

## **Audit and Risk Management Committee**

### **AGENDA**

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#### **Notice of Meeting:**

An ordinary meeting of the Audit and Risk Management Committee will be held on:

**Date:** **Wednesday 15 June 2022**  
**Time:** **2pm**  
**Venue:** **Council Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch**

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#### **Membership**

Chairperson	Ms Kim Wallace
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel Ms Jacqueline Robertson Cheyne Councillor Pauline Cotter Deputy Mayor Andrew Turner

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**9 June 2022**

#### **Principal Advisor**

Leah Scales  
General Manager - Resources / CFO  
Tel: 941 8999

Megan Pearce  
Manager Hearings and Council Support  
941 8140  
megan.pearce@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>

# Developing Resilience in the 21st Century

Strategic Framework



Whiria ngā whenu o ngā papa,  
honoa ki te maurua tāukiuki

Bind together the strands of each mat and join together with the seams of respect and reciprocity

## Ōtautahi–Christchurch is a city of opportunity for all

Open to new ideas, new people and new ways of doing things – a city where anything is possible

### Principles

Being open, transparent and democratically accountable

Promoting equity, valuing diversity and fostering inclusion

Taking an inter-generational approach to sustainable development, prioritising the social, economic and cultural wellbeing of people and communities and the quality of the environment, now and into the future

Building on the relationship with Te Rūnanga o Ngāi Tahu and the Te Hononga–Council Papatipu Rūnanga partnership, reflecting mutual understanding and respect

Ensuring the diversity and interests of our communities across the city and the district are reflected in decision-making

Actively collaborating and co-operating with other local, regional and national organisations

### Community Outcomes

#### Resilient communities

Strong sense of community  
Active participation in civic life  
Safe and healthy communities  
Celebration of our identity through arts, culture, heritage, sport and recreation  
Valuing the voices of all cultures and ages (including children)

#### Liveable city

Vibrant and thriving city centre  
Sustainable suburban and rural centres  
A well connected and accessible city promoting active and public transport  
Sufficient supply of, and access to, a range of housing  
21st century garden city we are proud to live in

#### Healthy environment

Healthy water bodies  
High quality drinking water  
Unique landscapes and indigenous biodiversity are valued and stewardship exercised  
Sustainable use of resources and minimising waste

#### Prosperous economy

Great place for people, business and investment  
An inclusive, equitable economy with broad-based prosperity for all  
A productive, adaptive and resilient economic base  
Modern and robust city infrastructure and community facilities

### Strategic Priorities

Enabling active and connected communities to own their future

Meeting the challenge of climate change through every means available

Ensuring a high quality drinking water supply that is safe and sustainable

Accelerating the momentum the city needs

Ensuring rates are affordable and sustainable

Ensuring we get core business done while delivering on our Strategic Priorities and achieving our Community Outcomes

Engagement with the community and partners

Strategies, Plans and Partnerships

Long Term Plan and Annual Plan

Our service delivery approach

Monitoring and reporting on our progress

## **AUDIT AND RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE NGĀ ĀRAHINA MAHINGA**

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<b>Chair</b>	Kim Wallace (Independent)
<b>Deputy Chair</b>	Councillor Sam MacDonald
<b>Membership</b>	Mayor Lianne Dalziel Deputy Mayor Andrew Turner Councillor Pauline Cotter  External Members: Mr Michael Rondel Ms Jacqueline Robertson Cheyne
<b>Quorum</b>	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
<b>Meeting Cycle</b>	Quarterly and as required
<b>Reports To</b>	Council

### ***Purpose***

To assist the Council to discharge its responsibility to exercise due care, diligence and skill in relation to the oversight of:

- the robustness of the internal control framework;
- the integrity and appropriateness of external reporting, and accountability arrangements within the organisation for these functions;
- the robustness of risk management systems, process and practices;
- internal and external audit;
- accounting policy and practice;
- compliance with applicable laws, regulations, standards and best practice guidelines for public entities; and
- the establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.

The foundations on which this Committee operates, and as reflected in this Terms of Reference, includes: independence; clarity of purpose; competence; open and effective relationships and no surprises approach.

### ***Procedure***

- In order to give effect to its advice the Committee should make recommendations to the Council and to Management.
  - The Committee should meet the internal and the external auditors without Management present as a standing agenda item at each meeting where external reporting is approved, and at other meetings if requested by any of the parties.
  - The external auditors, the internal audit manager and the co-sourced internal audit firm should meet outside of formal meetings as appropriate with the Committee Chair.
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- The Committee Chair will meet with relevant members of Management before each Committee meeting and at other times as required.

## ***Responsibilities***

### Internal Control Framework

- Consider the adequacy and effectiveness of internal controls and the internal control framework including overseeing privacy and cyber security.
- Enquire as to the steps management has taken to embed a culture that is committed to probity and ethical behaviour.
- Review the processes or systems in place to capture and effectively investigate fraud or material litigation should it be required.
- Seek confirmation annually and as necessary from internal and external auditors, attending Councillors, and management, regarding the completeness, quality and appropriateness of financial and operational information that is provided to the Council.

### Risk Management

- Review and consider Management's risk management framework in line with Council's risk appetite, which includes policies and procedures to effectively identify, treat and monitor significant risks, and regular reporting to the Council.
- Assist the Council to determine its appetite for risk.
- Review the principal risks that are determined by Council and Management, and consider whether appropriate action is being taken by management to treat Council's significant risks. Assess the effectiveness of, and monitor compliance with, the risk management framework.
- Consider emerging significant risks and report these to Council where appropriate.

### Internal Audit

- Review and approve the annual internal audit plan, such plan to be based on the Council's risk framework. Monitor performance against the plan at each regular quarterly meeting.
- Monitor all internal audit reports and the adequacy of management's response to internal audit recommendations.
- Review six monthly fraud reporting and confirm fraud issues are disclosed to the external auditor.
- Provide a functional reporting line for internal audit and ensure objectivity of internal audit.
- Oversee and monitor the performance and independence of internal auditors, both internal and co-sourced. Review the range of services provided by the co-sourced partner and make recommendations to Council regarding the conduct of the internal audit function.
- Monitor compliance with the delegations policy.

### External Reporting and Accountability

- Consider the appropriateness of the Council's existing accounting policies and practices and approve any changes as appropriate.
  - Contribute to improve the quality, credibility and objectivity of the accounting processes, including financial reporting.
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- Consider and review the draft annual financial statements and any other financial reports that are to be publicly released, make recommendations to Management.
- Consider the underlying quality of the external financial reporting, changes in accounting policy and practice, any significant accounting estimates and judgements, accounting implications of new and significant transactions, management practices and any significant disagreements between Management and the external auditors, the propriety of any related party transactions and compliance with applicable New Zealand and international accounting standards and legislative requirements.
- Consider whether the external reporting is consistent with Committee members' information and knowledge and whether it is adequate for stakeholder needs.
- Recommend to Council the adoption of the Financial Statements and Reports and the Statement of Service Performance and the signing of the Letter of Representation to the Auditors by the Mayor and the Chief Executive.
- Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management.
- Request visibility of appropriate management signoff on the financial reporting and on the adequacy of the systems of internal control; including certification from the Chief Executive, the Chief Financial Officer and the General Manager Corporate Services that risk management and internal control systems are operating effectively;
- Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.
- Review and consider the Summary Financial Statements for consistency with the Annual Report.

#### External Audit

- Annually review the independence and confirm the terms of the audit engagement with the external auditor appointed by the Office of the Auditor General. Including the adequacy of the nature and scope of the audit, and the timetable and fees.
  - Review all external audit reporting, discuss with the auditors and review action to be taken by management on significant issues and recommendations and report to Council as appropriate.
  - The external audit reporting should describe: Council's internal control procedures relating to external financial reporting, findings from the most recent external audit and any steps taken to deal with such findings, all relationships between the Council and the external auditor, Critical accounting policies used by Council, alternative treatments of financial information within Generally Accepted Accounting Practice that have been discussed with Management, the ramifications of these treatments and the treatment preferred by the external auditor.
  - Ensure that the lead audit engagement and concurring audit directors are rotated in accordance with best practice and NZ Auditing Standards.
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### Compliance with Legislation, Standards and Best Practice Guidelines

- Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Best Practice Guidelines.

### Appointment of Independent Members

- Identify skills required for Independent Members of the Audit and Risk Management Committee. Appointment panels will include the Mayor or Deputy Mayor, Chair of Finance & Performance Committee and Chair of Audit & Risk Management Committee. Council approval is required for all Independent Member appointments.
- The term of the Independent members should be for three years. (It is recommended that the term for independent members begins on 1 April following the Triennial elections and ends 31 March three years later. Note the term being from April to March provides continuity for the committee over the initial months of a new Council.)
- Independent members are eligible for re-appointment to a maximum of two terms. By exception the Council may approve a third term to ensure continuity of knowledge.

### ***Long Term Plan Activities***

Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.

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## Audit and Risk Management Committee Forward Work Programme 2022

2022	Feb	Apr	Jun	Sep	Annual Report	Dec
<b>Update Reports</b>		<ul style="list-style-type: none"> <li>• Risk and Assurance</li> <li>• Procurement</li> <li>• Capital Delivery Risk</li> <li>• Cyber Security</li> <li>• Fraud</li> <li>• Health, Safety &amp; Wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>• Risk and Assurance</li> <li>• Procurement</li> <li>• Capital Delivery Risk</li> <li>• Health, Safety &amp; Wellbeing</li> <li>• Litigation</li> </ul>	<ul style="list-style-type: none"> <li>• Risk and Assurance</li> <li>• Procurement</li> <li>• Capital Delivery Risk</li> <li>• Cyber Security</li> <li>• Fraud</li> <li>• Health, Safety &amp; Wellbeing</li> <li>• Litigation</li> </ul>		<ul style="list-style-type: none"> <li>• Risk and Assurance</li> <li>• Procurement</li> <li>• Capital Delivery Risk</li> <li>• Health, Safety &amp; Wellbeing</li> <li>• Litigation</li> </ul>
<b>Other Reports</b>		<ul style="list-style-type: none"> <li>• Holidays Act Remediation Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change / Resilience</li> <li>• Internal Audit Plan</li> <li>• Terms of Reference Review</li> </ul>			<ul style="list-style-type: none"> <li>• Climate Change / Resilience</li> <li>• Committee Business</li> </ul>
<b>Annual Report</b>	<ul style="list-style-type: none"> <li>• External Reporting and Audit Programme for 2021/22</li> </ul>	<ul style="list-style-type: none"> <li>• External Reporting and Audit Programme for 2021/22 Update</li> </ul>	<ul style="list-style-type: none"> <li>• External Reporting and Audit Programme for 2021/22 Update</li> <li>• Audit NZ Management Letter for current year interim audit</li> </ul>	<ul style="list-style-type: none"> <li>• Update on critical judgments, estimates &amp; assumptions</li> <li>• Financial Statements Update - Valuations</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements and Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Debenture trust audit report</li> <li>• Audit NZ Management Letter from prior year's audit</li> </ul>
<b>Annual Plan</b>	<ul style="list-style-type: none"> <li>• Draft Annual Plan</li> </ul>		<ul style="list-style-type: none"> <li>• Final Annual Plan</li> </ul>			



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Part A	Matters Requiring a Council Decision
Part B	Reports for Information
Part C	Decisions Under Delegation

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## **1. Apologies Ngā Whakapāha**

At the close of the agenda no apologies had been received.

## **2. Declarations of Interest Ngā Whakapuaki Aronga**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

## **3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua**

That the minutes of the Audit and Risk Management Committee meeting held on [Monday, 14 February 2022](#) be confirmed (refer page 11).

## **4. Public Forum Te Huinga Whānui**

A period of up to 30 minutes may be available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process.

It is intended that the public forum session will be held at <Approximate Time>

There were no public forum requests received at the time the agenda was prepared

## **5. Deputations by Appointment Ngā Huinga Whakaritenga**

There were no deputations by appointment at the time the agenda was prepared.

## **6. Petitions Ngā Pākikitanga**

There were no petitions received at the time the agenda was prepared.

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## Audit and Risk Management Committee OPEN MINUTES

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**Date:** Monday 14 February 2022  
**Time:** 2.04pm  
**Venue:** Council Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**

Chairperson	Ms Kim Wallace (by audio-visual link)
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel
	Ms Jacqueline Robertson Cheyne (by audio-visual link)
	Mr Michael Rondel
	Councillor Pauline Cotter
	Deputy Mayor Andrew Turner (by audio-visual link)

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**Acting Principal Advisor**

Leah Scales

Acting GM Resources/  
Chief Financial Officer

Mark Saunders

Committee and Hearings Advisor  
941 6436

mark.saunders@ccc.govt.nz

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- Part A** Matters Requiring a Council Decision  
**Part B** Reports for Information  
**Part C** Decisions Under Delegation
- 

The agenda was dealt with in the following order.

**1. Apologies Ngā Whakapāha**

**Part C**

There were no apologies.

**2. Declarations of Interest Ngā Whakapuaki Aronga**

**Part B**

There were no declarations of interest recorded.

**3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua**

**Part C**

**Committee Resolved ARCM/2022/00001**

That the minutes of the Audit and Risk Management Committee meeting held on Friday, 3 December 2021 be confirmed.

Councillor MacDonald/Ms Wallace

Carried

**4. Public Forum Te Huinga Whānui**

**Part B**

There were no public forum presentations.

**5. Deputations by Appointment Ngā Huinga Whakaritenga**

**Part B**

There were no deputations by appointment.

