	2024	2025	2027	2033
Bonds issued \$m	2456	N/A	-	30	440	21	950	410	220	385
Term Loans to councils \$m	2,446.3	1,344.5	38.5	10.5	350	131.5	452	223	72.5	66.5
Term Loans to councils #	236	125	7	5	22	20	27	23	17	4

Key points and highlights for the June quarter:

- The LGFA bond curve continued to flatten and fall over the quarter with yields declining between 20 bps (2020s) and 36 bps (2025s and longer). Over the past year the yield on the 2020 LGFA bond has declined 63 bps while the 2033 LGFA bond yield has declined 140 bps closing at historic lows.
- LGFA issued \$331 million of bonds during the quarter via one tender of \$171 million and a tender of \$160 million. The financial year issuance of \$2.456 billion was a record and compares to the average annual issuance of \$1.4 billion. The average term of issuance during the quarter of 7.52 years was longer than both the previous quarter and the average term of 6.62 years for the 2018-19 year. The past year issuance was dominated by the jumbo 2024 syndicated issue.
- LGFA margins to swap were either unchanged or slightly wider by between 2 bps and 4 bps over the quarter. The large amount of issuance and narrowing in swap spreads to NZGB were the major influences. LGFA spreads to NZGB narrowed between 3 bps (2020s) and 14 bps (2033s) over the quarter.
- Long dated on-lending to council borrowers during the quarter was another strong amount of \$617.4 million including \$280.5 million of bespoke maturity loans (45% of total lending). The average term of on-lending during the quarter at 5.55 years was shorter than the 2018-19 financial year average of 6 years and 7.04 years for the 2017-18 financial year.
- **LGFA has market share of 92.3% of total council borrowing for the rolling twelve-month period to June 2019 (up 69.9% from June 2018). We provided 100% of council borrowing during the June 2019 quarter.**
- Short-term lending to councils remains supported by councils with loans outstanding of \$362 million as at 30 June 2019. This was a decrease of \$132 million over the quarter (due to councils repaying before the end of financial year) and the number of councils using this product was unchanged at thirty.
- LGFA Net Operating Gain (unaudited) for the twelve-month period was \$11.201 million or \$326k above budget with Net Interest Income \$151k above budget and expenses \$175k below budget.
- **One new council joined LGFA over the quarter (Invercargill City Council), increasing the number of councils over the past twelve months by eight to sixty-four councils. There are fifty-two council guarantors as at 30 June 2019. We are expecting a further two councils to join over the next twelve months.**

Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



B. LGFA bond tenders during quarter

LGFA held two bond tenders during the quarter.

Tender 63: 07 May 2019 \$160 million

Tender 63	Apr-22	Apr-25	Apr-33	
Total amount offered \$m	50	50	60	<p>Tender 63 achieved a very strong outcome with good demand for the three bond maturities offered. Spreads to both NZGB and swap were generally tighter by 7 bps to 10 bps, yields were at historic lows and successful bids at prevailing secondary market mid-levels.</p> <p>The three-month gap from the previous February tender (excluding the March syndication), improving global credit market sentiment helped, recent offshore investor buying, the positive ratings outlook from S&P and only one Kauri issue since March helped improve sentiment.</p> <p>The tender size of \$160 million was in line with the historical average tender size (\$163 million). Council borrowing demand remained strong with new borrowing the key driver rather than refinancing.</p> <p>Bidding volume was good with the overall bid coverage ratio of 2.6x the second highest for over a year. Bidders were aggressive with only one successful bid for the 2022s and 2025s.</p> <p>The average maturity of the LGFA bonds issued at 8.01 years was the longest since the August 2018 tender. The average for the financial year to date was 6.59 years (albeit dominated by the 2024 syndication).</p> <p>While we issued \$160 million of LGFA bonds we on-lent \$211 million to thirteen councils with an average term of lending at 6.58 years.</p>
Total amount allocated \$m	50	50	60	
Total number bids received	11	23	27	
Total amount of bids received \$m	93	189	125	
Total number of successful bids	1	1	8	
Highest accepted yield %	1.845	2.290	3.145	
Lowest yield accepted %	1.845	2.290	3.114	
Highest yield rejected %	1.940	2.450	3.320	
Lowest yield rejected %	1.860	2.300	3.145	
Weighted average accepted yield %	1.845	2.290	3.127	
Weighted average rejected yield %	1.891	2.331	3.190	
Coverage ratio	1.86	3.78	2.08	
NZGB spread at issue bps	39	71	106	
Swap spread at issue bps	21	45.8	72	
Swap spread: AA council bps	32.75	57.75	87	
Swap spread: AA-council bps	37.75	62.75	97	
Swap spread: A+ council bps	42.75	67.75	102	
Swap spread: unrated council bps	52.75	77.75	112	

Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



Tender 64: 12 June 2019

\$171 million

Tender 64	Apr-22	Apr-23	Apr-25	Apr-33	
Total amount offered \$m	50	21	50	50	<p>Tender 64 achieved an average result with only good demand for the last issuance of the 2023s but lower bid volumes, bonds issued 3 bps above mid rates and wider spreads to both NZGB and swaps on the other three bonds tendered. The larger tender size and yields at historic lows had dampened investor sentiment. The record \$2.4 billion of issuance over the past year has also left the market slightly overweight LGFA bonds.</p> <p>The tender size of \$171 million was in line with the historic average tender size.</p> <p>We tendered the current issuance maturities of 2022s, 2025s and 2033s but increased the 2023s by \$21 million to reach the \$1.5 billion cap on that bond.</p> <p>Bidding volume were light with the overall bid coverage ratio of 1.9x the lowest since October 2018. The successful bid ranges ranged between nil for the 2023s and 7.5 bps for the 2033s.</p> <p>Spread to NZGB were tighter but spreads to swap wider compared to the May 2019 tender. The spread movements had already partially occurred prior to the tender in response to the higher projected issuance of NZGBs by Central Government.</p> <p>The average maturity of the LGFA bonds issued was 7.06 years.</p> <p>While we issued \$171 million of LGFA bonds we on-lent \$174 million to ten councils and the average term of lending at 6.83 years was slightly above the recent lending term and our 4.8-year average</p>
Total amount allocated \$m	50	21	50	50	
Total number bids received	9	8	18	23	
Total amount of bids received \$m	79	59	124	69	
Total number of successful bids	4	2	6	20	
Highest accepted yield %	1.665	1.780	2.065	2.910	
Lowest yield accepted %	1.650	1.780	2.050	2.835	
Highest yield rejected %	1.700	1.820	2.120	2.930	
Lowest yield rejected %	1.665	1.780	2.065	2.910	
Weighted average accepted yield %	1.658	1.780	2.062	2.878	
Weighted average rejected yield %	1.681	1.793	2.079	2.922	
Coverage ratio	1.58	2.81	2.48	1.38	
NZGB spread at issue bps	39	48	70	100	
Swap spread at issue bps	22.8	29.0	45.8	75.35	
Swap spread: AA council bps	34.5	41	58	92	
Swap spread: AA-council bps	39.5	46	63	97	
Swap spread: A+ council bps	44.5	51	68	102	
Swap spread: unrated council bps	54.5	61	78	112	

Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



C. Key performance indicators

We have met one KPI and did not meet three KPIs as at the end of the June 2019 quarter.

Issuance and operating expenses (excluding AIL) are above budget by approximately \$180k for the twelve-month period to 30 June 2019. Higher legal and NZX listing costs associated with larger bond issuance than forecast (due to higher council lending than forecast) have contributed to these costs exceeding budget. Net Operating Gain is however above budget by \$88k.

We changed our base lending margin for long dated lending to a standard 10 bps margin regardless of the borrowing term from 1 July 2018. The average base margin target of 10.1 bps is not achieved when we combine the long-dated lending margin across the 12-month period to 30 June 2019 with our short-dated lending outstanding as at 30 June 2019. The short-dated lending margins are higher than 10 bps because it is an all-in borrowing margin over BKBM (including LGFA cost of borrowing).

We have been unable to improve our estimated interest cost savings for council borrowing through LGFA compared to councils borrowing in their own name compared to the levels at the start of the financial year.

This objective remains difficult to achieve as the spread between what councils borrow at over LGFA borrowing cost will naturally narrow as the borrowing term approaches maturity. The record volume of council borrowing has led to LGFA issuing a record amount of bonds in the financial year so while borrowing spreads have narrowed, they have not narrowed as much as the spread for other borrowers.

Our volume of council lending is above the SOI forecast by \$1.157 billion due to both the larger amount of short-term lending and Auckland Council resuming borrowing through LGFA. The loan book is near historic highs.