**6. Presentation of Petitions Ngā Pākikitanga**

**Part B**

There was no presentation of petitions.

## 7. Consideration of the Council's Draft Annual Plan 2022/23

### Committee Resolved ARCM/2022/00002 (Original Staff Recommendations Accepted without Change)

#### Part C

That the Audit and Risk Management Committee:

1. Notes it has reviewed the general checklist and sign-off by management, including significant forecasting assumptions, in respect of the information that provides the basis for the Draft 2022/23 Annual Plan.
2. Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.
3. Notes that the Draft 2022/23 Annual Plan will be released when it is published in the Council Agenda for its meeting commencing 24 February 2022.

Deputy Mayor/Ms Wallace

Carried

## 8. External Reporting and Audit Programme for 2021/22

### Committee Comment

The Committee accepted the Staff Recommendations and further to its discussion, including with Chantelle Gernetzky and Karina Page of Audit New Zealand (who were present to the meeting via audio-visual link, and provided update from their perspective also in respect of external reporting and the audit programme, referencing their resourcing constraints and dealing with deferrals from last year), the Committee added a resolution to note the potential impact of the local government elections process and resourcing on the timing of this year's external audit.

### Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receives the information in the External Reporting and Audit Programme for 2021/22 Report.
2. Requests Council staff to update the Committee on critical judgements, assumptions and decisions made that affect the financial statements of Council at the next ARMC meeting in April.

### Committee Resolved ARCM/2022/00003

#### Part C

That the Audit and Risk Management Committee:

1. Receives the information in the External Reporting and Audit Programme for 2021/22 Report.

2. Requests Council staff to update the Committee on critical judgements, assumptions and decisions made that affect the financial statements of Council at the next ARMC meeting in April.
3. Notes the potential impact of the local government elections process and resourcing on the timing of this year's external audit.

Ms Wallace/Mr Rondel

Carried

**9. Resolution to Exclude the Public**  
**Committee Resolved ARCM/2022/00004**

**Part C**

That at 2.42pm the resolution to exclude the public set out on pages 47 to 48 of the agenda be adopted.

Councillor MacDonald/Deputy Mayor

Carried

**The public were re-admitted to the meeting at 3.02pm.**

**Meeting concluded at 3.03pm.**

**CONFIRMED THIS 1<sup>st</sup> DAY OF APRIL 2022**

**KIM WALLACE**  
**CHAIRPERSON**

## 7. Consideration of the Council's Annual Plan 2022/23

Reference / Te Tohutoro: 22/653330

Report of / Te Pou                    Peter Ryan, head of Performance Management,  
Matua:                                    Peter.Ryan@ccc.govt.nz

General Manager /                    Lynn McClelland, Assistant Chief Executive,  
Pouwhakarae:                        Lynn.McClelland@ccc.govt.nz

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### 1. Brief Summary

- 1.1 The purpose of this report is to support the Audit and Risk Management Committee (ARMC) in reviewing the process and significant forecasting assumptions, and supporting documentation used in developing the Annual Plan 2022/23, and to subsequently provide advice to Council that, in the Committee's opinion, an appropriate process has been followed in the preparation of this information.
- 1.2 Note that approval of the final content of the Annual Plan 2022/23 falls to the Council.
- 1.3 The draft Annual Plan 2022/23 was adopted by the Council on 24 February 2022.
- 1.4 The Council completed consultation with the community on the draft Annual Plan 2022/23 via a Consultation Document and underlying information adopted on 24 February 2022.
  - 1.4.1 The Consultation Document and the underlying information were made publicly available and members of the public were given the opportunity to present their views and preferences in response;
  - 1.4.2 Opportunity for members of the public to present at public hearings was available from 4 May to 14 May 2022.
  - 1.4.3 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process;
  - 1.4.4 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2022/23 Submissions is **Attachment C** of this report. The Thematic Analysis provides a summary of key issues identified by a significant number of submitters. The first part of the report provides an overview of the key themes and messages that have come through in submissions (including for four special topic consultations that were run in parallel with the Annual Plan). The latter part of the report provides detailed submissions analysis for some of the issues that were most popular with submitters. Also included is a breakdown of the number of submissions received, by Community Board, age and gender.
- 1.5 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (17, 19, 23, 25 and 31 May 2022), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 25 May was open to the public.
- 1.6 Guidance provided by Elected Members and the Mayor's Recommendations is being built into the Annual Plan 2022/23 adoption documents, including expectations for rates increases.
- 1.7 Changes made largely reflect community feedback on the draft Annual Plan or changes to Council's operating environment since February.
- 1.8 The updated adoption documents will made available on the public agenda for Council consideration on 16 June 2022. A working copy of these documents is being made available in advance to the Audit and Risk Management Committee in **Attachment D**. These documents may differ from the actual documents that will form the report to Council for the adoption of the final Annual Plan 2022/23.

- 1.9 This is to ensure that the ARMC report does not pre-empt the Council report in terms of public release. The full ARMC report can be made public once the Council agenda goes live.
- 1.10 Staff do not anticipate any significant or material changes between the ARMC meeting (15 June) and the expected release date of the Council Annual Plan agenda (16 June).
- 1.11 The process for preparing information has also been the subject of a series of management sign-offs, including the Executive Leadership Team, that support compliance with the Council's relevant statutory, financial, and legal obligations. The general checklists and sign-off schedules are in **Attachments A and B**.
- 1.12 The Council meeting to adopt the Annual Plan 2022/23 is scheduled for 21 June 2022, with an additional date of 23 June 2022, should it be required.
- 1.13 The Annual Plan is on track for adoption by Council on 21/23 June, provisional on ARMC advice.
- 1.14 Following adoption the final Annual Plan document will be published and distributed via the public site, with a select number of hard-copies made available to elected members, for public viewing through our libraries and service centres, and to the Parliamentary Library. Responses to submitters will be prepared and sent, and the responses and Thematic Analysis will be also published to the public site.

## 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Notes it has reviewed the general checklist and sign-off by management, including significant forecasting assumptions, in respect of the information that provides the basis for the Annual Plan 2022/23.
2. Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.
3. Notes that the Annual Plan 2022/23 documents will be released when published in the Council Agenda for its meeting commencing 21 June 2022.

## Attachments / Ngā Tāpirihanga

No.	Title	Page
A  	Annual Plan 2022/23 - Management Sign-off for Process	18
B  	Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions	28
C  	Thematic Analysis of the Annual Plan 2022/23 Submissions	45
D	Annual Plan 2022/23 adoption documents ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Draft Annual Plan 2022/23	<a href="https://ccc.govt.nz">Draft Annual Plan 2022/23 : Christchurch City Council (ccc.govt.nz)</a>
Consultation Document for Annual Plan 2022/23	<a href="https://ccc.govt.nz">Consultation document : Christchurch City Council (ccc.govt.nz)</a>
Long-term Plan 2021-31	<a href="https://ccc.govt.nz">Long-term Plan 2021-31 : Christchurch City Council (ccc.govt.nz)</a>

## Confirmation of Statutory Compliance / Te Whakatūturuanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

<b>Authors</b>	Boyd Kedzlie - Senior Business Analyst Amber Tait - Performance Analyst Johan Jacobs - Senior Business Analyst
<b>Approved By</b>	Peter Ryan - Head of Performance Management Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

## SIGN-OFF BY MANAGEMENT FOR THE ANNUAL PLAN 2022/23 PROCESS

Initial	Signatory's Position	Number of sign-offs
ACE	Assistant Chief Executive, Strategic Policy and Performance	6
CFO/GMR	Chief Financial Officer / General Manager Resources	40
HFI	Head of Finance	40
CPR	Corporate Reporting Manager	15
MRR	Manager Rates Revenue	10
GFC	Group Financial Controller	4
HSPR	Head of Strategic Policy and Resilience	3
HCPP	Head of Corporate Planning and Performance	2
HLDS	Head of Legal and Democratic Services	2
HPMO	Head of Programme Management Office	1

Initial	Signatory's Position	Number of sign-offs
H3W	Head of Three Waters	1
HTW	Head of Transport and Waste	1
HPC	Head of Planning and Consents	1
HRC	Head of Regulatory Compliance	1
HBC	Head of Building Consenting	1
HPA	Head of Parks	1
HRSE	Head of Recreation, Sports and Events	1
HLI	Head of Libraries and Information	1
DAG	Director Art Gallery	1
HOCE	Head of Office of Mayor and Chief Executive	1

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
<b>1. Financial Strategy and Infrastructure Strategy</b>			
1.1. Does the Annual Plan comply with the Financial Strategy in the 2021-31 Long Term Plan?	Yes, although breach of Debt Servicing benchmark wasn't forecast until 2027.	ACE	<input checked="" type="checkbox"/>
		CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
1.2. Does the Annual Plan comply with the Infrastructure Strategy in the 2021-31 Long Term Plan?		ACE	<input checked="" type="checkbox"/>
		CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
1.3. Are the "stories" that the financial and infrastructure strategies tell still consistent?  A robust financial strategy cannot be developed in isolation from intended levels of service and the operational expenditure and capital expenditure programs associated with these.	Yes	ACE	<input checked="" type="checkbox"/>
		CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
<b>2. Revenue and Financing Policy</b>			
2.1. Does the Annual Plan comply with the revenue and financing policy in the 2021-31 Long Term Plan?	It complies with the revised Revenue and Financing Policy, on which we consulted in the Draft Annual Plan 2022/23, and which will be adopted prior to the Annual Plan itself.	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
2.2. If not, have you planned a review of the RFP so that it is adopted before the Annual Plan?	See above	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
<b>3. Funding Impact Statement</b>			
3.1. Does the Annual Plan contain a funding impact statement for the whole of council? (LGA 2002, sch 10 cl 20 (2)/Financial Reporting Regulations 2014)	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.2. Does the funding impact statement contain two components: 3.2.1. a financial statement 3.2.2. information about funding sources. (LGA 2002, sch 10 cl 20(3))	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
3.3. Does the whole-of-council funding impact statement have a nil balance (Financial Reporting Regulations 2014)?	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
3.4. Does the funding disclosure contain details of each of the rates your local authority proposes to set and how these will be calculated (including specifying the relevant matters from Schedule Two and factors from Schedule Three of the Rating Act)?	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
3.5. Is the funding disclosure specified with enough particularity that ratepayers can, for example, determine whether they are liable for any particular rate and what differential categories they are in?	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.6. Does the funding disclosure include sample models of the impact of the rating proposals for the annual plan?	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.7. Has the entire funding impact statement, but especially the funding disclosure, been reviewed for legal compliance by someone conversant with the LGA 2002 and the Rating Act?		CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.8. Has the funding disclosure been checked for consistency with the revenue and financing policy set out in the long term plan?	It has been checked for consistency with the revised Revenue and Financing Policy, on which we consulted in the Draft Annual Plan 2022/23, and which will be adopted prior to the Annual Plan itself.	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.9. Is the funding disclosure complete (i.e., is every rate that your local authority proposes to set included)?	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
<b>4. Financial Statements</b>			
4.1. Does the Annual Plan include forecast financial statements for the financial year covered by the plan? (LGA 2002, sch 10 cl 18)	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
4.2. Has the Annual Plan included the financial statements for the year preceding the annual plan? If yes, are these in the same format as the financial statements for the Annual Plan? (LGA 2002, sch 10 cl 19).	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
4.3. Do all of the forecast financial statements comply with Generally Accepted Accounting Practice? (LGA 2002, s 111) + (Section 18 of part 2 of Schedule 10, of the LGA 2002) GAAP = applicable accounting standard = PBE FRS 42	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		GFC	<input checked="" type="checkbox"/>
4.4. Has the Annual Plan included the rating base disclosures? (LGA 2002, sch 10 cl 20A)	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
4.5. Has the Annual Plan included a statement showing the objectives for reserves, the starting and end balance for reserves and any movements in reserves? (LGA 2002, sch 10 cl 21)	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4.6. Have disclosures been made with respect to the Council's intended level of performance against fiscal benchmarks and indicators? (Financial Reporting Regulations 2014)?	Yes. Planned breach of Debt Servicing benchmark	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
4.7. Are the prospective financial statements in the Annual Plan prepared in accordance with the appropriate financial reporting standards? <ul style="list-style-type: none"> <li>LGA 2002, Schedule 10, Section 18 – Forecast financial statements</li> <li>PBE FRS 42</li> </ul>	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		GFC Accounting Policies Only	<input checked="" type="checkbox"/>
4.8. Has review of required disclosures in the prospective financial statements been performed?  LGA 2002, Schedule 10	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
		GFC Accounting Policies Only	<input checked="" type="checkbox"/>
<b>5. Balanced Budget Statements</b>			
5.1. Is the Council running a balanced budget in the Annual Plan? (LGA 2002, s 100)	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
5.2. If there is an unbalanced budget does the Annual Plan explain the reasons for the unbalanced budget, and the implications of the decision? (LGA 2002, s 10 cl 14)	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
5.3. Is running an unbalanced budget prudent? (NB: Assessing prudence will necessitate consideration of the impacts beyond the life of the plan)	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
5.4. Has the Council resolved to operate an unbalanced budget?	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
5.5. Has the necessary analysis been performed with respect to the levels of service and the financial impacts in order to provide the Council and the auditors with assurance that the unbalanced budget is prudent?	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
5.6. Are appropriate disclosures considered and / made in the Annual Plan regarding the unbalanced budget?	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
5.7. Is an unbalanced budget an issue that warrants inclusion in the financial strategy?	n/a	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6. Forecasting Assumptions – See also Sign-off for Forecasting Assumptions where individual assumptions are signed off			
6.1. Has the Annual Plan identified all of the significant forecasting assumptions and risks? (LGA 2002, sch 10 cl 17(a))	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6.2. Has the Annual Plan disclosed the useful life of significant assets and funding sources for the replacement of significant assets? (LGA 2002, sch 10 cl 17(b))	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		GFC	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
6.3. Are there any disconnects between the assumptions disclosed in this section and those disclosed in the infrastructure strategy and the financial strategy in the 2021-31 Long Term Plan?	No	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
6.4. Did management review the assumptions and their significance afresh, or did it “roll over” the assumptions from the 2021-31 Long Term Plan?	Review in light of Covid, inflation, climate change and reform	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6.5. Has management checked economic assumptions with those others are making (e.g., is there a reason management is assuming interest rates of 10 percent when others are assuming 6-7 percent)?	Yes to a reasonable degree	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6.6. Should Council undertake scenario modelling of the impact if significant assumptions fail to materialise or are significantly different from those you expected?  For example, a local authority reliant on central government funding for a particular large project might consider whether it needs a “plan B”; a growth council might want to forecast different scenarios for the receipt of development contributions revenue.	Not easy to model alternate inflation assumptions which is the biggest risk. Costs will be managed to budget during the year.	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6.7. Does the Annual Plan include the following (if not, should it)?  6.7.1. service level assumptions	Capital works only  There is nothing of significance in relation to service level assumptions for this Annual Plan.	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
6.7.2. demand assumptions (note that this includes demand driven by population growth and change, economic growth and transformation, and changing preferences)	Budgets incorporate growth and volume assumptions, they are not specifically identified in the significant assumptions.	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
		HCPP	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
6.7.3. economic assumptions (interest rates both for council investments and council borrowing, investment/dividend flows from council assets, forecast changes in key costs.	Yes	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
<b>7. Capital Expenditure</b>			
7.1. Does the capital expenditure show the following detail for each group of activity? (LGA 2002, sch 10 cl 3) <ul style="list-style-type: none"> <li>amount to meet additional demand</li> <li>amount to improve levels of performance</li> <li>amount to replace existing assets</li> </ul>	Not required for an Annual Plan	CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
		HPMO	<input checked="" type="checkbox"/>
<b>8. Proposed changes to levels of service</b>			
8.1. Do proposed changes to levels of service include significant or material differences from the content of the 2021-31 Long Term Plan (LGA 2002 Section 95 2A)		ACE	<input checked="" type="checkbox"/>
		HCPP	<input checked="" type="checkbox"/>
<b>9. Proposed Fees and Charges</b>			
9.1. Fees and charges schedules - have these been prepared in line with LGA 2002 Section 12 and LGA 2002 Section 150 or other relevant legislation (eg. Building Act 2004, Food Act 2014, etc.)	Yes	ACE	<input checked="" type="checkbox"/>
		CFO/GMR	<input checked="" type="checkbox"/>
		HFI / CPR	<input checked="" type="checkbox"/>
		H3W	<input checked="" type="checkbox"/>
		HTW	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HPC	<input checked="" type="checkbox"/>
		HRC	<input checked="" type="checkbox"/>
		HBC	<input checked="" type="checkbox"/>
		HPA	<input checked="" type="checkbox"/>
		HRSE	<input checked="" type="checkbox"/>
		HLI	<input checked="" type="checkbox"/>
		DAG	<input checked="" type="checkbox"/>
		HOCE	<input checked="" type="checkbox"/>
<b>10. Significance and Engagement Policy</b>			
10.1. Does the process proposed to be used for adopting 2022/23 Annual Plan comply with the requirements of the LGA2002 and the Council's significance and engagement policy?		ACE	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>

**SIGN-OFF BY MANAGEMENT FOR SIGNIFICANT FORECASTING ASSUMPTIONS IN THE ANNUAL PLAN 2022/23**

Initial	Position	Number of sign-offs	Initial	Position	Number of sign-offs	Initial	Position	Number of sign-offs
CFO/GMR	Chief Financial Officer / General Manager Resources	33	HCPP	Head of Corporate Planning and Performance	4	H3W	Head of Three Waters	4
HFI	Head of Finance	33	HLDS	Head of Legal and Democracy Services	3	HTW	Head of Transport and Waste	4
CPR	Corporate Reporting Manager	3	HPMO	Head of Programme Management Office	1	HFPP	Head of Facilities, Property and Planning	4
GT	Group Treasurer	2	HSPR	Head of Strategic Policy and Resilience	1	FBP-IPRS	Finance Business Partner for Infrastructure, Planning & Regulatory Services	1
GFC	Group Financial Controller	2	HPA	Head of Parks	3	FBP-Res	Finance Business Partner for Resources	1

In preparing the Annual Plan it was necessary for Council to make a number of assumptions about the future. The following tables identify those forecasting assumptions which are significant in that if actual future events differ from the assumptions, it will result in material variances to this Plan. The table also identifies the risks that underlie those assumptions, the reason for that risk, and an estimate of the potential impact on the Plan if the assumption is not realised.

A number of assumptions have such a high level of uncertainty the financial impact of a change in the assumption is not able to be quantified. In these situations a description of the impact has been provided.

AREA	COMMENT	ASSESSMENT	
		Person Responsible	Sign-Off
<b>Forecasting Assumptions</b>			
Has management considered the level of uncertainty in each of the significant forecasting assumptions and risks?		CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>
Where levels of uncertainty are high then the LTP must disclose: <ul style="list-style-type: none"> <li>the fact of the uncertainty</li> <li>an estimate of the uncertainty on the financial estimate (Cl. 17, Sch. 10, LGA).</li> </ul>	LTP requirement	CFO/GMR	<input checked="" type="checkbox"/>
		HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>1. Capital Programme and infrastructure assets</b>					
<b>1.1 Capital works.</b> Programmes and projects are assumed to be delivered within budget and on time. The capital programme is generally managed within overall budget allocations requiring changes to programme or project budget to be found within available budgets. At a corporate level provision is made for delayed delivery by forecasting an annual capital budget carry forward based on delivery trends. There may also be some projects delivered ahead of forecast and these will be managed within borrowing allowances via bring backs.	Actual costs will vary from estimates, due to higher input prices and/or delivery delays, resulting in budget shortfalls. These are partially offset by the delay in borrowing.  However, Council has tendered significant work and estimates are based on the best available information. Delays could also be due to consenting and consultation requirements.  See also 3.8 for Covid impact.	Moderate/ Low	To the extent possible Council staff seek to proactively manage the delivery of capital works, substituting projects within a programme where necessary. Those that are unable to be completed as planned in the Annual Plan may be carried forward. The implications of this are: <ul style="list-style-type: none"> <li>possible additional reactive opex; not all delays lead to additional costs.</li> <li>possible reduction in opex if the delay relates to a new facility.</li> <li>projects may cost more than planned due to inflation.</li> <li>less funds will need to be borrowed in the short term. Delaying new borrowing</li> </ul>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HPMO	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			<p>will impact on the timing of financing costs.</p> <ul style="list-style-type: none"> <li>possible reduction to levels of service.</li> <li>Any inflationary increase in Council's costs that is not offset by efficiency gains or revenue is likely to impact the timing of future works or increase borrowing.</li> </ul>		
1.2 Sources of funds for replacing assets. The sources of funds will occur as projected.	Funding does not occur as projected and borrowing is required.	Low	Council is well placed to borrow funds as required and remain within its LGFA benchmarks. The impact on rates for every \$10 million of additional borrowing for capital works is a 0.11% increase to rates spread over two years. This increase accounts for the interest cost and repayment of the borrowing over 30 years.	CFO/GMR	☒
				HFI	☒
1.3 Asset life. Useful life of assets is as recorded in asset management plans or based upon professional advice (the Accounting Policies detail the useful lives by asset class).	Useful life of an asset/s is significantly shorter than expected.	Moderate	<p>Council maintains its databases with the latest condition information. However, piped networks are below ground making remaining life more difficult to accurately assess.</p> <p>Ideally assets are replaced just in time. Earlier replacement would put more pressure on the Council's capital programme, leading to higher depreciation expense and financing costs. Late replacement leads to more expensive replacements costs plus generally greater negative impacts on the operational costs, quality of service and environmental effects.</p>	CFO/GMR	☒
				HFI	☒
				HTW	☒
				H3W	☒
				HPA	☒
				HFPP	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<p><b>1.4 Carrying value of assets.</b> The opening statement of financial position reflects the correct asset values.</p> <p>The carrying value of assets are revalued on a regular basis.</p>	<p>Asset revaluations differ to that planned and change the projected carrying values of the assets and depreciation expense.</p>	<p>Low</p>	<p>Land and buildings were revalued as at 30 June 2021.</p> <p>Waste water, water supply and stormwater assets, were revalued at 30 June 2020.</p> <p>Roading assets were revalued at 30 June 2019.</p> <p>The valuation of the Council's facilities and infrastructural assets at optimum depreciated replacement cost involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets.</p> <p><i>Note: That the asset values of three waters, roads and footpaths assets include additions (at cost less depreciation) and disposals since the last valuation.</i></p>	<p>CFO/GMR</p>	<input checked="" type="checkbox"/>
				<p>HF/CPR</p>	<input checked="" type="checkbox"/>
				<p>GFC</p> <p><i>New note added 28 January 2022 (for draft)</i></p>	<input checked="" type="checkbox"/>
<p><b>2. Inflation. Growth and Population</b></p>					
<p><b>2.1 Inflation.</b> The price level changes projected will occur. Council has considered both information provided by Business Economic Research Limited to all local authorities and a weighted mix of its own cost inputs in determining appropriate inflators. Different forecast inflation figures for capital and operational items are used in developing the plan due to the differing mix of cost inputs in each. Inflation adjustments used are:</p> <p style="text-align: center;">2022/23</p>	<p>Inflation is materially higher or lower than anticipated.</p>	<p>High</p>	<p>Any short term impact will be met by managing costs within budget without impacting levels of service where possible.</p>	<p>CFO/GMR</p>	<input checked="" type="checkbox"/>
				<p>HF/CPR</p>	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
Capital 2.3%					
Opex 3.1%					
<p><b>2.2 Economic environment.</b> The Canterbury economy has recovered in line with the national economy post COVID lock-downs, and unemployment is low.</p> <p>Economic risks remain from global developments (particularly COVID outbreaks and developments in Ukraine) and domestic developments (particularly higher interest rates and lower house prices).</p> <p>However, Council has prepared this Plan on the assumption that a significant economic slowdown or recession will not occur in the 2022-23 year (based on the economic projections contained in the Government's May 2022 Budget Statement, the Reserve Bank's May 2022 Monetary Policy Statement, and bank economists' published responses to these documents).</p>	<p>That there are further unexpected local, national or international economic shocks such as further restrictions on movement and economic activity from future waves of the COVID-19 virus. This would further exacerbate the uncertainty around future economic activity.</p>	Moderate	<p>A significant deterioration in Christchurch's economic environment could impact on ratepayers' ability to pay rates. If revenue was negatively impacted it could lead the Council to decide to borrow more heavily or cut facilities and services provided to reduce the rate requirement.</p> <p>However, this is unlikely to eventuate within a single rating year and any decision to cut services or increase debt to reduce rates would be more likely to be addressed in a future Annual Plan or Long Term Plan.</p>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HCPP	<input checked="" type="checkbox"/>
<p><b>2.3 Development contributions revenue.</b> Council collects development contributions from property developers to fund the capital costs of providing infrastructure capacity to service growth development.</p> <p>Development contribution charges are based on apportioning the cost of providing growth infrastructure to the forecast number of new residential, commercial, industrial and other properties. This forecast is based on Council's Growth Model.</p>	<p>If the number of new properties paying development contributions is significantly less than forecast over the funding life of assets then revenue from development contributions will not be sufficient to fund the growth component of the Council's capital programme.</p> <p>If the timing of growth differs significantly from forecast this will impact on Council's cash flows</p>	Low	<p>The timing of growth, and its impact on Council's development contributions revenue, will have a low impact on the borrowing and interest expense assumptions in this Plan.</p>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
			Low	<p>Any shortfall in development contributions revenue must be funded initially by</p>	HCPP