Measure	Prior full year to June 2018	Q1 30 Sept 2018	Q2 31 Dec 2018	Q3 31 Mar 2019	Q4 30 June 2019	
Average base margin over cost of funds for short term and long-term lending	Target %	< 0.10%				
	Average actual %	0.105%	0.095% (0.10% for long term and 0.09% for short term) ✓	0.095% (0.10% for long term and 0.09% for short term) ✓	0.10% (0.10% for long term and 0.104% for short term) ✓	0.101% (0.10% for long term and 0.106% for short term) ✗
Estimated interest cost savings to AA rated councils	Target	Q1 30 Sept 2018	Q2 31 Dec 2018	Q3 31 Mar 2019	Q4 30 June 2019	
	Improvement on prior year as at each quarter					
	2019 maturity At quarter end	11 bps	8 bps ✗	2 bps ✗	n/a	n/a
	2021 maturity	19 bps	20 bps	17 bps	20 bps	9 bps

Quarterly Report

Quarter 4: 2018 - 2019
Period ended: 30 June 2019



	At quarter end		✓	✗	✓	✗
	2025 maturity At quarter end	10 bps	20 bps ✓	15 bps ✓	14 bps ✓	7 bps ✗
Issuance and operating expenses (excluding AIL) YTD	Target (\$)		\$1.42 m (YTD as at Q1)	\$2.84 m (YTD as at Q2)	\$4.16 m (YTD as at Q3)	\$5.67 m (FULL YEAR)
	Actual (\$)	\$5.16 m	\$1.36 m ✓	\$2.81 m ✓	\$4.33 m ✗	\$5.85m ✗
Lending (short and long term) to participating councils	Target (\$)		\$8.378 b (YTD as at Q1)	\$8.818 b (YTD as at Q2)	\$7.898 b (YTD as at Q3)	\$8.105 b (FULL YEAR)
	Actual (\$)	\$7.927 b	\$8.641 b ✓	\$9.268 b ✓	\$8.812 b ✓	\$9.262 b ✓

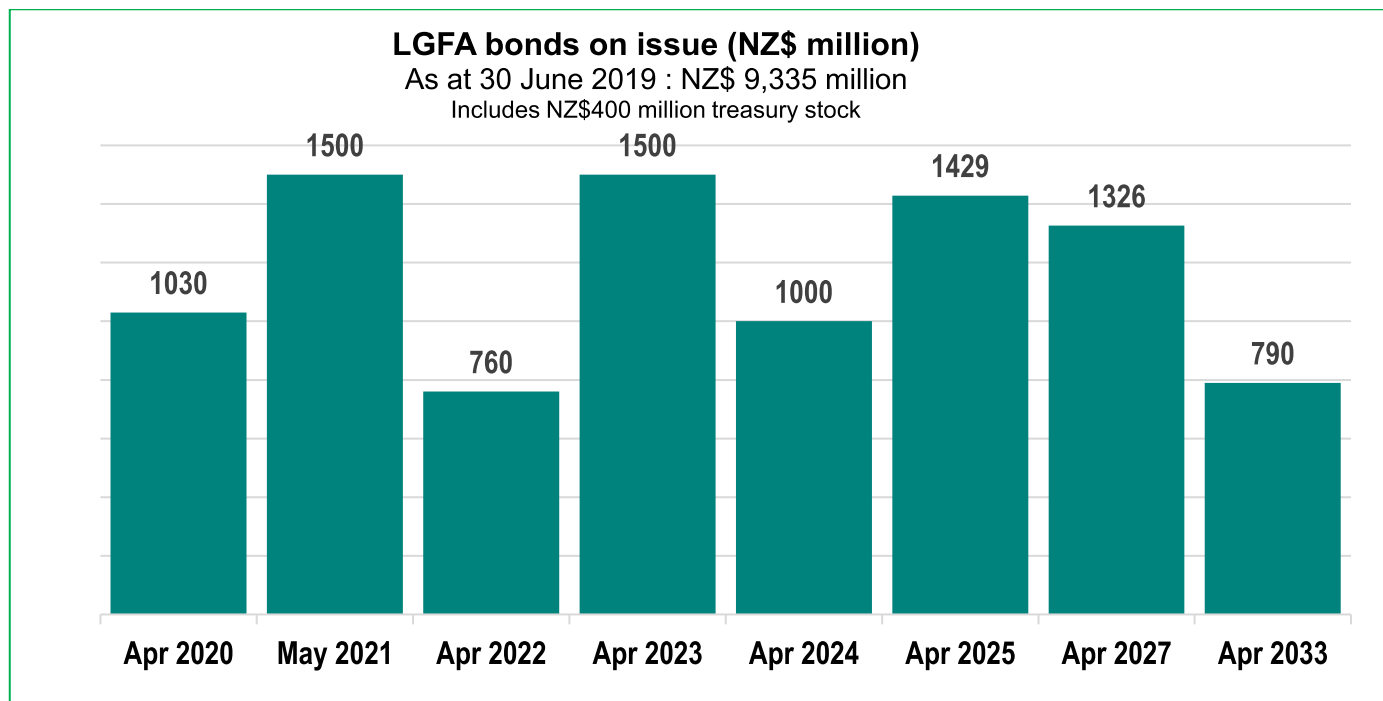
D. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
Comprehensive income	30-Sep-18	31-Dec-18	31-Mar-19	30-June-19
Interest income	88.71	180.89	273.13	361.08
Interest expense	83.43	171.12	258.56	342.32
Net interest revenue	5.29	9.77	14.57	18.76
Issuance and On-lending costs	0.57	1.17	1.90	2.58
Approved issuer levy	0.19	0.89	1.00	1.71
Operating expenses	0.79	1.64	2.43	3.27
Issuance and operating expenses	1.55	3.70	5.33	7.56
Net Profit	3.74	6.08	9.24	11.20

Financial position (\$m)	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
Retained earnings + comprehensive income	41.74	44.05	47.24	49.17
Total assets (nominal)	8,857.01	9,434.82	9,402.11	9708.03
Total LG loans (nominal)	8,631.65	9,276.43	8,811.97	9,262.86
Total LGFA bills (nominal)	470.00	485.00	545.00	505.00
Total LGFA bonds (nominal)	8,104.00	8,704.00	8,604.00	8935.00
Total borrower notes (nominal)	131.20	139.86	133.12	142.43
Total equity	66.74	69.05	72.24	74.17

Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



E. Quarterly compliance summary

Policy	Limit	Policy page ref	Continuous Compliance
One-month Liquidity Monitor	>120%	S1-1.1	Yes
Three Month Liquidity Monitor	>110%	S1-1.2	Yes
Twelve Month Liquidity Monitor	>110%	S1-1.3	Yes
Council Exposure (any 12-month period)	<10% of Balance Sheet	S1-1.5	Yes
Liquidity Buffer	>110%	S1-1.4	Yes
Partial Differential Hedge (PDH Interest Rate Gap Report)	\$40,000	S3-4.1	Yes
Value at Risk (VaR)	\$250,000	S3-4.2	Yes
Council Maturity (any 12-month period)	\$100m or 33% of LGFA borrowing	S1-1.6	No
Funding Largest Council Exposure	>100%	S1-1.7	Yes
Foreign Exchange Exposure	Nil	S7-3.1	Yes
NZDMO Facility Utilisation	Report monthly	S8-8.5	Yes
Counterparty Credit Limits	80% of Portfolio \$125m Counterparty (category 3)	S4	Yes
Auckland Council Exposure (proportion of total Council exposure)	<40%	S1-1.8	Yes
Balance Sheet Maturity Mismatch	<15% of Balance Sheet	S2-2.1	Yes
Financial Covenants	Various (as set out on p13)	S9	Yes
Authorising Treasury transactions	Two approvers, one signature	S8-8.4	Yes

Quarterly Report

Quarter 4: 2018 - 2019
Period ended: 30 June 2019



Details for compliance breaches over quarter.

There was a compliance breach where a council had inadvertently breached the following limit in late 2018

To minimise concentration risk, the LGFA will require that no more than the greater of \$NZD100 million or 33% of a council's borrowings from the LGFA will mature in any 12-month period.

The limit breach was discovered and then escalated to both the LGFA Board and Shareholder Council in May 2019. The breach occurred because the council had borrowed 100% of its financing through LGFA in short dated loans (less than one year) and the LGFA management process had not picked up short dated borrowing within this limit. This limit when established in 2012 was originally intended to monitor long dated borrowing. It should be noted that the limit breach was the not the fault of the council. LGFA worked with the council to extend some of their short term borrowing into long dated funding to resolve the breach in early June.

Quarterly Report

Quarter 4: 2018 - 2019
Period ended: 30 June 2019



F. Performance against SOI objectives and performance targets

Primary objectives

1. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing

LGFA on-lending base margins are 10 bps for all terms between April 2020 and April 2033 following our change to a flat margin structure in June 2018. The base margin charge covers our operating costs and provides for our capital to grow in line with the growth in our balance sheet to maintain a capital buffer.