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
The Council has assumed development will reflect the population and business growth model forecasts and has budgeted its development contributions revenue accordingly.	and may necessitate changes to planned borrowing. The location and timing of development is determined by a number of factors such as market forces which are outside the control of the Council.		borrowing which is funded from rates over the relevant debt financing term.		
<b>2.4 Population.</b> Planning for activities, and thus the likely cost of providing those activities assumes that the population of Christchurch will increase at the rate forecast by Council's growth model.	That population growth is higher than projected, and Council will need to provide additional unplanned services and infrastructure.	Low	Population projections are based upon a standard set of demographic assumptions. The level of risk is low but could impact the cost of providing activities.	CFO/GMR	<input checked="" type="checkbox"/>
	That population growth is lower than projected, and the Council will be required to support excess levels of infrastructure and service delivery.	Low	The impact of COVID-19 on migration is unknown at this stage.	HFI	<input checked="" type="checkbox"/>
				HCPP	<input checked="" type="checkbox"/>
<b>2.5 Rating base.</b> The capital value of the city increases annually due to subdivisions and development which leads to an increase in the rating base.  Growth in the number of rating units and their capital value is expected to increase the rating base for 2022/23 by \$9.1 million (1.5%) compared to 2021/22.	Rating base grows at a materially different rate from that projected.	Low	Actual growth in the rating base is never known until year end. Council staff work closely with QV in the period leading up to year end in order to have as accurate an assessment as possible. Variances between the forecast growth used for setting rates decimals and actual growth in the rating base will change the total rates revenue collected but this is unlikely to be material.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
<b>2.6 Aging population.</b> The number of people over the age of 65 is expected to increase by 80% by 2051 to 117,800 (24%).	If the mix of ages within the population is significantly different from that forecast the range and types of services that have factored in the needs of	Low	Age projections are provided by Statistics New Zealand on a nation-wide basis. The projections for people who will be in post-retirement age groups is determined by the current population structure which does	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
By 2051 the number of people over the age of 80 is expected to be around 10% of the population, compared to around 4% in 2021.	older persons may need to change.		not change significantly, especially in the ages from 45 to 65 years, which will be the retirement age group in the next 20 years.	HCPP	<input checked="" type="checkbox"/>
<b>3. Impact of policies and external factors</b>					
<b>3.1 Council policy.</b> Given the significant extent of government reform Currently underway, there will be regular updates to Council policy in response to legislative changes and emerging strategic issues.	New legislation is enacted that requires a significant policy response or business change from Council or, Department of the Prime Minister and Cabinet (DPMC) uses its statutory powers such that a change is required to Council policy.	Low	Dealing with changes in legislation is part of normal Council operations.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HLDS	<input checked="" type="checkbox"/>
<b>3.2 Waka Kotahi subsidies.</b> The Current Funding Assistance Rate (FAR) of 51% on qualifying expenditure will not change. We will receive the total amount of subsidy that we have assumed we will receive.	Changes in the FAR, changes to the overall amount in the National Land Transport Fund, changes to government transport priorities, and changes to eligibility criteria for projects could impact on the amount of subsidy funding we receive from Waka Kotahi as a contribution to Council's Transport budgets.	Low	Changes to government funding priorities and Waka Kotahi funding decisions are outside Council control and the risk varies from project to project. The maximum financial impact would be the elimination of the subsidy, which is extremely unlikely.  Commitment to continuous programmes such as maintenance, operations, renewals and low cost/low risk have been confirmed through the 2021-24 National Land Transport Programme. At risk is the subsidy for the significant improvement projects. The Council is regularly in discussions with Waka Kotahi to gain more clarity on which projects will receive funding. The risk of change to Waka Kotahi subsidy is very low.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HTW	<input checked="" type="checkbox"/>
				FBP-IPRS	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<p><b>3.3 Resource Consents.</b> Conditions of resource consents held by Council will not be significantly altered.</p>	<p>Conditions required to obtain/maintain the consents will change, leading to the costs to obtain resource consents and/or implement consent conditions being higher than anticipated. These costs would not be covered by planned funding.</p> <p>For example, Council is currently working through the Akaroa wastewater consent issues.</p>	Moderate/ Low	<p>Advance warning of likely changes is anticipated.</p> <p>The financial impact of failing to obtain/renew resource consents cannot be quantified.</p>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
<p><b>3.4 Legislative and Regulatory change.</b> The Government has initiated three significant reform programmes that will in time impact on the legislative and regulatory frameworks within which local government currently operates.</p> <p>These reform programmes are; three waters reform, resource management reform and the future for local government review.</p> <p>Given the expected timelines of the review processes the Council has assumed that no significant legislative or regulatory change will impact on the Council in the coming year, although this might change if the government follows through on its intention to enact the water service entities bill this year.</p> <p>The reform programmes are each covered in more detail below.</p>	<p>Should the local government legislative environment change, the activities and services the Council plans to provide over the period of this Plan could change which could impact on Council's costs and revenue requirements.</p>	Low	<p>The Government has several review programmes in progress which will significantly change the roles and responsibilities of local government as changes are implemented over time.</p> <p>At the time of preparing this Plan the Council is unable to determine how any potential legislative change might impact its operations or quantify the potential financial impact.</p> <p>Expected costs relating to enactment of the RMA (Housing Bill) and to the Council's involvement in Government reform processes have been incorporated in this Plan.</p>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HLDS	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>3.5 Three Waters Reform.</b> The Council will continue to deliver three waters services over the life of the Annual Plan.	<p>The Crown is proposing to establish four publicly-owned water service entities (WSEs) of significant scale to deliver three waters services. Councils will collectively retain nominal ownership of three waters assets which will be managed and controlled by the relevant WSE. Ownership of assets will be based on population but won't be stated on the Council's balance sheet. The changes required will significantly affect Council assets, liabilities, debt limits and operating expenditure and revenues from 2024/25.</p> <p>The following water activities are affected:</p> <ul style="list-style-type: none"> <li>• Water Supply</li> <li>• Wastewater Collection, Treatment and Disposal</li> <li>• Stormwater Drainage</li> <li>• Land Drainage</li> </ul>	Moderate	<p>These activities have planned direct costs in the 2023 financial year of \$98.7 million, with a further \$14.4 million of debt servicing and \$7.9 million of other internal charges/overheads. Operating revenues total \$7.6 million.</p>	CFO/GMR	<input checked="" type="checkbox"/>
			<p>The closing book value of these assets at 30 June 2021 was \$5.9 billion, with a replacement cost of \$10.2 billion.</p>	HFI	<input checked="" type="checkbox"/>
			<p>Council does not borrow separately for these activities, but estimates debt relating to these activities is in the order of \$1 billion at 30 June 2021.</p> <p>There will be probable second order impacts, which Council will assess as part of its analysis of the reform proposal.</p>	H3W	<input checked="" type="checkbox"/>
<b>3.6 Potential climate change impacts.</b> The Ministry for the Environment and Stats NZ Environment Aotearoa 2019 report states all aspects of life in New Zealand will be impacted by climate change. The Council has adopted a Climate Resilience Strategy, which includes action programmes to respond to the impacts of climate change	<p>The timing or severity of any climate change impacts could be worse than expected, meaning the Council is not sufficiently prepared.</p>	Low	<p>Variability in changes to the climate and its impacts and how we respond could result in different financial impacts.</p>	CFO/GMR	<input checked="" type="checkbox"/>
			<p>We have significant work to do to better understand our exposure and vulnerability to the impacts of climate change on our</p>	HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<p>and the legislative requirements to consider the impacts of climate change.</p> <p>The Strategy identifies key projected local changes to climate that we must prepare for are:</p> <ul style="list-style-type: none"> <li>a. 0.5 metre rise in sea-level by 2075 and 1 metre sea-level rise by 2115;</li> <li>b. average temperatures will rise 0.5°C – 1.5°C by 2040 and by 3°C by 2090</li> <li>c. reduced overall rainfall but an increase in extreme weather events.</li> </ul> <p>In addition, the Government has released for consultation Adapt and Thrive: Building a climate-resilient New Zealand the Draft National Adaptation Plan – Managed Retreat</p> <p>This seeks to limit the Crown’s exposure to economic and fiscal pressures arising from the cost of implementing the managed retreat from areas where this is “intolerable risk” to impacts from climate change. This covers both sea level rise and natural hazards through weather events, flood and or drought.</p>			assets and how we adapt, to determine the financial impacts.	HSPR	<input checked="" type="checkbox"/>
<p><b>3.7 Future for Local Government review.</b> The Minister of Local Government has established a Ministerial Inquiry into the Future for Local Government.</p>	If the Government fast-tracked one or more of the reform programmes so that change was required in the 2022/23 year this	Moderate	Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are	CFO/GMR	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<p>The overall purpose of the review is to <i>“identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.”</i></p> <p>The review includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• roles, functions, and partnerships</li> <li>• representation and governance and</li> <li>• funding and financing</li> </ul> <p>The review panel is scheduled to present its final report to the Minister in April 2023. The Council has assumed the reform programmes will not materially impact on its costs or financial position in the 2022/23 year.</p> <p>Changes to what services local government delivers and how these are delivered will be implemented from the 2024/25 year onwards.</p>	<p>could have a significant impact on work programmes and budgets. There is currently no information available on the likely direction for the review beyond the coming year, although detailed review timelines have been provided.</p>		<p>made will be incorporated in the 2024-34 long-term plan.</p> <p>Unless specifically stated otherwise, Council has prepared the plan on the assumption its existing role and functions will continue for the life of the plan.”</p>	HFI	<input checked="" type="checkbox"/>
				HLDS	<input checked="" type="checkbox"/>
<p><b>3.8 Impact of Covid – 19</b></p> <p>Operational and Capital Programme delivery will be able to occur without further significant financial, staffing or deliverability issues due to Covid-19.</p>	<p>Multiple risks around lockdowns, access to facilities and availability of vaccinated staff to continue delivering services. Also risks in securing external goods and services in a timely manner as required to deliver services and the capital programme.</p>	High	<p>Councils Covid-19 vaccination policy aims to minimise risk to staff and the public while continuing to provide services. Deliverability is a key factor in determining the Councils overall capital programme, taking into account a number of strategies to minimise costs and delay. However the future impact, or any Government or Council response cannot be pre-determined.</p>	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HTW	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
				HPA	<input checked="" type="checkbox"/>
				HFPP	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>4. Borrowing Related</b>					
4.1 <b>Credit rating.</b> The Council's current rating is maintained.	Council's credit rating with Standard and Poor's is downgraded. This would increase the Council's cost of borrowing through increasing the interest rate on debt.	Low	Council's credit rating with Standard and Poor's was upgraded from A+ to AA- on 10 December 2019 with a stable outlook. The outlook was upgraded to positive in December 2021. There is low risk of a credit downgrade given the additional borrowing required to meet the capital programme planned for the next four years. If the Council falls one notch from its current credit rating (i.e. from AA- to A+) the cost of <b>new</b> borrowing and <b>refinanced</b> borrowing will increase by 5 basis points (0.05 percentage points) for the life of the borrowing.  In such an event, interest costs in 2022/23 could increase by \$0.20 million. This could increase to \$1.5 million annually by 2027/28.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
4.2 <b>Borrowing costs.</b> Net cost of ratepayer funded borrowing (i.e. including current and projected debt) is assumed to be 4.6% in 2022/23.	Interest rates will vary from those assumed.	Moderate	Projections are based on assumptions about future market interest rates. Projected debt is mostly hedged to reduce exposure to market rate fluctuations, but a moderate amount of risk remains. Market interest rates 0.5% higher than has been assumed would increase interest costs by around \$2.5m in 2022/23. Council manages interest rate exposure in accordance with its Liability Management Policy, and in line with advice from an independent external advisor.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
4.3 <b>Securing external funding.</b> New, or renewal of existing borrowings on acceptable terms can be achieved.	That new borrowings cannot be accessed to refinance existing debt or fund future capital requirements.	Low	The Council minimises its funding risk by maintaining a mix of current and non-current borrowings in accordance with its Liability Management Policy.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
4.4 <b>LGFA Guarantee.</b> Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and they guarantee obligations of other participating local authorities to the LGFA, in the event of default.	In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's relative rates income.	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is remote. The likelihood of a local authority borrower defaulting is extremely low and LGFA has recovery mechanisms that would be applied prior to any call on the Guarantee. All of the borrowings by a local authority from the LGFA are secured by a rates charge.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
4.5 <b>Opening debt:</b> The opening debt of \$2,140 million is made up of;  \$222 million of equity investments, mainly in CCTOs (Venues Ōtautahi Ltd (formerly Vbase) \$185 million),  \$611 million borrowed for on-lending, (in accordance with the Council's Liability Management Policy),  \$1,218 million of capital works and earthquake related borrowing. There is an additional \$71.5 million borrowed internally from the Capital Endowment Fund.  \$89 million finance lease (Civic Building).	Actual opening debt differs from forecast.	Low	Council's debt requirements are well understood and closely managed. It is unlikely that opening debt will be significantly different to forecast.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI/CPR	<input checked="" type="checkbox"/>
				GT	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>5. Investment related</b>					
<b>5.1 Return on investments.</b> Interest received on cash and general funds invested is assumed to be 3.0% for 2022/23.  The return on the Capital Endowment Fund (most of which is currently invested internally) is assumed to be 3.4% for 2022/23.	Interest rates will vary from those projected.	Low	Financial impact is unlikely to be significant.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				GT	<input checked="" type="checkbox"/>
<b>5.2 Value of investment in subsidiaries</b> The opening statement of financial position is assumed to reflect the correct investment values.  The carrying value of CCO investments are revalued on a regular basis.	CCO revaluations will differ to that planned and change projected carrying values of the investments.	Low	The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these prospective financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic (currently annually) basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
<b>5.3 CCTO income.</b> It has been assumed that CCHL will deliver dividend income at the levels forecast in this Plan.	If CCHL delivers a lower than projected dividend the Council will need to source alternate funding.	Low	CCTOs provide the Council with dividend forecasts through their Statements of Intent and actual performance is monitored through the quarterly reporting process. Returns are expected to be as forecast in this Plan.  Should additional dividend income be received the level of borrowing forecast in this Plan will be reduced.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
<b>5.4 Tax planning.</b> The Council (parent) will be operating at a tax loss for the period covered	If subvention payments are lower than planned the Council will	Low	CCTOs provide the Council with dividend forecasts through their Statements of Intent	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
by this Plan due to the availability of tax deductions on some Council expenditure. This allows the Council's profit-making subsidiaries to make payments (known as subvention payments) to Council instead of tax payments.	need to source alternative funding.		and actual performance is monitored through the quarterly reporting process. Returns are expected to be as forecast in this Plan.	GFC	<input checked="" type="checkbox"/>
<b>6. Services and Operations</b>					
<b>6.1 Community housing.</b> The Council's Community housing assets are leased to Ōtautahi Community Trust, who are responsible for operations, maintenance and renewals. Council retains asset ownership.	Community housing remains ring-fenced from rates, through a separate Housing Fund. The ongoing revenue source for this fund is the lease payments from the Ōtautahi Community Housing Trust.  Modelling for the Housing Fund indicates that its sustainability is sensitive to small changes and there is a risk that: <ul style="list-style-type: none"> <li>The lease payments are not sufficient to enable the social housing portfolio to be financially viable in the long term.</li> <li>Higher than expected expenditure (e.g. due to asset failure or external events) reduces the financial sustainability in the short term (2 years).</li> </ul>	Medium	With a focus on repairing earthquake damage, lifting quality standards and addressing deferred maintenance, there has been significant expenditure from the fund over the last 5 years. The fund is now in a depleted state, and is not anticipated to accumulate until 2026/27. During this period it is at a heightened risk, albeit this is mitigated by the ability to defer programmes if necessary.  The continued inability for councils to access Government funding through the income related rent subsidy is an ongoing source of frustration for the Council. If the Council could access this funding the level of uncertainty associated with this activity would reduce significantly.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
				HFPP	<input checked="" type="checkbox"/>
				FBP-Res	<input checked="" type="checkbox"/>
<b>6.2 Contract rates.</b> It has been assumed that re-tendering of major contracts will not result	There is a significant variation in price from re-tendering contracts.	High	Where possible Council would review the appropriate scope of work, or alternatively	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
in cost increases other than those comparable with the rate of inflation.	<p>There is currently some post-Covid 19 increase in cost around the supply chain with further complications as a result of the war in Ukraine.</p> <p>Additionally some contracts are impacted by the Councils 2021 living wage decision.</p>		<p>adjust the budget between services to free up additional funding.</p> <p>Inflation is currently running at around 6%. On its own, this presents a real risk. However, there also remains volatility in the supply chain and shortages of construction materials, which will undoubtedly place further upward pressure on costs. The 'post covid increase' appears greater now than a few months ago, with no sign of its influence diminishing anytime soon. Similarly, the labour market is also under considerable pressure, with organisations routinely increasing wages to retain and secure staff. Inevitably this will impact contract rates.</p> <p>Some potential cost increases may be mitigated or offset through the negotiation period by revising the scope of services or accepting a lower level of services, such as inspections and cleaning frequencies. We will also be challenging/tasking Contractors to identify and suggest cost savings and improved efficiencies and consolidating services within existing contracts where possible. However, it is unlikely that any potential savings will outweigh increased contractor and supply costs, so some budgetary adjustments may be necessary.</p>	HTW	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
				HPA	<input checked="" type="checkbox"/>
				HFPP	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>7. Insurance cover and natural disaster financing</b>					
7.1 <b>Insurance cover.</b> The Council has adequate Material Damage cover for all above ground buildings which are undamaged and fire cover for significant unrepaired buildings.	Risk of major loss through fire	Low	The results of external and independent modelling carried out during 2019 suggests that the Council's insurance cover is sufficient to meet two times the maximum loss. This modelling will be updated prior to 30 June 2022. Any financial impact is not expected to be significant.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>
7.2 <b>Natural disaster financial implications.</b> The Christchurch region is susceptible to damage from earthquake, flooding and tsunamis.	Council has limited insurance cover in place for damage to infrastructure networks from flooding, tsunami and earthquake events and relies on the strength of its statement of financial position plus access to central government emergency funding in the event of another major event.	Moderate	Financial implications of another significant natural disaster event are large, particularly when our ability to borrow may be limited due to the high debt to revenue ratios forecast.  This risk is considered in preparing forecasts and particular attention is paid to the financial headroom for each year. Financial headroom is a measure of Council's ability to borrow in the event of an emergency.	CFO/GMR	<input checked="" type="checkbox"/>
				HFI	<input checked="" type="checkbox"/>