Our estimated annual savings to councils that are based upon the secondary market levels at 30 June 2019 of LGFA bonds compared to bonds issued by Auckland and Dunedin councils are between 7 bps and 9 bps depending upon the term of borrowing. The amount of savings has reduced over the past quarter by between 7 bps and 11 bps and reduced by between 3 bps and 13 bps over the past year. The LGFA borrowing margins to swap have moved out over the past twelve months on our record issuance volume while both Auckland Council and Dunedin City Treasury have issued relatively small amounts of bonds in their own name. LGFA borrowing spreads have narrowed to both swap and NZGB over the past year between 2 bps to 18 bps.

30-Jun-19	Savings to AA rated councils (bps)			
	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils' margin to swap (bps)	29	34	39	58
Less LGFA margin to swap (bps)	-11	-15	-22	-41
LGFA gross funding advantage (bps)	18	19	17	17
Less LGFA base margin (bps)	-10	-10	-10	-10
Total savings (bps)	8	9	7	7

Note that from 30 June 2017 we removed the implied "LGFA effect" of 10 bps of additional savings in borrowing costs from the above analysis. The LGFA effect was the assessment of immediate savings to councils when LGFA first commenced lending to councils in February 2012.

Outright yields declined to historic lows as global central banks (including the RBNZ) softened monetary policy either through lowering interest rates or forecasting additional stimulus. The interest rate curve continued to flatten with yields on short dated LGFA bond yields (2020s) declining by 20 bps over the quarter while long dated LGFA bond yields (2033s) declined by 36 bps. Over the past year the respective yields have declined by 63 bps (0.63%) and 140 bps (1.4%).

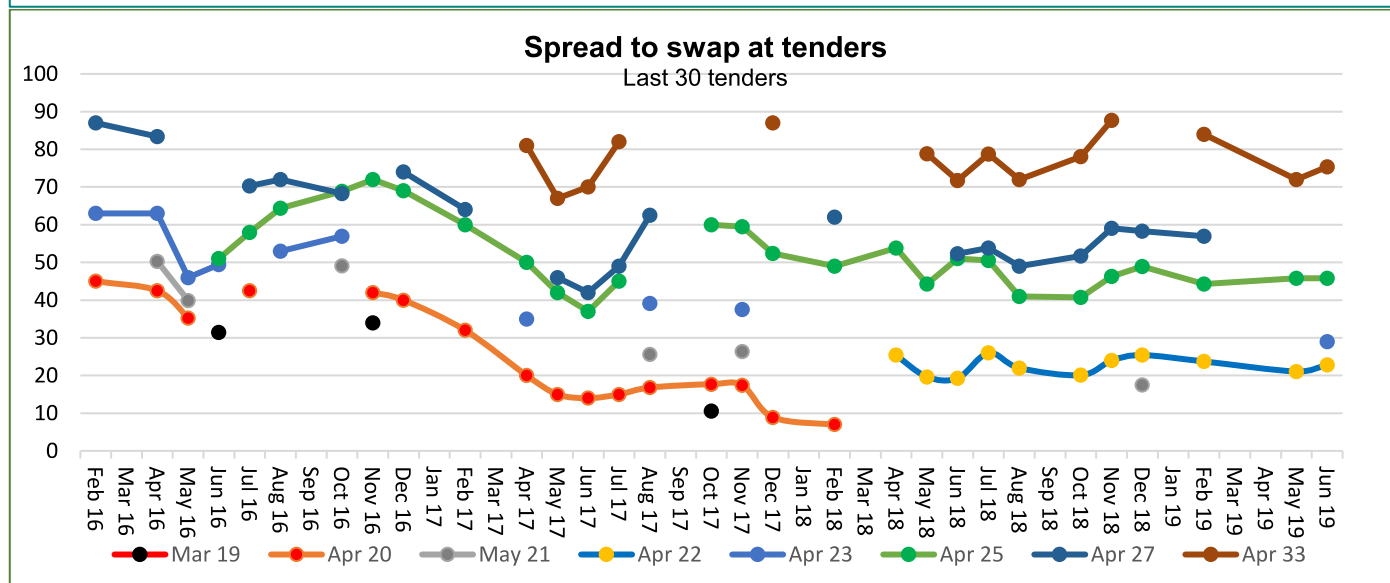
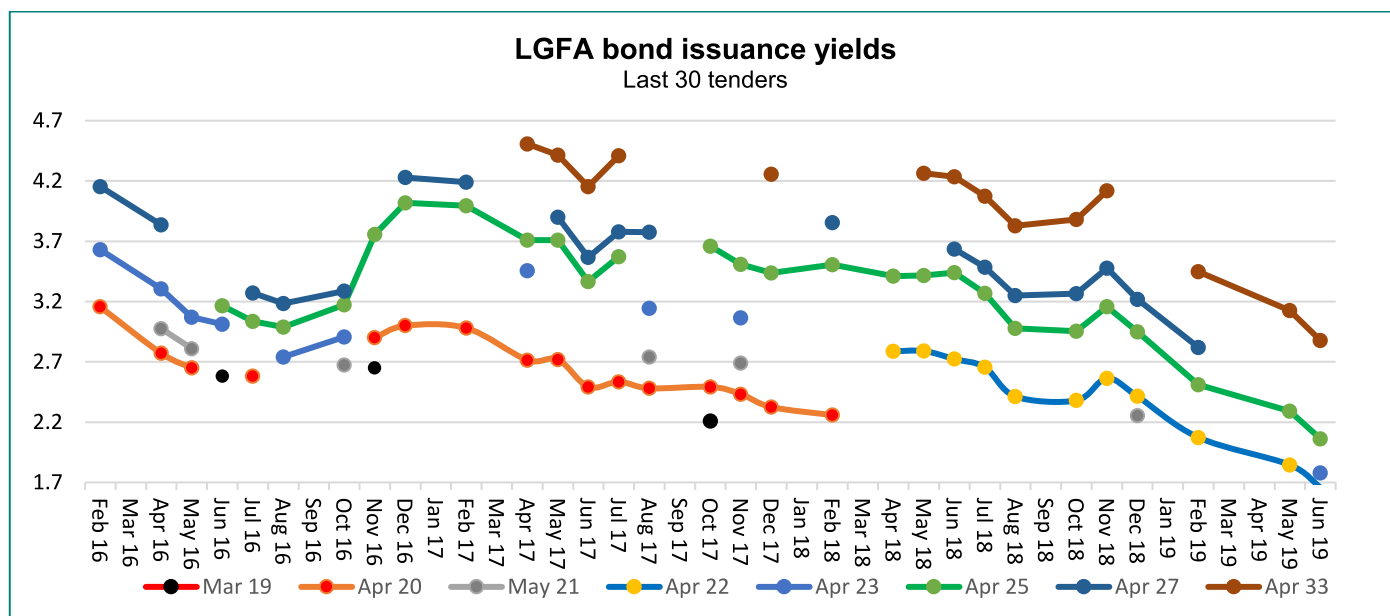
We closely monitor the Kauri market for ongoing supply and price action as this other high-grade issuance by "AAA" rated Supranational issuers such as the World Bank (IBRD), Nordic Investment Bank (NIB) and the Asian Development Bank (ADB) influences LGFA demand and pricing. These borrowers are our peer issuers

Quarterly Report

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 Period ended: 30 June 2019



in the NZD market and have the most influence on our pricing. The June quarter was very quiet for Kauri issuance with a \$200 million issue of seven-year bonds undertaken by Asian Development Bank. The same theme continues of reduced offshore investor demand for NZD product as well as more attractive borrowing spreads for issuers in the US and European markets has led to the fall in issuance activity. This has assisted LGFA to issue a greater volume but has not led to significant margin improvement.



2. Making longer-term borrowings available to Participating Local Authorities

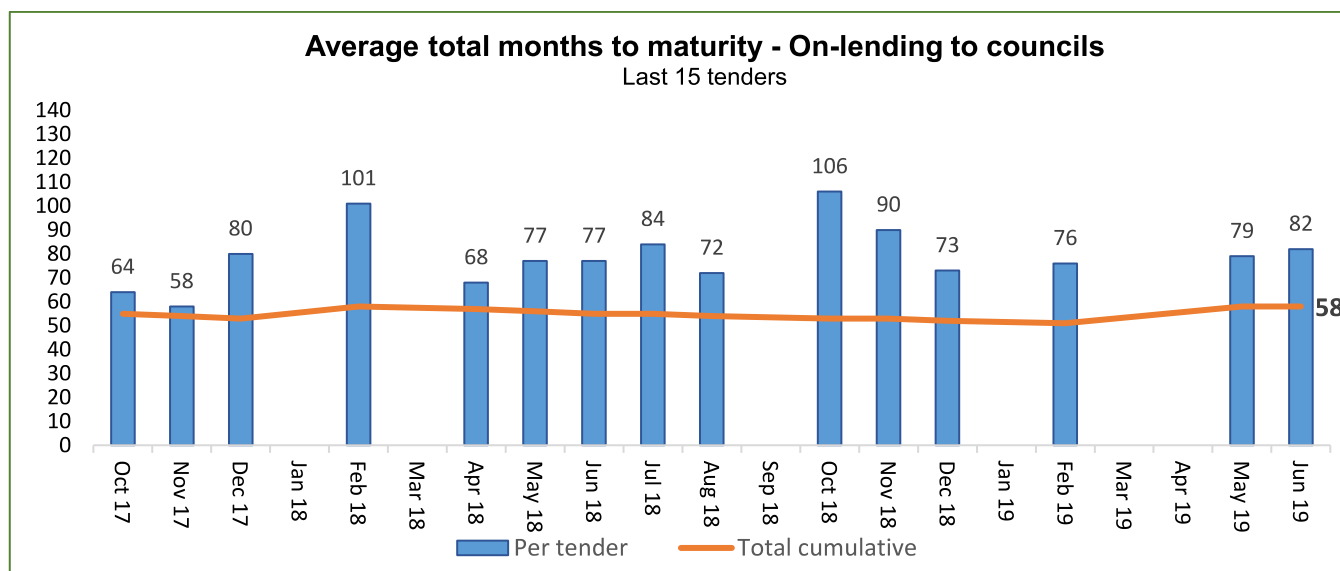
The average borrowing term (excluding short dated borrowing but including bespoke borrowing) for the June 2019 quarter by council members was 5.55 years and this was slightly shorter than the 6.0 years

Quarterly Report

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 Period ended: 30 June 2019

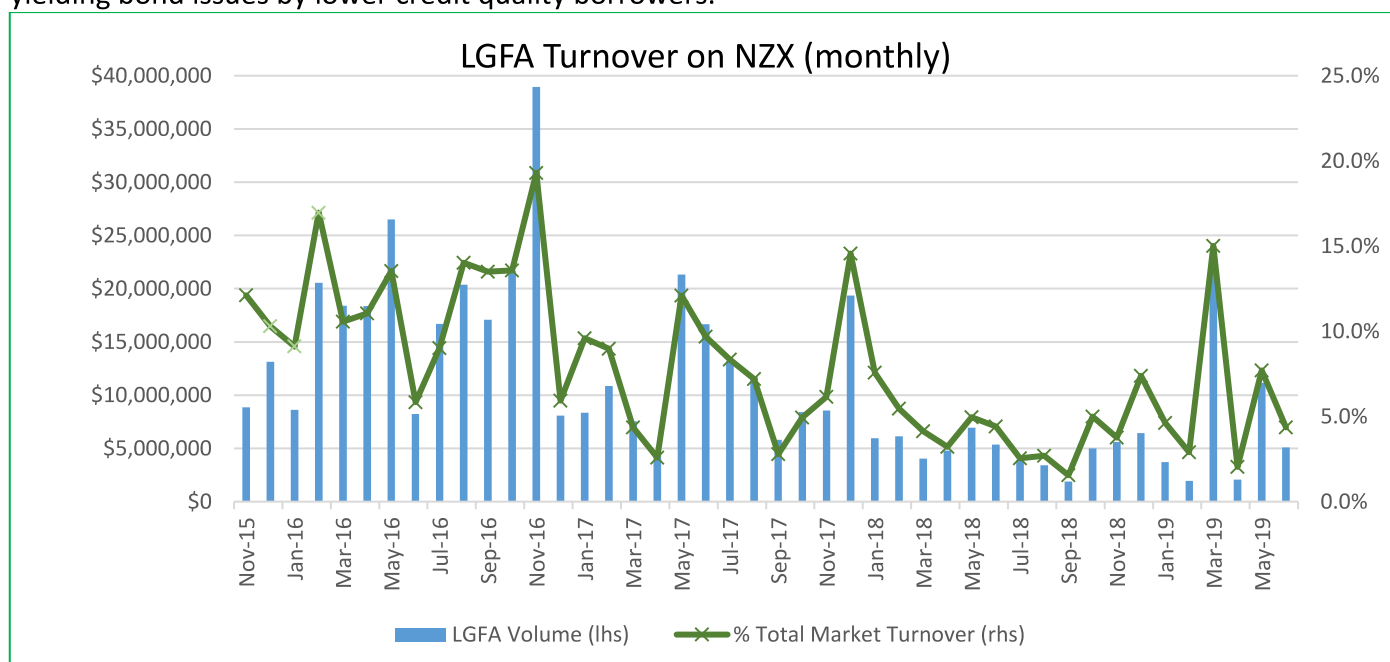


average term for 2018-19 year and shorter compared to the 7.04 average term for the 2017-18 prior year. The shortening in average borrowing term is explained by councils accessing the new April 2022 and April 2024 maturities.



3. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice

LGFA bonds were listed on the NZX Debt Market in November 2015 and average turnover on the NZX Debt market has been \$11.1 million per month or 8.1% of the total turnover of the NZX Debt Market. Turnover on the NZX remains light as retail investors are more attracted to high term deposit rates and higher yielding bond issues by lower credit quality borrowers.



Quarterly Report

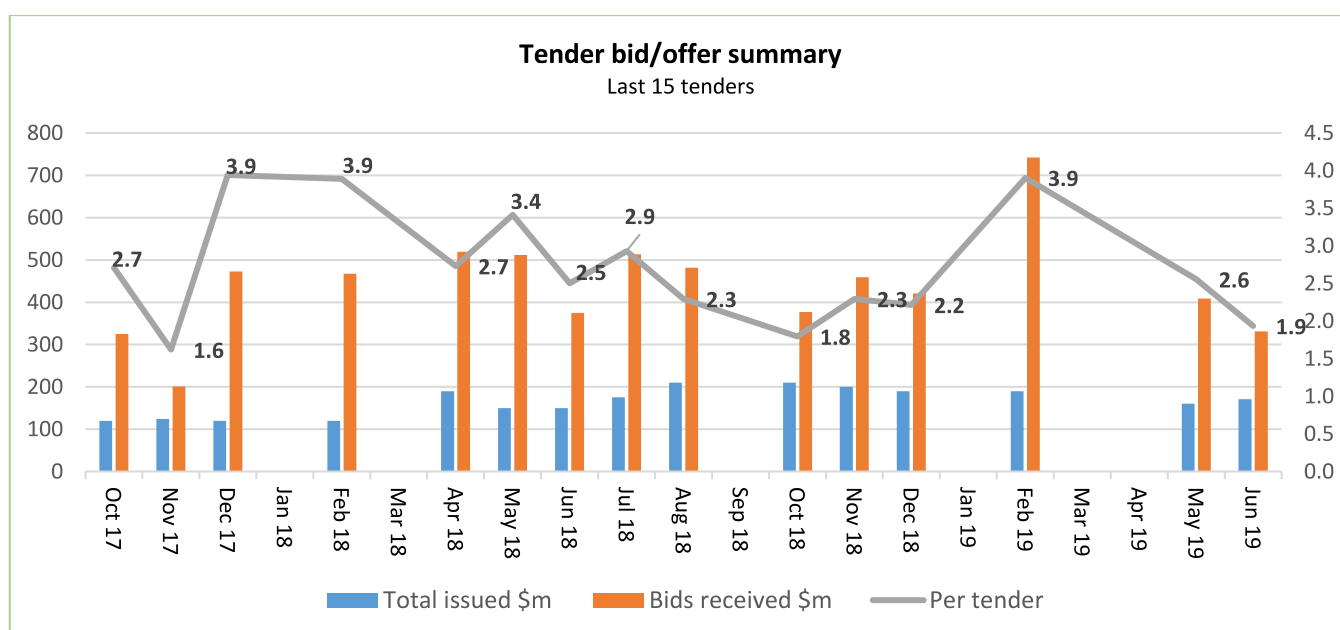
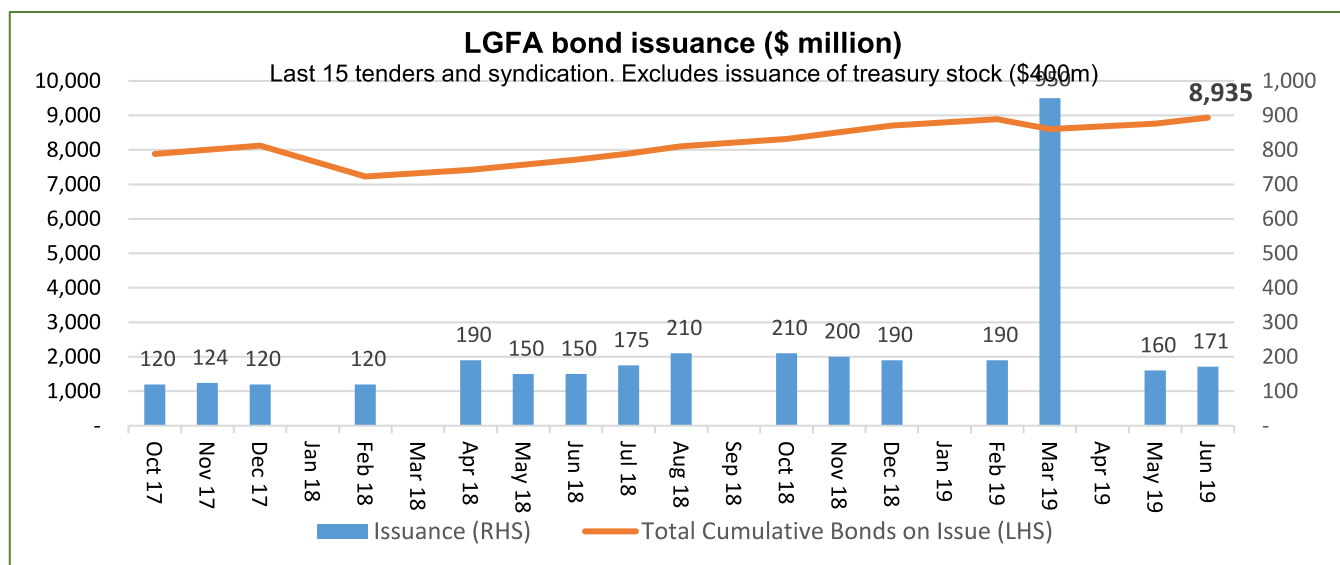