# Annual Plan 2022 - 2023

## Submissions Thematic Analysis

Prepared by Monitoring & Research

May 2022

### **How to use this document**

The purpose of this document is not to provide analysis on everything that submitters commented on, but rather to provide a summary of key topics and issues identified by a number of submitters.

The analysis is based on the opinions of submitters, whether they are factually correct or not.

The first part of this report provides an overview of the key themes and messages that have come through in submissions, and the latter provides detailed submissions analysis for some of the topics and issues that were most popular with submitters.

## Key Messages

This year submitters again provided us with detailed and well considered feedback. They responded to the questions we posed, and provided valuable feedback on our game plan.

Submitters highlighted the financial pressures that households are facing currently, and will likely continue to face into the foreseeable future. Many indicated that they were pleased to see the rates increase below what we had signalled in the LTP, however there was a general sense from many that they would like to see us look to reduce our spending further where we can to lessen the burden on households. Others signalled that they would be concerned if we looked to reduce rates further at the jeopardy of important projects and work programmes.

With this in mind, overall the feedback from submitters generally indicated that would like us to take a balanced approach, reducing our spending and the impacts on households where we can but not to the point where we need to sacrifice work and projects that our residents place value in to cut costs.

Residents in the east are feeling increasingly frustrated by our spending on things perceived as “nice to haves” when they feel that they are continuously having to fight to get investment in some of the basics. Submissions received from submitters in the east came with a sense of frustration that we appear to have forgotten about them when they are still waiting to see improvement in the condition and maintenance of infrastructure (particularly transport infrastructure) across many suburbs in the east of the city.

A number of submitters from Bromley also expressed their frustration with the ongoing challenges and issues that they face following the fire at the Waste Water Treatment Plant. Many highlighted that they would like to see us providing more support to residents in this area instead of signalling further rates increases when we are yet to resolve issues having significant impacts on their day to day lives.

Continuing to improve the condition of our assets and infrastructure was a theme that we saw across many topics and issues raised by submitters. While it was particularly prominent in submissions on our transport infrastructure and our planned spend in this area, it also featured in other areas such as parks, three waters and community facilities. There was a sense that some submitters were beginning to see the progress that they would like to see and encouraged us to continue to prioritise this area, however a number of submitters highlighted that we still have some way to go to reach the condition that our residents are expecting. Submissions this year highlighted that our residents really do expect us to get the basics right.

Our approach to climate action was a focus for some submitters, and while most were supportive of what we are doing already, most thought that we could still be doing more. There was a general consensus from these submitters that we need to get serious about prioritising climate action and mitigation and making it clear that they would like to see it embedded in all that we do.

A number of submitters also commented on city planning issues, highlighting concerns about the impacts of our continued growth. Whether it is the impacts of the new Medium Density Residential Standards or the impacts that continuing Greenfield growth will have on both the built and natural environment, there is a sense of apprehension about what continued growth means for our current residents.

Submissions on our tree canopy echoed this sentiment, submitters could see the need to provide homes for our growing population, but do not want to see this happening at the expense of our tree canopy. Others highlighted the role that our tree canopy will need to play in mitigating the impacts of climate change, particularly from the perspective of providing shade and cooling.

As with the LTP, we were once again reminded of the value that residents place on local facilities. Submissions on the Edgware pool highlighted the importance of this facility to the community, with many submitters telling us of their memories of summers spent at the pool and learning to swim there. Submitters

once again told us that we should not undervalue the service and sense of community provided by smaller, local facilities.

Submissions received on future uses for the land at 129 Gloucester Street also reiterated the importance of a range of facilities to meet a range of needs. Many of these submitters supported using the land for a community-led performing arts space, which would provide a more informal space than what is already in and what is planned for the rest of the performing arts precinct. These submitters indicated that they were pleased to see the Council abandon plans for a car park on this land, but were clear that any future use should be for performing arts. This community is extremely motivated to work with the Council to achieve the best possible outcome and use of the land.

Finally, while our residents are happy to provide us with feedback there was some feedback from them that we could make it easier to do so. While some submitters acknowledged that we have made good changes since last year, others feel that the documentation we provide is still hard and cumbersome to navigate which makes it hard for them to provide us with meaningful feedback. The message was clear that if we want our residents to engage, they want us to enable them to do so in an informed and meaningful way.

## Who did we hear from?

Community Board	Number of Submitters	%* of Submitters
Not Stated	182	36%
Banks Peninsula	13	3%
Coastal – Burwood	24	5%
Halswell – Hornby – Riccarton	73	14%
Fendalton – Waimairi – Harewood	43	9%
Linwood – Central – Heathcote	53	10%
Papanui – Innes	104	21%
Spreydon - Cashmere	12	2%

Ward	Number of Submitters	%* of Submitters
Not Stated	182	36%
Banks Peninsula	13	3%
Burwood	13	3%
Cashmere	7	1%
Central	32	6%
Coastal	11	2%
Fendalton	32	6%
Halswell	61	12%
Harewood	4	1%
Heathcote	8	2%
Hornby	10	2%
Innes	97	19%
Linwood	13	3%
Papanui	7	1%
Riccarton	2	0.4%
Spreydon	5	1%
Waimairi	7	1%

\*Proportion is calculated on the total number of submissions received before 23 April. Any received after this date have not been included in this analysis.

## Who did we hear from?

### Number of Submitters by Age Group

Age	Number of Submitters	% of Submitters
Not Stated	183	35%
Under 18 years	2	0.4%
18 – 24 years	15	3%
25 – 34 years	60	12%
35 – 49 years	99	19%
50 – 64 years	82	16%
65 years and over	75	15%

### Number of Submitters by Gender

Gender	Number of Submitters	% of Submitters
Not Stated	198	38%
Male	137	26%
Female	179	35%
Gender Diverse	2	0.4%

### Number of Submitters by Ethnicity

Gender	Number of Submitters	% of Submitters
NZ European	265	52%
Maori	20	4%
Pacific Peoples	8	1%
Asian	12	2%
Middle Eastern, Latin American & African	4	0.8%
Other European	36	7%
Other	20	4%

## Rates

### Residential Rates (140 Submissions)

Submitters were divided on the residential rates proposal, 62 submitters indicated that they support our proposal, 62 opposed and 24 provided other views or proposals.

Submitters who supported our residential rates proposal tended to fall into two groups:

- a. Those who appreciate that we have made an effort to keep any rates increases as low as possible, noting appreciation that the overall increase has come in below what we signalled in the Long Term Plan
- b. Those who are conscious that to continue to make progress across a range of council programmes and projects, some level of rates increase is going to be required. In this case submitters tended to indicate that they would rather see a rates rise than projects stall.

Those who opposed largely signalled that households are already under increasing pressure with the rising cost of living, and a further increase to their rates is going to add additional pressure. Some feel that their rates continue to increase but they do not see any additional benefits or services. There was a general sense among these submitters that Council should be looking for more ways to reduce our spending, as opposed to passing on increasing costs to rate payers through rates rises.

### Special Topic | Proposal to increase rates on vacant central city land (69 Submissions)

#### Should Council introduce the City Vacant Differential rate within the Central City Business and South Frame zones?

Submitters were divided on the proposal to increase rates of vacant central city land in these areas. While the majority (46 submitters) indicated that they supported the introduction of a new "City Vacant" differential, twelve submitters signalled that they did not support the proposal and thirteen provided other views or proposals in their feedback.

Those who supported the introduction of the new differential highlighted the positive impacts it would have, including encouraging land owners to maintain and look after their vacant land to an appropriate standard, incentivising land owners to develop their land, and generally improving the overall look and feel and perceptions of our central city.

Submitters who opposed the introduction tended to be from our business and development communities, highlighting in their submissions the challenges involved in redeveloping the city post-quake. There was a sense from these submitters that treating vacant land and derelict buildings differently unfairly penalises the owners of vacant land. Some noted that they feel a more constructive approach would be for the council to proactively work with property owners on other incentives to get these sites developed, as opposed to taking a punitive approach.

#### Should Council introduce a remission to offset the City Vacant Differential Rate impact where owners improve the appearance of their vacant sites?

The majority of submitters supported introducing a remission to offset the City Vacant Differential Rate impact where owners improve the appearance of their vacant sites. Seventeen submitters opposed this proposal and ten provided other views or proposals in their submission.

Those who supported the proposal generally felt that it would further incentivise owners of vacant central city land to improve the appearance of their vacant sites and potentially consider working with local groups and organisations on temporary uses for the land. It was noted by some submitters who supported the proposal that we need to balance rewarding vacant land owners taking steps to maintain and improve their vacant sites with the overarching goal of seeing development begin on these sites.

Those who oppose the proposed remission tended to just generally indicate that they didn't support the proposal. Some of these submitters were of the opinion that providing a remission would just encourage land owners to tidy up their vacant sites and then continue to land bank for the foreseeable future, while others thought that it would be too subjective and hard to administer fairly.

#### **Should Council introduce the City Vacant Differential rate in other parts of the city?**

26 submitters indicated that they would support the Council introducing the City Vacant Differential in other parts of the city, highlighting that there is vacant land in a number of areas across the city that would benefit from being developed. New Brighton and areas of the Central City outside of the Central City Business and South Frame zones were the most common examples highlighted by submitters.

The benefits raised by submitters were similar to the benefits for the central city, including encouraging land owners to maintain and look after their vacant land to an appropriate standard, incentivising land owners to develop their land, and generally improving the overall look and feel and perceptions of these areas.

#### **Should Council introduce an equivalent rating arrangement for remaining Central City 'Barrier Sites' (Derelict Buildings)?**

The majority of submitters (40 submitters) indicated that they would support the introduction of an equivalent rating arrangement for remaining Central City 'Barrier Sites'. Eight submitters opposed this proposal and three provided other views or proposals.