Quarter 4: 2018 - 2019
 Period ended: 30 June 2019

LGFA started issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at June 2019 there were LGFA Bills of \$505 million on issue and short-term loans of \$362 million.

LGFA documented an Australian Medium-Term Notes Programme in November 2017 to provide the ability to issue in currencies other than NZD. We have no immediate intention to use this programme, but it provides flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

We held two LGFA bond tenders during the quarter and market support was average with overall tender coverage ratios of 1.9x and 2.6x and support for the individual maturities between 1.38x and 3.78x.



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4. Offering more flexible lending terms to Participating Local Authorities

Bespoke lending continues to be a popular borrowing option for council members. During the quarter we lent \$280.5 million into bespoke maturity dates (non LGFA bond dates) and the amount of bespoke maturity loans in the 12-month period to 30 June 2019 was \$1.344.5 billion. Bespoke lending comprised 45% of total term lending by LGFA to its members during the June quarter and 55% for the 12-month period to 30 June 2019.

Short term borrowing by councils has been well received with loan terms to date of between one month and 12 months on \$362 million of loans outstanding as at 30 June 2019 to thirty councils. This is a significant increase compared to June 2018 where we had lent \$244 million to nineteen councils and has led us to issue \$545 million of LGFA bills.

5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector.

LGFA had meetings with thirty councils during the June quarter (fifty-nine for the twelve-month period to June 2019) to discuss their financial performance and any developments with the underlying council operations. LGFA reviews council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list.

LGFA has commenced work on credit default assessment analysis of its member councils in preparation for adopting IFRS9 for accounting purposes.

LGFA management met representatives from Morrison Low to discuss the local government sector, presented at the Bancorp Local Authority Day and attended the Department of Internal Affairs Workshop on Local Government Financing and Funding.

Additional objectives

6. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy

LGFA's Net Operating Gain on an unaudited management account basis of \$11.201 million for the twelve-month period to 30 June 2019 exceeded the SOI forecast of \$10.875 million by \$326k. The average cost of funds for the 2018-19 financial year to date is 2.78%. This is lower than the 3.14% for the prior 2017-18 financial year due to the lower outright level of interest rates. The LGFA Board has the sole discretion to set the dividend.

Quarterly Report

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7. Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities

LGFA derives market share estimates from the PwC Local Government Quarterly Debt Report. The LGFA market share of total sector borrowing for the June 2019 quarter was 100% and for the twelve-month period to June 2019 was 92.3%. Adjusting for Auckland Council borrowing in its own name our market share for the year to June 2019 was also 92.3%. Our market share remains strong compared to our global peers.

As at 30 June 2019, there are sixty-four participating local authority members of LGFA and we estimate a further two councils could become members in the next twelve months.

8. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses

Expenses for the twelve-month period on an unaudited, management basis were \$7.558 million which is \$175k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$2.579 million were \$263k above budget. Lower fees than budgeted relating to the NZDMO facility were offset by higher NZX costs and legal costs. A larger amount of bond issuance and short-term lending increased these costs relative to budget.
- Operating costs at \$3.271 million were \$76k below budget due to lower travel, governance and overhead costs offset by additional legal costs relating to LGFA progressing its work on the ability to lend to CCOs.
- Approved Issuer Levy payments of \$1.708 million were less than our forecast of \$2.070 million by \$362k due to a lower level of LGFA bonds holdings by offshore investors relative to budget.

9. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff committee and reporting on Health and Safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

10. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency

LGFA has an annual review process regarding our credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies at least annually. Meetings were held in July 2018 with S&P and in September 2018 with Fitch.

On 4 February 2019, S&P placed our long-term credit rating on positive outlook, following their decision to place the long-term credit rating of the New Zealand Government on positive outlook the previous week.

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On 18 November 2018, Fitch reaffirmed our long-term credit rating as AA+ and classified LGFA as a corporate mission, government related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government.

11. Achieve the financial forecasts

As at the end of the fourth quarter, Net Interest Income was estimated by management on an unaudited basis to be \$151k above budget while expenses are \$175k below budget. Net Operating Gain of \$11.201 million was \$326k above budget but \$601k (5.1%) below the Net Operating Gain for the equivalent prior period.

Quarterly Report

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 Period ended: 30 June 2019

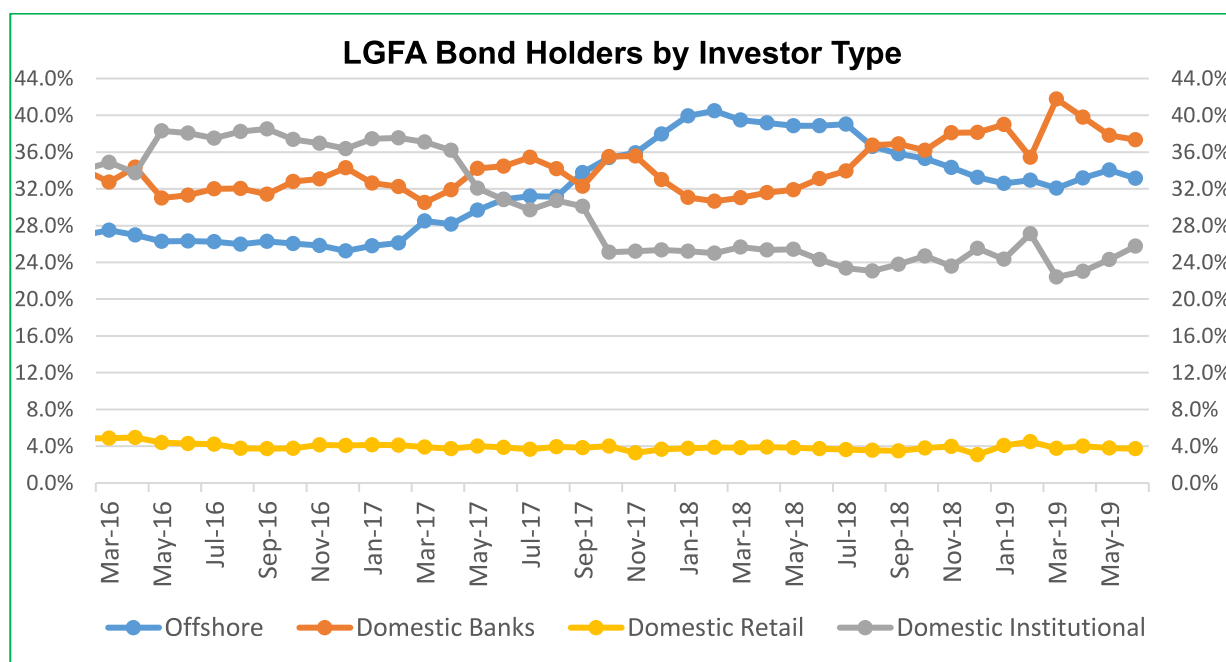


G. Investor relations / outlook

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our tender issuance. Our focus is on growing and diversifying the offshore investor group as these investors have the most growth potential given that we already receive strong support from the domestic banks and institutional investors.

Offshore and domestic institutional investors increased their holdings over the quarter as LGFA bonds remain attractive on a spread to underlying NZGBs and investors chasing yield in the current low interest rate environment. By our estimates

- Offshore investors increased their holdings of LGFA bonds by \$203 million over the quarter (but reduced by \$33 million over the past twelve months). NZ bond yields remain unattractive relative to other global markets and there has been a subsequent decline in the holdings of NZ Government Bonds (NZGB), Kauri bonds and LGFA bonds. While low interest rates are a positive for our council borrowers, it is more difficult to encourage offshore investors to buy LGFA bonds. They are estimated to hold \$2.97 billion (33.1% of outstandings) compared to \$3.0 billion (38.9% of outstandings) a year ago.
- Domestic institutional and retail investors increased their holdings by \$390 million over the quarter and were estimated to hold \$2.64 billion (29.62% of outstandings) compared to \$2.17 billion (28.0% of outstandings) a year ago.
- Domestic banks holdings have reduced by \$265 million over the quarter as the other investor groups have bought from the bank trading books. Bank holdings of \$3.34 billion (37.3% of outstandings) are just below their record highs in March 2019 and compare favourably to \$2.56 billion (33.1% of outstandings) a year ago.

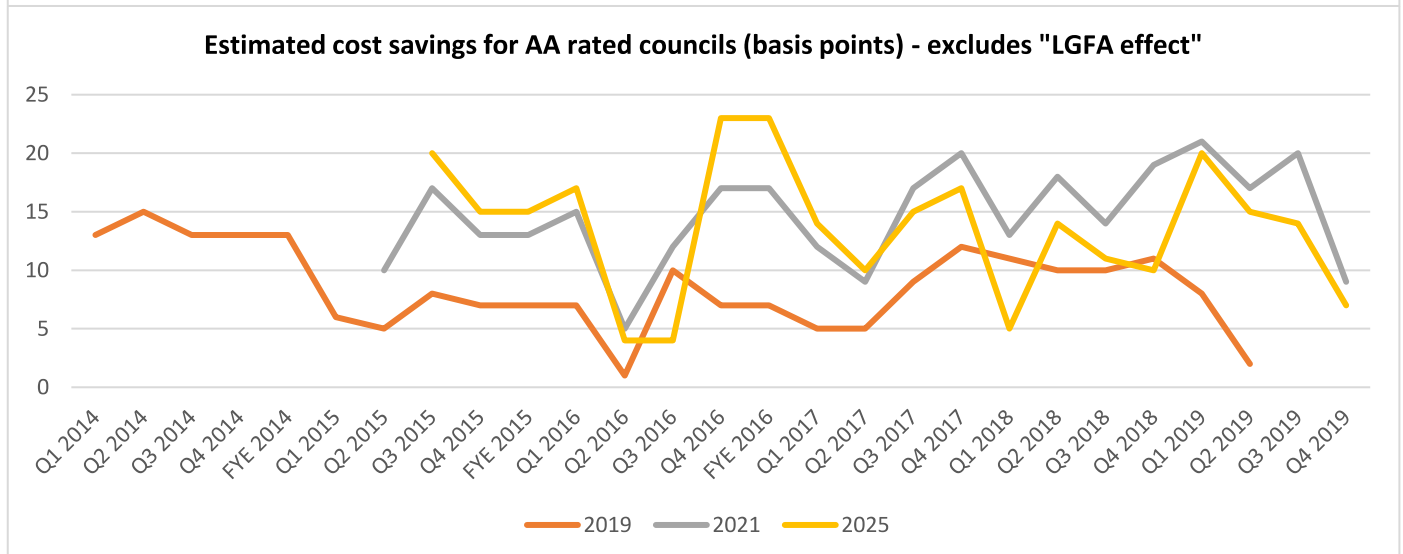
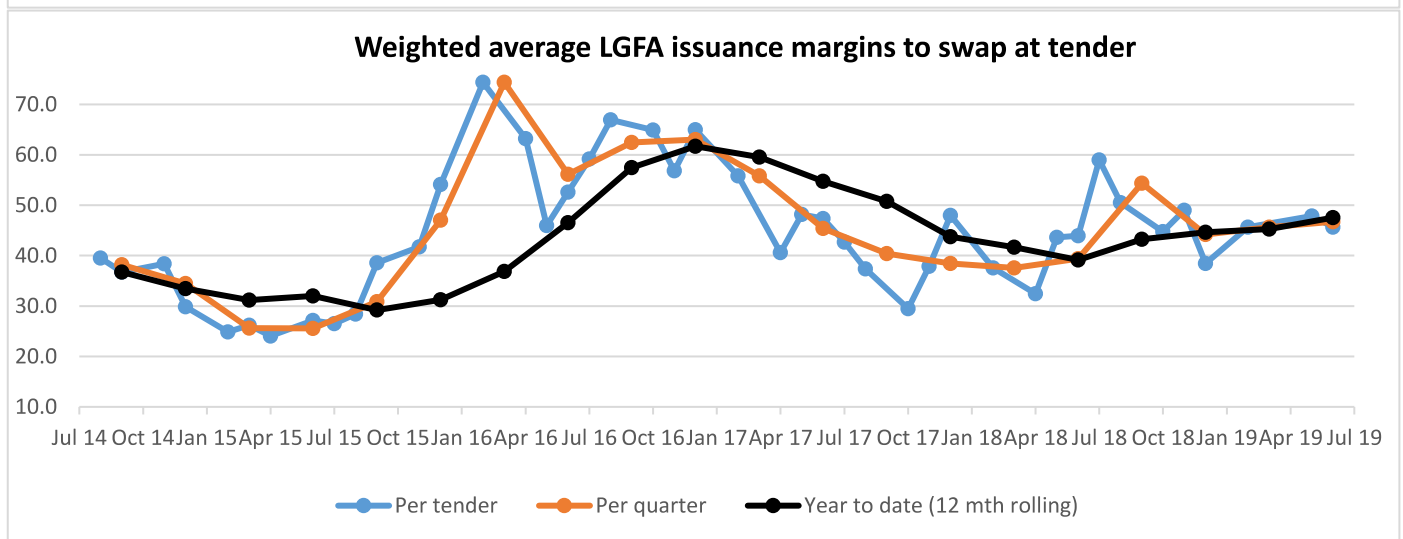
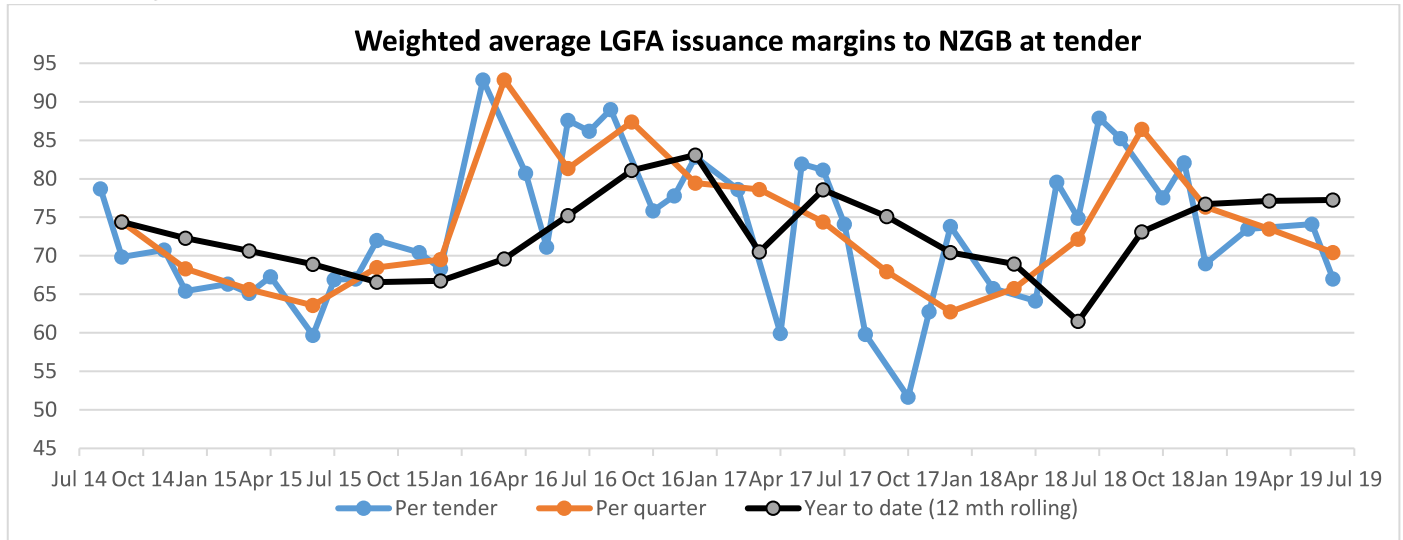


Quarterly Report

Quarter 4: 2018 - 2019
 Period ended: 30 June 2019



H. Key trends



Health and Safety Update – June 2019 (Qtr 4)

Meeting: Audit, Risk and Finance Committee
Date of meeting: 11 September 2019
Reporting officer: Hannah Gillespie, General Manager People and Capability

Purpose/Ngā whāinga

This report summarises the health and safety events and activities 1 April – 30 June 2019.

Executive summary/Whakarāpopototanga

This report and its **Attachments A-F** provide key information that addresses these matters at a governance level.