There was a sense from the comments provided by submitters who supported this proposal that there is little difference between land banking vacant land and land banking land with derelict buildings. The issues with derelict buildings highlighted by submitters were similar to the issues with vacant sites, including the impacts that they have on the appearance of our central city and consequently people's perceptions of our central city, and a sense that they are holding back the progress and success of the central city.

Feedback from submitters who opposed was mixed, some feel that it would have no impact as the owners of barrier sites do not care and others feel that council should be exploring other solutions such as acquiring the properties. Feedback from the development sector highlighted issues with applying the differential fairly, the complications with heritage buildings and pros and cons of taking a punitive approach vs. incentivising the redevelopment of these sites.

#### **Special Topic | Proposal for a new policy on Māori Freehold Land (8 submissions)**

*Five submitters indicated that they support replacing the existing Policy on Remission and Postponement of Rates on Māori Freehold Land (MFL Policy) with a new draft MFL Policy, five submitters indicated that they oppose replacing the existing policy.*

Feedback on the proposal for a new rates remission and postponement policy on Māori Freehold Land was mixed, with five submitters providing feedback in support of the proposal and five providing feedback opposing the proposal.

Those who supported the proposal tended to generally acknowledge their support for the new proposal,

indicating that it felt appropriate to update the policy to reflect the amendments made to the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Those who opposed tended to fall into two groups. On one hand there were those who opposed enabling the land to sit undeveloped and special treatment for Māori owned landholdings, and on the other there was feedback from Rūnanga that we haven't quite got the policy right in terms of responding to our obligations under Te Tiriti o Waitangi. Specifics raised included a lack of decision-making provision for Rūnanga, that the process used to develop the policy do not met the good faith obligations of the Crown as tangata whenua have not had a role in the design of the policy, and that the policy does not allow for the exercise of rangatiratanga.

## Our Planned Spending (70 submissions)

70 submitters provided a range of feedback on our planned spending.

There was a sense from submitters who supported our proposed spending that we have the balance and mix about right. Some highlighted again that it was good to see the Council considering the impacts of further rates increases on residents and considering different and more efficient ways of doing things.

There was a general feeling from those who opposed our proposed spending that there is more that we could do to reduce our spending and the subsequent burden on ratepayers. A number highlighted that they think we are spending in the wrong areas, some noting that there is still more we could do to get the basics right before worrying about the nice to haves.

More than half of the submitters (37 submissions) who commented on our planned spending provided alternative views or proposals. These can be broadly categorised into the following areas:

- a. **Additional spending in specific geographic areas:** A number of areas were highlighted by submitters, including the wider Banks Peninsula and Coastal-Burwood community board areas, Phillipstown (Transport), Avondale (Transport), Bromley (Transport) and Spreydon (Green Space).  
  
One submitter noted that it would be beneficial for local communities to have more input into how we are spending money within their areas. Another signalled that they would like to see more focus be placed on spending development contributions revenue in growth areas.
- b. **Reducing the burden on rate payers:** A number of submitters indicated that they would like to see us identify more areas where spending could be reduced to lessen the rates burden at a time when many are struggling with the increased cost of living and the ongoing economic impacts of Covid-19.
- c. **Impacts of capital programme changes on Phillipstown:** members of the Phillipstown community highlighted their concern that changes to the capital programme will lead to their suburb being overlooked and work that they see as long overdue further delayed.
- d. **Additional spending on specific activities:** Some submitters highlighted specific activities where they would like to see us spending more than we are proposing, including roads, footpaths and streetscape, stormwater infrastructure and parks, heritage and foreshore.

Other issues raised by submitters include more transparency in our documentation on where are spending (specifically the "Other" category) and staff and consultant costs.

## Grants and Funding

### Edgware Pool (170 submissions)

The vast majority of submissions (160) received on the proposed capital grant for the Edgware Pool supported the proposal. The community have made it clear what the reinstatement of this facility means to them, with many submitters telling us about their memories of summers spent swimming at the pool and learning to swim there. Others highlighted the important role of local facilities, particularly in a country where we are surrounded by water and have recently seen high drowning rates.

Those who opposed (7 submissions) generally felt that the responsibility for funding a community facility such as this should not fall with rate payers across the wider city, pointing out the original agreement that the council had with the community.

## Transport

### Roads (157 submissions)

Submissions received on our proposed spend on our road network covered a range of issues.

90 submissions were received on the Milns/Sparks/Sutherlands Road intersection upgrades. Submitters highlighted that the ongoing residential development and growth in Halswell is leading to increasing traffic and safety issues. They talked about a range of safety issues, including challenges crossing the road as a pedestrian in this area, safety issues caused by heavy vehicles and speed limits, and the difficulties of making right turns through an uncontrolled intersection, and would like to see the upgrades at the Milns/Sparks/Sutherlands Road intersection put on budget for this year.

A number of submissions (30 submitters) raised issues with roads in the east of Christchurch, indicating that they would like to see funding available for a range of projects. There is a general sense from these submitters that the council continues to forget about the eastern suburbs, and they would like to see investment in these areas before there is any more spending on perceived “nice to haves”.

Specific projects raised by submitters included:

- Road improvements, safety and streetscape enhancements included in the Ferry Road Master Plan for Ferry Road from Fitzgerald Avenue to Aldwins Road.
- Safety improvements along Ferry Road from Wilsons Road to Aldwins Road.
- Prioritising areas of Phillipstown for slow speed neighbourhoods, including Olliviers and Mathesons Roads
- Improving the condition of roads in the east, specific examples included Maces Road, Pages, Road, New Brighton Road, Fleete Street and Lake Terrace Road.

The resurfacing of Dawson Street was also raised by submitters (8 submissions). These submitters highlighted that Dawson Street is a shared zone used by a range of users (vehicles, pedestrians, cyclist, and families with prams) and any resurfacing should be done using a treatment appropriate for a range of uses and users. With this in mind they would like us to revisit the decision to use chip seal when resealing Dawson Street.

A number of submissions were received where submitters generally indicated that they were not happy with the condition of our roads, and think that we could do more to improve this.

## Cycling Infrastructure (75 submissions)

Generally submitters who addressed our proposed spend on cycleways were supportive of the work we are doing to build our major cycleways network.

Submitters who support our proposed spend (33 submitters) highlighted the value they see in the continuing investment in our cycleways network, both in terms of making cycling in Christchurch safer and encouraging more people to travel by bike but also the benefits in terms of reducing emissions and addressing climate change. These submitters urged the council to continue with the work to complete the network.

A number of alternative views and proposals on our cycleways spend were provided by submitters (32 submitters). These can broadly be summarised into the following issues:

- a. **Sparks Road Cycleway:** a number of submitters discussed the Sparks Road cycleway alongside their submissions on the Milns/Sparks/Sutherlands Roads intersection. These submitters would like to see the Sparks Road cycleway be extended to connect to Halswell, improving access to the Halswell Domain, Te Hāpua, and the Halswell commercial centre. Other submitters indicated that they would also like to see it better connect into Kennedy's Bush.
- b. **Local Cycleways Connections:** A number of submitters highlighted the need for local connections that connect cyclists to the major cycleways network, particularly in terms of further improving safety for cyclists. Specific areas mentioned by submitters included connecting Cracroft and Westmorland to the Norwest Arc, a creative solution to connecting Lyttelton with the city, a connection from Quarrymans Trail from where it leaves Sparks Road to Halswell Road, and safety improvements in St Albans.

The majority of the submitters who opposed our proposed spending on cycleways (16 submitters) feel that there are other priorities that we should be focusing on, and that generally the cycleways were too expensive.

## Footpaths and Streetscape (69 submissions)

The majority of submitters on our proposed spending on footpaths and streetscape provided other views or proposals (51 submitters), the vast majority of which identified other areas of the city where they would like to see us investing in footpaths.

Three key themes came through in the submissions on our footpaths and streetscapes:

- a. **The condition of our footpaths:** Some submitters noted that they were pleased to see our focus on maintaining roads and footpaths for all users, and others vented their frustration with the condition and maintenance of our footpaths. There is a general sense from those who expressed frustrations that we could be doing more to maintain and improve the condition of our footpaths.
- b. **Safety improvements:** a number of submitters highlighted areas where they would like to see safety improvements for pedestrians, including improving the condition of footpaths but also new or improved pedestrian crossings in some locations.
- c. **Improving pedestrian facilities:** submitters who commented on this tended to feel that we should change our approach to designing pedestrian spaces to make sure that they are accessible for everyone, or in some locations begin to shift the focus away from car-centric environments towards more pedestrianised spaces.

As with our roads, submitters from the east (18 submitters) reiterated their frustrations with the condition of the pedestrian infrastructure in our eastern suburbs, again indicating that these communities are feeling like we have forgotten about them.

A number of submissions (21 submitters) also addressed pedestrian improvements required in Halswell, particularly around the Milns/Sparks/Sutherlands Road intersection. Improvements in this areas would allow residents to access local facilities (playgrounds, shopping centre, and the library) by foot, whereas at the moment they get in their car and drive as there are no safe pedestrian facilities.

## Three Waters

### Water Supply (29 submissions)

Submissions received on our proposed spend on water supply tended to support our continued investment, or highlight areas where further investment in specific areas.

Nine submitters highlighted the urgent need for upgrades to the water supply infrastructure in Okains Bay, with submitters expressing frustration at how long this work is taking and concern about the ongoing health risks.

### Three Waters Reform (13 submissions)

Thirteen submitters provided feedback on the Government's proposed Three Waters Reform. Generally submitters indicated that they don't support the proposed model, some outright disagreeing and others indicating that they support the need for reform but not the proposed model. There were some calls for more information and clarity around the programme and potential impacts.

## Kerbside Collection

### Special Topic | Opting out of kerbside collection & targeted rate (74 submissions)

*14 submitters indicated that they support the proposed change to kerbside collection rates that would allow multi-unit residential developments to opt out of kerbside collection. 43 submitters indicated that they opposed the proposed changes and six submitters provided other views or proposals.*

The feedback provided was mixed feedback on our proposal to allow some multi-unit developments to opt out of the kerbside collection service and associated targeted rate.

While there was general support for enabling multi-unit developments to opt out, a number of submitters raised issues with the fact that they would still be required to continue funding the Council's other waste management activities, including the kerbside collection and disposal of rubbish. Submitters believed that the proposal should include the ability to opt out of all kerbside collection costs. These submitters also highlighted that they would like to see the council provide more transparent information on how much households pay in general for kerbside collection. It should be noted that these submitters did not oppose what we are proposing, but would like to see some further changes to the proposal.

Those who supported the proposal as it stands highlighted the advantages of alternative solutions for multi-unit developments, including managing the number of bins out on our streets each week in some of these

areas. Others pointed out that it would remove the need for developers to provide space for each unit's bins, and that it was a fairer way of approaching things as the way we live and develop continues to change.

### **Special Topic | Proposed extension of kerbside collection service in Wairewa (62 submissions)**

*20 submitters indicated that they are supportive of the proposal to service additional properties in Wairewa. Nineteen opposed the proposal, fifteen submitters provided other views or proposals.*

Feedback was also mixed on our proposal to extend our kerbside collection service to additional properties in Wairewa.

Those who supported the proposal noted the impacts that it would have in terms of improved convenience for residents who do not currently have access to the service, with many talking about the trip that they currently have to make to dispose of their rubbish, and the limited hours of the transfer station. Others thought it made good sense to extend the kerbside rubbish service to areas that already receive the recycling service.

A number of those who opposed live in Birdlings Flat, and highlighted issues around wind and weather, and difficulties for trucks getting in and out of the settlement. There were particular concerns around the frequent and strong winds often experienced at Birdlings Flat and the safety issues of having wheelie bins in the settlement during these winds. Others noted that the roads in the settlement are narrow, generally without kerbs and footpaths, and were concerned that having wheelie bins on the street for collection each week would create additional safety issues.

Others who opposed indicated that they were happy with the services currently available, and would object to being charged the full kerbside rate for a service that they do not want nor feel that they need.

Other submitters provided feedback on the additional areas that we are proposing to extend the service to, suggesting additional areas that they would like to see included.

## **Climate Change**

28 submitters provided us with feedback on our proposed spend and approach to managing the effects of climate change. Submitters were clear that they supported the council taking climate action, however a number felt that we could be doing more to prioritise climate action. There is a sense that the Council should be leading the way on climate change initiatives in Christchurch, and while we have made a good start with projects like the major cycleways network, these submitters would still like to see us putting more emphasis on climate action.

## **Performing Arts Precinct**

25 submitters addressed possible uses for the land previously designated for a carpark at 129 Gloucester Street. Many of these submitters noted their support for the decision made by council to abandon plans for a carpark in this location, and highlighted the opportunity that this site now presents.

Submitters were unanimous in their view that the future use of this land should be for performing arts, with many supporting a proposal put forward for a community-led performing arts space. Many of these submitters highlighted the need for a more informal performance space in the city, and believe that the

proposed community-led space could provide for this.

## City Planning

### General Planning Issues (25 submissions)

25 submitters provided feedback on a range of city planning issues.

Many were concerned about the ongoing impacts of growth, whether it be intensification and the impacts that the Medium Density Residential Standards will have on communities or neighbourhoods or ongoing greenfields development and the environmental (built and natural environment) impacts of this type of growth.

Others indicated that they would like to see the council provide a regulatory framework and environment that better enabled different housing choices (such as tiny homes) and is easy to navigate.