- Provide update and analysis of Organisational Health and Safety inspections, assessment, scheduling and reporting.
- Provide update and analysis of Organisational and Contractor Health and Safety Incident, near miss and hazard reporting and potential serious impacts.
- Provide an update in relation to the review of the Health and Safety Management system (HSMS).

Actions from previous meetings:

- Reporting format to be reviewed on a continuous basis – ongoing.
- Discussion - Provide update on Council's current systems used for H&S hazards identified by the public – *Completed*
 - Customer service request.
 - Antenno APP (outwards activated, inward scheduled by Communications Officers in approximately October 2019).

Recommendation/Ngā tūtohunga

That the Audit, Risk and Finance Committee:

- a) Notes the Health and Safety update for the fourth quarter and Attachments A-F accordingly.

Context/Horopaki

The elected members' role is to provide strategic direction to the business, to oversee the management of business risks and are thereby recommended to:

Apply **due diligence** to ensure Council is meeting legal health and safety obligations;

- Components include:
 - Resources and processes.
 - Verify the provision and use of these resources and processes.
 - Knowledge of health and safety matters.
 - H&S legal compliance.
 - Information regarding incidents, hazards and risks and responding in a timely way to that information.

Understanding the nature of the operations of the business and the hazards and risks associated with those operations.

Be confident that Council is providing a safe workplace for its staff, volunteers, contract workers, customers and visitors.

Discussion/Ngā kōrerorero

Risks and mitigations

There is significant work being done in the review of the Health and Safety Management System (HSMS). Details can be found in **Appendix F**.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Conduct a detailed review of the end to end integrated system for managing health and safety risks, controls and performance standards. This is required to ensure all risk management health and safety activities, from risk identification to assurance, are aligned and transparent.

The goal is to have an holistic health and safety management system where all health and safety elements and documents are interconnected. This is required to ensure clarity of accountabilities, elimination of inconsistencies and duplication or excess in process or procedure.

Areas for Improvement/Gaps that have been identified to date have been documented in the People and Capability Business Plan for 2019/20 and discussed with the Executive Team. This work is ongoing. The numerous elements that exist as part of an HSMS are currently undergoing review and opportunities for improvement are captured as Action Items, and assigned to the accountable officer of the relevant business unit.

This will be monitored and reported on periodically. With the scheduled development of the Risk Management Framework, this will align to the delegations and the allocation of risk owners and control owners as defined in the duties of an Officer under the Health and Safety at Work Act 2015.

Attachments/Ngā tapiritanga

	Title
A	Lag indicators – Last Quarter Scorecard – 01 April – 30 June 2019
B	Incidents, near miss or hazards with potential to cause a serious outcome
C	Lead indicators – Organisational Health and Safety
D	Contractor Management – Prequalification Pre-requisite
E	Driver Behaviour
F	Risk and Mitigations update

Prue Miller, 28 August 2019

Appendix A – Lag Indicators – Last Quarter Scorecard - Period 1 April – 30 June 2019

	KDC	Contractor	Public	QTR 1	KDC	Contractor	Public	QTR 2	KDC	Contractor	Public	QTR 3	KDC	Contractor	Public	QTR 4
Environmental Incident	0	1	0	1	0	0	0	0	0	2	0	2	0	0	1	1
Notifiable Incident	0	0	0	0	0	1	0	1	0	0	0	0	0	1	0	1
Lost time injury	1	0	0	1	0	1	0	1	0	0	0	0	1	1	0	2
Medical treatment only	1	1	0	2	0	0	0	0	1	2	0	3	2*	0	0	2
First Aid only	1	6	0	7	1	1		2	0	3	0	3	0	1	0	1
Occupational Illness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pain and discomfort	1	1	0	2	0	0	0	0	0	0	0	0	14	0	0	14
Property Damage (other)	0	9	0	9	2	1	0	3	4	14	0	18	0	12	0	12
Near Miss (other)	3	14	0	17	2	12	0	14	2	13	0	15	0	14	1	15
<i>Property damage (Motor vehicle) including driving</i>									3	0	0	3	0	3	0	3
<i>Near Miss (Motor vehicle) including driving</i>									1	0	0	1	0	1	0	1
<i>Occupational Violence/Threats</i>									2	0	0	2	1	2	0	3
Security breach													0	0	1	1
Traffic Management Incident/Hazard													1	2	0	3
Hazard													6	3	1	10

Attachment B – Incidents, Near Miss or Hazards with potential to cause a serious outcome

Staff/ Contractor/ Public	Incident, near miss, hazard	Details	Potential for serious harm	Action/Response
Contractor	INCIDENT Partial Trench collapse	A notifiable event/incident.	Contractor believes not however enquiries to WorkSafe NZ post the ICAM report states that it should have been reported	ICAM full report and review by contract manager at KDC GM Infrastructure and Team Leader attended site.
Contractor	INCIDENT Abusive and aggressive threat to shoot operators of Refuse Centre	NZ Police were contacted however the number plate of the vehicle was not taken down. CTV was not functional at the time but has since been rectified.	Serious injury or death	H&SM requested follow-up around Emergency response to an incident such as this, and requested that there be a scheduled testing and maintenance protocol put in place to reduce the risk of a failure of a risk control in future.
Contractor Traffic Management	NEAR MISS to workers on road construction site	STMS crossed road in a dangerous manner narrowly escaping being hit by a vehicle.	Serious injury or death	Contractor conducted interview and commenced management action.
Public	DANGEROUS EVENT	Digger (not contracted by KDC) was found to be operating in a live line of road without a TMP.	Serious road accident	KDC (NTA) TMP auditor responded and closed the site down issuing a notice of breach. Operator does work for KDC on occasion and was contacted by contract manager who organised TC and TMP.
Contractor	NEAR MISS	TC was handed to an inexperienced operator and he turned his back to the traffic and narrowly missed contact with a motor vehicle.	Serious injury or death	ICAM investigation by contractor identified numerous and serious breaches of the contractor H&S procedures. Contract manager has met *contractor monitoring will increase until KDC contract manager is satisfied the traffic management processes are rectified.
Public	HAZARD	One of our contractors reported a young child walking on highway and onto a construction site driveway to access a football ground.	Serious injury or death	Contractor picked the child up and drove him to the football field. H&SM reported to NZTA to follow up (outside jurisdiction of KDC) – there has been no update but a receipt for the job was provided.
Staff	INCIDENT	LTI – employee fell from an architecture chair and injured hip.	Possible	Full investigation identified multiple areas of improvement which were both related and non-related to the root cause.
Staff – travelling to work	INCIDENT	An employee was transported to hospital after she was hit by a speeding vehicle on Station Road, trying to turn into the car parking bays in front of council building (rear)	Serious injury	NZ police provided a report to council highlighting there concerns about the speed of that section of road. NTA personnel were tasked to address and since, a 30 kph sign has been placed in that area of risk.

Attachment C – Lead Indicators – Organisational Health and Safety

Activities	Due/reported	Actioned/completed	Comments
Business activities/tasks risk assessed Hazards identified/reported Nil reported	Nil reported for the quarter	N/A	*Issues papers to be provided when escalating hazards unable to be mitigated to an acceptable level – H&S notification and escalation protocols are currently under review
H&S KDC workplace inspections 3 x libraries, town hall, Dargaville and Mangawhai office - including Fire Safety	6	4	Clarification around Responsibility and accountability – multiple stakeholders across business units KPI's will be agreed on by next meeting and reported on accordingly
HS&E audits due	None scheduled for this qtr	N/A	*Will be a KPI in next year's P&C business plan, H&S strategy 2020/21
New staff inductions	10	8	*Backlog still exists from having position vacant for extended period – scheduling group inductions to catch up – whenever possible
Fleet vehicle inspections	84/78	92%	KPI against each business unit Plant & equipment, inspections, maintenance and servicing Schedule/register to be developed by the contractor handling fleet management

Attachment D - Contractor Management - Prequalification Pre-requisite

CONTRACTOR PIPELINE

Kaipara District Council

INVITED CONTRACTORS REGISTERED BUT UNASSESSED ASSESSED AND CURRENT

000

000

052

INVITE MORE

EXPAND

EXPAND

EXPAND

ALERTS

ASSESSMENT
OUT OF DATE

3

EXPAND

ACCOUNT
EXPIRED

0

EXPAND

INSURANCE
EXPIRED

3

EXPAND

CONTRACTOR ASSESSMENT SCORES

YOUR CONTRACTORS

NUMBER OF YOUR PREFERRED CONTRACTORS AT EACH STAGE

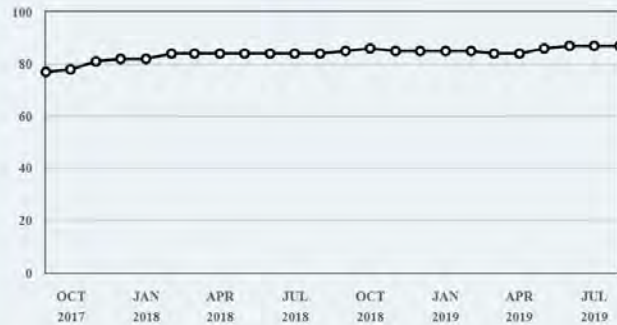
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6