### Tree Canopy (14 submissions)

Included in the concerns about the ongoing impacts of growth was the ongoing impact that residential growth in particular is having on our tree canopy. Fourteen submitters highlighted that they would like to see us doing more to protect our tree canopy, and continuing to develop it.

Some submitters highlighted that it is going to be an important part of our approach to mitigating the impacts of climate change through providing shelter from the sun and wind, while others discussed the amenity value that trees bring to our neighbourhoods. Generally these submitters acknowledged that there is a need for us to provide housing for our growing population, but feel that this should not happen at the expense of our tree canopy.

## Christchurch Waste Water Treatment Plant

24 submitters addressed the issues currently faced as a result of the fire at the Waste Water Treatment Plant. What we heard from them largely echoed what we have been hearing via other platforms – the impacts of the fire is having a significant impact on residents living in and around Bromley and they would like to see us resolve the situation as quickly as possible.

Many of these submitters said that the council should be compensating residents in the area in some way, as opposed to signalling that their rates would go up while they continue to deal with the impacts of the fire on their day to day lives.

## Consultation, Engagement and Communications

Nineteen submitters provided feedback on our consultation, engagement and communications approach, both in terms of the annual plan specifically and more general feedback on our approach.

A number of submitters noted that they would like to see us providing more user friendly information to enable submitters to make well informed submissions. Others were pleased to see changes made since we

consulted on the LTP to make it easier for submitters to navigate the documentation and get answers to questions, highlighting that when we do make changes our residents do notice and appreciate the changes.

Some submitters indicated that they do not think that we are genuine when we go out to consult, have predetermined outcomes, and generally do not listen to what residents are telling us.



## 8. External Reporting and Audit Programme for 2022 Update

Reference Te Tohutoro: 22/69031

Report of Te Pou Matua: Daisy Yu, Financial Team Leader

General Manager

Pouwhakarae:

Leah Scales, General Manager Resources / CFO

### 1. Brief Summary

- 1.1 The purpose of this report is update the Audit and Risk Management Committee on the reporting and audit programme for 2022. The report has been written in response to the recommendation in the 1 April 2022 ARMC meeting.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receive the information in the External Reporting and Audit Programme for 2022 Update Report.
2. Request Council staff to update the committee on critical judgements, assumptions and decisions made that affect the financial statements of Council at the next ARMC meeting in September.

### 3. Status of 2021 deferred audits

- 3.1 The following 2021 audits are still outstanding.

- Riccarton Bush Trust
- Mayors Welfare Fund
- Civic Building Limited
- Te Kaha Project Delivery Limited (formerly CMUA Project Delivery Limited)

- 3.2 All four audits are in their final review stages.

### 4. Status of Interim Audit

- 4.1 The interim audit commenced 2 May 2022 with a focus on review of non-financial performance measures. This is in keeping with the Office of the Auditor General focus on performance measures outlined in their recent communication to local and central government chief executives.
- 4.2 No issues were reported back to Council staff after the interim audit.

### 5. Update on Critical Estimates, Decisions and Assumptions

#### Valuation Programme

- 5.1 We have reviewed the fair value of our property, plant and equipment assets in relation to inflation movement, contract rate changes, and market fluctuations.
- 5.2 The following classes of assets will be revalued in 2021/22 financial year:
  - 5.2.1 Transport (roads and footpaths)
  - 5.2.2 Artworks (gallery and museums)

- 5.2.3 Operational land and buildings (or residential land and buildings – refer to 5.3.3)
- 5.3 We have made special consideration in the following asset classes as part of the fair value analysis:
- 5.3.1 Three Waters, the fair value review of the water supply, wastewater and storm water assets indicated that there is an increase in commodity costs for these assets, particularly the reticulation assets i.e. pipes. However, the contract price review has noted that with improved data quality being supplied by the Council, contracts are charging less as the need to undertake investigative work has been reduced. The last independent valuation noted the improvement in data quality between valuation cycles. The increase in commodity prices has been offset by the decrease in contract prices, resulting in no material change in the value of the three water assets. No valuation is considered required.
- 5.3.2 Heritage assets, the principal heritage asset is “The Bridge of Remembrance”. This asset was restored and repaired following the earthquake and has not been reassessed for valuation purposes since it was repaired. Heritage assets are held under replacement cost. Although inflation in the past few years does suggest an increase in this asset class, considering its low value and the difficulty of finding a qualified valuer in the current market, no valuation will be undertaken this year. We will review this in 2022/23.
- 5.3.3 Operational land and buildings, the fair value review of the social housing portfolio has indicated that there has been an increase in residential market prices which has an impact on the overall value of the social housing portfolio. A valuation is therefore required for residential land and buildings. The remaining asset classes within this group include land and buildings for libraries, recreation centres, and service centres. These asset classes are valued on depreciated replacement cost basis, and therefore not believed to have a significant change in their fair value. The Finance team is working with valuer and external auditor to determine if all operational land and buildings require valuation or just the residential land and buildings.
- 5.4 The remaining asset classes are carried at fair value, their carrying values as at 30 June 2022 are not materially different from their fair value both individually and collectively, and therefore they do not need to be revalued.

### **Accounting standards changes**

- 5.5 PBE FRS 48 – Service Performance Reporting
- 5.5.1 PBE FRS 48 is effective for reporting period starting on or after 1 January 2022. This means 2022/23 financial year for Council.
- 5.5.2 Adopting this standard requires a change to the Council’s activities and services section to incorporate the new requirement of disclosing judgement applied in selection of performance measures.
- 5.5.3 Considering resourcing constraints in both Audit New Zealand and Council, we are recommending not early adopting this standard this year.
- 5.6 IPSAS 41 – Financial Instruments
- 5.6.1 IPSAS 41 is also effective for reporting period starting on or after 1 January 2022, which is 2022/23 financial year for Council.
- 5.6.2 This standard is almost identical to PBE IFRS 9 with just a few requirements around public sector specific items, such as concessionary loans. Council adopted PBE IFRS 9 in 2019.

- 5.6.3 Staff has completed relevant disclosure checklist to ensure compliance to IPSAS 41. Three minor disclosure changes were identified as part of this exercise.
- Note 20.3 – Additional disclosure that gains and losses recognised in the hedging reserve in equity on interest rate swap contracts will be released to P&L as interest is paid on the underlying debt.
  - Note 20.3 – Additional disclosure on interest rate benchmark reform. There is no impact on Council yet.
  - Note 6.1 – Separate line for impairment losses calculated for Expected Credit Loss.
- 5.6.4 As these required changes are really minor, we are still recommending early adopting IPSAS 41 in 2021/22 financial year.

## Attachments Ngā Tāpirihanga

There are no attachments to this report.

Additional background information may be noted in the below table:

Document Name	Location / File Link

## Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories Ngā Kaiwaitohu

<b>Author</b>	Daisy Yu - Planning and Performance Advisor
<b>Approved By</b>	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer



## 9. External Reporting and Audit Programme for 2021/22 Update (Carried Forward from 1 April 2022)

Reference Te Tohutoro: 22/672236

Report of Te Pou Matua: Leah Scales, Chief Financial Officer, leah.scales@ccc.govt.nz

General Manager

Pouwhakarae:

Leah Scales, GM Resources/Chief Financial Officer

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### 1. Brief Summary

- 1.1 The purpose of this report is to update the Audit and Risk Management Committee on the annual report timetable and audit. The report has been written in response to receiving the 2021/22 audit plan from Audit New Zealand.
- 1.2 This report will also include discussion on material risks that have arisen since the last meeting and an assessment of the critical judgements, estimates and assumptions likely to impact the financial statements that will be included in the 2021/22 Christchurch City Council Annual Report.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receive the information in the External Reporting and Audit Programme for 2021/22 Update Report.
2. Receive the audit plan for 2021/22 from Audit NZ.
3. Request Council staff to update the committee on critical judgements, assumptions and decision made that affect the financial statements of Council at the next ARMC meeting in June.

### 3. Audit Plan for 2021/22

- 3.1 The Audit Plan is issued each year outlining audit issues, audit timetable and audit process (**Attachment A**).
- 3.2 The main audit issues for 2020/21 include:
  - 3.2.1 **COVID-19 pandemic.** Review financial performance for any ongoing impacts of the pandemic.
  - 3.2.2 **Valuation of property, plant and equipment.** Roads and footpaths and art works are due to be revalued this year on a triennial cycle. Emphasis will be placed on the more material assets in the transport infrastructure class.
  - 3.2.3 **Fair value assessment of non-revalued property, plant and equipment.** Asset categories that are outside of the revaluation cycle this year will be reviewed to determine whether there is a material difference with the carrying values of these asset categories, these include three waters and roading.
  - 3.2.4 **Valuation of equity investment in council-controlled organisations (CCOs) subsidiaries.**

- 3.2.5 **Capital asset additions and work in progress.** Review of classifications and disclosures.
- 3.2.6 **The risk of management override of internal controls.** Audit New Zealand will perform targeted audit procedures to minimise this inherent risk.
- 3.3 Other ongoing accounting issues to be reviewed that are included in this plan are:
- 3.3.1 **Procurement and contract management and project governance.**
- 3.3.2 **Prudent expenditure decisions (the Council and group).**
- 3.3.3 **Setting of rates.**
- 3.3.4 **Derivatives.**
- 3.3.5 **Group Issues.**
- 3.3.6 **Three waters reform.** Discuss implications and potential impact on financial disclosures.
- 3.3.7 **Software as a Service (SaaS).** Discuss the extent to which Council is exposed to cloud based SaaS.
- 3.4 The following materiality apply for the financial statements.

	<b>\$ million</b>	<b>Parent</b>	<b>Group</b>
Overall materiality (applies to fair value of PPE)		800	1,200
Lower specific materiality (applies to other financial statement items)		17.6	32.5
Clearly trivial threshold		0.88	1.6

- 3.5 Non-financial reporting thresholds for three waters and transport range from 1% (for DWSNZ disclosures) to 8% (for reported crashed on the transport network).
- 3.6 The audit plan works toward the approval of the draft annual report by Audit NZ on 29 September 2022.

The intention is that we will work to have audit clearance on the Annual Report for this date, however it is likely adoption will not occur until after the Election. Noting there is a further extension to legislation requirements to 31 December this year.

In order to meet this key milestone, the follow items will support the team in meeting this date:

- 3.6.1 Interim audit in April 2022 to ensure testing of control environment is completed in advance of the final visit;
- 3.6.2 Use of the audit dashboard to transfer information between Council and the audit team; and
- 3.6.3 Prioritisation of the Council in the Audit New Zealand work programme for 2022.
- 3.7 The June 2022 audit of the Council's financial statements will see the introduction of Audit NZ's AuditDashboard as a file sharing platform and client engagement and delivery monitoring tool for audit management.
- 3.8 Council has used the AuditDashboard for the audit of financial statements for directly managed CCOs for the 2020/21 year. Feedback has been positive from the accounting staff.

## 4. Update on Critical Estimates, Decisions and Assumptions

### Valuation Programme

- 4.1 We are still on track to value the Art Collection and Roads and Footpaths for the 2022 financial statements. Subject to the availability of a suitably qualified valuer, we are also looking to add historical structures to the 2022 list, the main asset in this class is the Bridge of Remembrance.
- 4.2 Land, buildings and three water asset classes are also being reviewed.

### Accounting standards

- 4.3 Council is required to adopt revised Public Benefit Entity accounting standards in the preparation of financial statements. Standards with changes that will be adopted in the 2021/22 financial statements are as follows.
- PBE FRS 48 – Service Performance Reporting
- 4.4 The Council will be adopting the changes to PBE FRS 48 – Service Performance Reporting as part of the 2021/22 Annual Report preparation process.
- 4.5 This standard establishes requirements for service performance reporting for Tier 2 PBEs and formalises the process described in PBE IPSAS 1 preparation of financial statements.
- 4.6 The finance and performance management teams will work together on what changes are needed to activities and services summary to accommodate these changes.
- PBE IPSAS 41 – Financial Instruments
- 4.7 The Council will be adopting PBE IPSAS 41 – Financial Instruments which supersedes PBE IFRS 9 - Financial Instruments and supersedes most of PBE IPSAS 29 - Financial Instruments: Recognition and Measurement as part of the 2021/22 Annual Report preparation process.
- 4.8 Council staff do not consider there to be any material impacts on the presentation of the financial statements with the adoption of PBE IPSAS 41.
- 4.9 PBE IAS 12 Treatment of Income Tax standard includes consequential changes as a result of the change to IPSAS 41.