46

YOUR PREFERRED CONTRACTORS AVG. SCORE

87%



ALL CONTRACTORS

NUMBER OF CONTRACTORS AT EACH STAGE IN SITEWISE

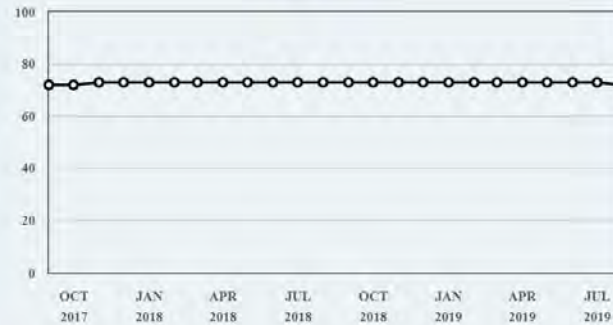
485

987

2532

ALL CONTRACTORS AVG. SCORE

72%



*This does not illustrate a true reflection of the procurement and prequalification of our contractors

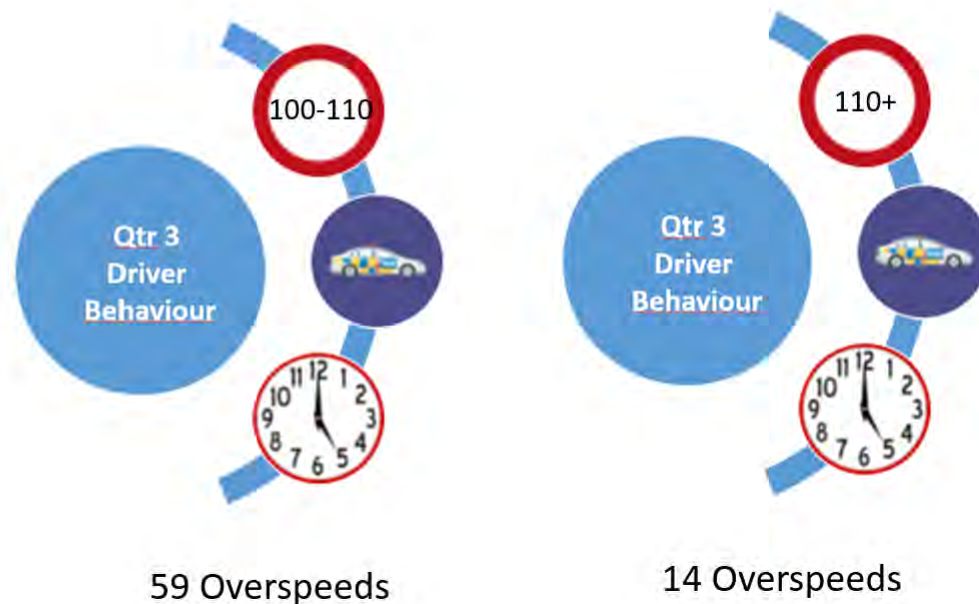
OVERSPEEDS

Driver Behaviour

Kilometres travelled this period 172,225
Total Time travelled this period 3368 hours
Maximum Overspeed Recorded - 126kph*

*data is inconsistent with reports provided, new fleet manager will oversee review

N.B. does not include staff using their own vehicles for business travel



Note: Maximum overspeed monitoring and management to date has only addressed the 110+kph overspeeds as reported to Executive Team in May 2019

*as a result, contractor has been engaged August to assist with review of Driver Safety, Motor vehicle procurement, Motor Vehicle Policy

Attachment F – Risk and Mitigations

Risk	Status	Due	Comments/Details
Occupational Driving	Ongoing		Overspeeds - Driving behaviour for >110 kph has decreased. Weekly overspeed reports through the SmartTrak GPS system shows consistent excess speeds in lower speed zones.
	Meeting	27/8/19	<p>A meeting to discuss occupational driving held has resulted in a contract fleet officer being engaged to assist with a full review of our Safe Driving Standard, Motor Vehicle Policy, risk assessment associated with acquisition of fit for purpose vehicles, plant and equipment, and to establish formal guidelines for performance management of poor driving behaviour.</p> <p>A meeting is scheduled with H&S, procurement and the fleet officer on 27 August to commence this review. Clear accountability and responsibilities will be aligned to the relevant portfolios (RACI).</p>
Fire Safety Compliance	Out of Date	Q1 19/20	<p>Fire emergency schemes have lapsed posing a legal risk under the FENZ compliance.</p> <p>Training and evacuation drills will be conducted early September.</p> <p>Clear accountability and responsibilities will be aligned to the relevant portfolios (RACI).</p> <p>Asset Manager and H&S Manager are working to resolve this by early September.</p>
Staff Security <i>-field officers, library officers, customer service staff, animal management officers</i>	WIP	Q1 19/20	Various incidents have instigated an investigation into staff safety and security. The completed report and action plan is now for review by the GM of Customer Service. The investigation identified a number of improvement opportunities to improve the security of staff while dealing with the public.
Health, Safety, Environment & Quality assurance/oversight activities	Under review		Jim Sephton is leading this review.
Events Management (H&S plans)	Planned	Q2 19/20	An event to be held at the town hall in September has identified some key areas for improvement in how events utilising council property are reviewed and approved.
Community Grants (H&S plans)	Expected	Q1 19/20	The recent announcement for the offering of grants to the community appears not to have taken into account the additional effort required by officers to process, review and approve them.
Supplier/vendor prequalification (H&S)	WIP	Q2 19/20	A new vendor/supplier application form is being developed to ensure correct and adequate information is obtained to review and approve. Existing contractor management procedures are currently being socialised with users.
Contracts Management & procurement	Under review		Jim Sephton is taking the lead in this review
H&S performance reporting & evaluation	To be defined	Q3 19/20	Developed H&S measure are yet to be aligned to the higher level business H&S strategy goals.
Staff Wellbeing	WIP		<p>Risk assessments around mental health are currently in progress.</p> <p>This will include a review of the current mental health service provide arrangements (EAP) to ensure adequate access is available to staff.</p> <p>Mental Health First Aid training is scheduled for 26/8/2019 for peer supporters/advocates. Training will then occur for T3 and ET staff around training including resilience workshops.</p>
Hazard Identification & Risk Management	WIP	Q1 19/20	Constantly identifying areas for improvement – at risk business units/areas have been identified and there are discussions being held with the internal stakeholders about addressing the gaps.
Incident reporting, investigation and escalation	WIP	Q3 19/20	Formal review is required.
Employee consultation and engagement	WIP	Q1 19/20	Action Groups and HS&W representation is under review.
H&S training needs analysis	WIP	Q2 19/20	<p>This draft is constantly under review and there is work scheduled with a contractor to review the training competency framework.</p> <p>A gap analysis has identified that H&S training has been overlooked across business areas.</p>

4 Public Excluded Audit, Risk and Finance Committee agenda items 11 September 2019

Recommended

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

- *Confirmation of Public Excluded Audit, Risk and Finance Committee minutes 12 June 2019*
- *Contract Monitoring and Reporting: Infrastructure, Planning and Regulatory*
- *Recognised Agency Assessment Report – Food Control*
- *Insurance Renewal Update*
- *Investigation Update*

The general subject matter of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under s48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered:	Reason for passing this Resolution	Ground(s) under Section 48(1) for the passing this resolution:
<i>Confirmation of Public Excluded Audit, Risk and Finance Committee minutes 12 June 2019</i>	<i>Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). LGOIMA Part 1, Section 7(2)(a) to protect the privacy of natural persons, including that of deceased natural persons.</i>	<i>S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</i>
<i>Contract Monitoring and Reporting: Infrastructure, Planning and Regulatory</i>	<i>Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>	<i>S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</i>
<i>Recognised Agency Assessment Report – Food Control</i>	<i>LGOIMA Part 1, Section 7(2)(a) to protect the privacy of natural persons, including that of deceased natural persons. LGOIMA Part 1, Section 7(2)(b)(ii) to protect information where the making available of the information... would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</i>	

General subject of each matter to be considered:	Reason for passing this Resolution	Ground(s) under Section 48(1) for the passing this resolution:
<i>Insurance Renewal Update</i>	<i>Part 1, Section 7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>	<i>S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</i>
<i>Investigation Update</i>	<i>Part 1, Section 7(2)(a) to protect the privacy of natural persons, including that of deceased natural persons. Part 1, Section 7(2)(d) to avoid prejudice to measures protecting the health or safety of members of the public Part 1, Section 7(2)(h) to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</i>	<i>S48(1) (a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</i>

5 **Open Audit, Risk and Finance Committee agenda
11 September 2019**

Closure

Kaipara District Council
Dargaville