## Attachments Ngā Tāpirihanga

No.	Title	Page
A  	Christchurch City Council Audit Plan for 2021/22	69

Additional background information may be noted in the below table:

Document Name	Location / File Link
Not applicable	Not applicable

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(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

**Signatories Ngā Kaiwaitohu**

<b>Author</b>	Len Van Hout - Technical Financial Advisor
<b>Approved By</b>	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

# Audit plan

## Christchurch City Council

For the year ending 30 June 2022

## Audit plan

I am pleased to present our audit plan (plan) for the audit of Christchurch City Council (the Council) for the year ending 30 June 2022. The purpose of this plan is to discuss:

Audit risks and issues .....	2
Group audit .....	10
Our audit process.....	12
Reporting protocols .....	18
Audit logistics .....	19
Expectations.....	23

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public’s trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Chantelle Gernetzky  
Appointed Auditor  
23 March 2022

## Audit risks and issues

### Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
<b>Valuation of Property, Plant and Equipment</b>	
<p>Council’s property, plant and equipment assets are significant items in its statement of financial position. Many of these asset classes are subject to periodic revaluation in accordance with Council’s accounting policies.</p> <p>The accounting standard PBE IPSAS 17 <i>Property, Plant and Equipment</i>, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value.</p> <p>We understand that the roading network and works of art asset classes are due to be revalued in the 2021/22 year.</p> <p>We consider this to be an audit risk due to the significance of the carrying value and the judgements and estimates involved in determining fair value.</p> <p><b>Audit risk</b></p> <p>Asset classes subject to revaluation are misstated in the financial statements.</p>	<p>For the asset classes that will be subject to a revaluation, we will:</p> <ul style="list-style-type: none"> <li>• review the valuation performed to assess whether it complies with the relevant valuation and accounting standards;</li> <li>• assess that the controls in place and assumptions applied to the valuation are reasonable and applied consistently;</li> <li>• obtain an understanding of the underlying data;</li> <li>• evaluate the qualifications, competence and expertise of the external valuer used;</li> <li>• confirm that any fair value movements have been accounted for correctly; and</li> <li>• verify that all the assets within the class have been revalued.</li> </ul> <p>We will liaise with management to understand the timing of the valuation work.</p>
<b>Fair value assessment of non-revalued Property, Plant and Equipment</b>	
<p>Council has other classes of infrastructure and operational assets that are outside of their revaluation cycle this year. For these asset classes, Council will need to complete a fair value assessment to determine whether there is a difference between the carrying amount and the fair value.</p> <p>If this assessment identifies that there is a material difference between the carrying value and fair value of certain asset classes, these assets will need to be revalued.</p>	<p>We will review the Council’s assessment of whether there is any significant difference between the carrying amount and fair value of those asset classes that are not being revalued in 2021/22.</p> <p>We encourage the Council to perform this assessment early so that if a revaluation is required, there is time to complete it without impacting on the annual report process.</p>

Audit risk/issue	Our audit response
<p>In performing the assessment, Council will need to identify and apply relevant independent information to support its position. This may include independent input from Council’s valuers due to their knowledge of market and industry factors as well as Council’s assets.</p> <p><b>Audit risk</b></p> <p>The current market conditions indicate there has been significant changes to some of the assumptions and base information used in the assessment of fair value and due to the significant value of the classes of infrastructure and operational assets that are outside of their valuation cycle, the carrying value of non-revalued property, plant and equipment disclosed in the financial statements could be materially different from the fair value.</p>	
<p><b>Valuation of equity investments in council controlled organisations (CCO) subsidiaries</b></p>	
<p>Council has significant equity investments in its CCO subsidiaries. These are classified as available-for-sale financial assets recognised at fair value through other comprehensive revenue and expense in the financial statements under PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>The group values its investments in its CCO subsidiaries annually. The group engages specialist valuers to complete the revaluations because of the complexity and significant assumptions applied. These forecasting assumptions present a higher degree of estimation uncertainty in the current economic environment.</p> <p><b>Audit risk</b></p> <p>The equity investments are not disclosed at fair value at balance date.</p>	<p>Our audit procedures will include:</p> <ul style="list-style-type: none"> <li>• Reading the valuation reports and meeting with the valuers to discuss key inputs and assumptions.</li> <li>• Assessing the valuation methodology and key assumptions for compliance with the requirements of the applicable financial reporting standards.</li> <li>• Assessing the robustness of forecast cash flow information and the appropriateness of discount rates applied.</li> <li>• Confirming that appropriate disclosure is included in the annual report.</li> </ul> <p>We will rely on the work completed by the Christchurch City Holdings Limited auditors.</p> <p>We will complete audit work for the other subsidiaries revalued (Venues Ōtautahi Limited, ChristchurchNZ Holdings Limited and Civic Building Limited).</p>

Audit risk/issue	Our audit response
<b>Capital asset additions and work-in-progress</b>	
<p>The Council has a significant ongoing capital expenditure programme. Accounting for capital projects that are either completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant effect on the financial statements, including:</p> <ul style="list-style-type: none"> <li>• assessing the nature of costs and either capitalising these as work in progress, or recognising these as expenses;</li> <li>• identifying asset components and assigning appropriate useful lives to these components; and</li> <li>• identifying the appropriate date of capitalising the asset, transferring costs from work in progress to asset additions and the commencement of depreciation of the asset.</li> </ul> <p><b>Audit risk</b></p> <p>Incorrect classification of costs between capital and operating expenditure.</p>	<p>Our audit work on property, plant and equipment will review the accounting for costs incurred on capital projects, including:</p> <ul style="list-style-type: none"> <li>• the correct classification of costs as either capital or operating in nature;</li> <li>• appropriate capitalisation point for completed assets, including transfers from work in progress;</li> <li>• assessing the reasonableness of depreciation rates and useful lives applied to asset components;</li> <li>• assessing the reasonableness of the processes used by management to assess for impairment, including all significant WIP balances; and</li> <li>• reviewing the disclosures within the financial statements.</li> </ul>
<b>The risk of management override of internal controls</b>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p> <p><b>Audit risk</b></p> <p>Fraud arising from management override of internal controls resulting in a material misstatement of the financial and performance information.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of selected journal entries;</li> <li>• reviewing accounting estimates for indications of bias;</li> <li>• evaluating any unusual or one-off transactions, including those with related parties;</li> <li>• evaluating significant transactions that are outside the normal course of business or those that appear to be unusual given our understanding of the Council and its environment; and</li> <li>• review of any changes in the Council's accounting policies.</li> </ul>

**Additional areas of audit focus**

Audit focus areas	Our audit response
<b>Procurement, contract management and project governance</b>	
<p>The areas of procurement, contract management and project governance continue to be areas of focus for the Council. These broader areas of the audit are also a focus of ours and the Office of the Auditor-General (OAG) for its auditors in the public sector.</p>	<p>Our main focus will be to gain an understanding of any recent developments in the area of procurement, project governance and contract management.</p> <p>Our specialist assurance member will review a sample of contracts (completed and in progress) to ensure Council's policies are being followed.</p> <p>We will follow up on any prior year recommendations made in our management report.</p> <p>We will continue to review the development of the Te Kaha/ Canterbury Multi Use Arena project.</p>
<b>Prudent expenditure decisions</b>	
<p>We expect all public entities to apply a number of principles to expenditure decisions, including that the expenditure has a justifiable business purpose, preserves impartiality, is made with integrity, is moderate and conservative in respect of the circumstances and is made transparently.</p>	<p>We will remain alert to public sector concerns, including issues and risks about effectiveness and efficiency, waste, and a lack of probity or financial prudence. This means looking at some transactions or other arrangements in more detail to ensure expenditure is in line with the public sector principles.</p> <p>Aside from specific testing across a sample of sensitive transactions, this will also involve making certain enquiries of the Council, management, and staff, and maintaining awareness of public sector concerns throughout our audit work.</p>
<b>Setting of rates</b>	
<p>Councils fund their operating and capital expenditure through rates as set out in the Local Government Act 2002 and the Local Government (Rating) Act 2002.</p> <p>Councils must consult with the community before using these powers through the long-term plan and annual plan processes. This links community consultation to the rates people are required to pay.</p> <p>Courts will generally interpret powers of this kind, and the associated legal duties, strictly. To be lawful, rates must be set in accordance with the</p>	<p>We will update our understanding of the Council's progress embedding its legislative compliance process, and review Council compliance with the Local Government (Rating) Act 2002.</p> <p>We will verify that all mandatory measures are included and reported on in the annual report.</p>

Audit focus areas	Our audit response
<p>relevant provisions of a council’s long-term plan and funding impact statement.</p> <p>There must be consistency between the rates resolution, the funding impact statement for that year and the revenue and financing policy in the long-term plan.</p> <p><b>Mandatory disclosures</b></p> <p>The Annual Report must contain the disclosures required under legislation, including:</p> <ul style="list-style-type: none"> <li>• the Local Government Act;</li> <li>• the Local Government (Financial Reporting and Prudence) Regulations 2014; and</li> <li>• the Non-Financial Performance Measures Rules 2013.</li> </ul>	
<b>Derivatives</b>	
<p>The Council holds a material number of interest rate swaps that it hedge accounts for in its financial statements.</p> <p>The accounting for these swaps is complex.</p>	<p>Due to the complexity of these accounting estimates, we will review the hedge accounting of the swaps. This is peer reviewed by our Hedge Accounting Team.</p> <p>We will also review a sample of documentation for new and existing hedges to check for compliance with the accounting standards.</p>
<b>Group issues</b>	
<p>In our audit planning we consider potential risks within the Council group. The significant components of the Council group are the Christchurch City Holdings Limited group, Venues Ōtautahi Limited, and the Ōtautahi Community Housing Trust.</p>	<p>We will work with the group component auditors to ensure that any changes in group structure and group audit risks are communicated and appropriately addressed on consolidation into the Council’s group financial statements. We also review related party transactions throughout the group.</p> <p>We will maintain a watching brief on any accounting and auditing issues that may arise within the wider Council group in planning and executing the respective audits of the group entities.</p> <p>This includes any decisions made by the Council that may impact on the group up to the date of signing the 2022 annual report.</p> <p>We will review the impact of the Covid-19 pandemic on the financial performance of the Group, to ensure that the impacts are</p>

Audit focus areas	Our audit response
	appropriately accounted for or appropriate disclosure is made.
<b>Three waters reform</b>	
<p>On 27 October 2021, the Government publicly announced that legislation will be introduced to establish four publicly owned water services entities to take over responsibility for three waters service delivery and infrastructure from local authorities, from 1 July 2024.</p> <p>The impact of the proposal is that the Council would no longer be responsible for the delivery of three waters services. Instead these services would be delivered by 'Water Entity D'.</p> <p>Further detail of the reform proposal is expected from the working party, and through introduction of three Bills to Parliament.</p> <p>Due to the significance of the reform proposal to the sector, we expect affected Councils to include appropriate subsequent events disclosure. Given the significance, we will also include an emphasis of matter in the audit opinion drawing readers attention to this disclosure.</p>	<p>We will continue to monitor any significant developments and the assess the implications on the financial statements.</p> <p>We will review the Council's proposed subsequent events disclosure, and confirm its appropriateness and compliance with relevant accounting standards.</p>
<b>Software as a Service (SaaS)</b>	
<p>Entities can sometimes incur significant costs when implementing cloud computing arrangements. Until recently, there has been no specific guidance on this subject in IFRS accounting standards.</p> <p>Recent IFRIC agenda decisions by the IASB have provided some clarity on the accounting for certain costs in implementing such arrangements.</p> <p>The agenda decisions must be applied by for-profit entities. For Public Benefit Entities, the agenda decisions can be referred to in determining the accounting treatment because the underlying intangible asset standards are consistent between IFRS and PBE IPSAS.</p> <p>The key issues are whether such costs:</p> <ul style="list-style-type: none"> <li>• Shall be capitalised as an intangible asset and amortised; or</li> <li>• expensed when incurred; or</li> </ul>	<p>We will need to consider the Council's specific circumstances. We will discuss this with this with management to obtain an understanding of the costs incurred and assess whether the accounting treatment complies with the accounting standards.</p>

Audit focus areas	Our audit response
<ul style="list-style-type: none"> <li>expensed over the term of the software as a service (SAAS) arrangement (including capitalising as a prepaid service if paid upfront).</li> </ul>	

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

**Fraud risk**

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management’s exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management’s investigation been reported to Council? Has appropriate action been taken on any lessons learned?

***Our responsibility***

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;

- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at [oag.parliament.nz/reports/fraud-reports](https://oag.parliament.nz/reports/fraud-reports).

## Group audit



The group comprises the Council parent, a number of council controlled organisations (CCOs) and other council controlled entities. The following CCOs and controlled entities have been identified as material to the group, due to their financial significance or the nature of their services and activities:

- Christchurch City Holdings Limited;
- Venues Ōtautahi Limited; and
- Ōtautahi Community Housing Trust<sup>1</sup>.

Our auditor’s report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the business activities/entities which are included in the group financial statements. Each business activity/entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for each significant component.

Significant component	Work to be performed
Christchurch City Holdings Limited	<p>This will be audited by the same Appointed Auditor as the Council using the Audit New Zealand audit team.</p> <p>The significant audit risks relevant to this component are:</p> <ul style="list-style-type: none"> <li>• carrying value of group property, plant and equipment;</li> <li>• valuation of investment property;</li> <li>• valuation of investment in subsidiaries at fair value; and</li> <li>• management override of internal controls.</li> </ul> <p>The audit work on this component will be a full financial statement and performance report audit.</p>
Venues Ōtautahi Limited	<p>This will be audited by the same Appointed Auditor as the Council using the Audit New Zealand audit team.</p> <p>The significant audit risks relevant to this component are:</p> <ul style="list-style-type: none"> <li>• fair value of the Arena and Town Hall; and</li> <li>• management override of internal controls.</li> </ul> <p>The audit work on this component will be a full financial statement and performance report audit.</p>

<sup>1</sup> Ōtautahi Community Housing Trust is not a council controlled organisation. It is a controlled entity for accounting purposes only.

Significant component	Work to be performed
Ōtautahi Community Housing Trust	<p>This component will be audited by BDO, Christchurch.</p> <p>Group instructions will be issued to the component auditor that will specify information we require.</p> <p>The significant audit risks relevant to this component are:</p> <ul style="list-style-type: none"> <li>• fair value of the land and buildings; and</li> <li>• management override of internal controls.</li> </ul> <p>The audit work on this component will be a full financial statement and performance report audit.</p>

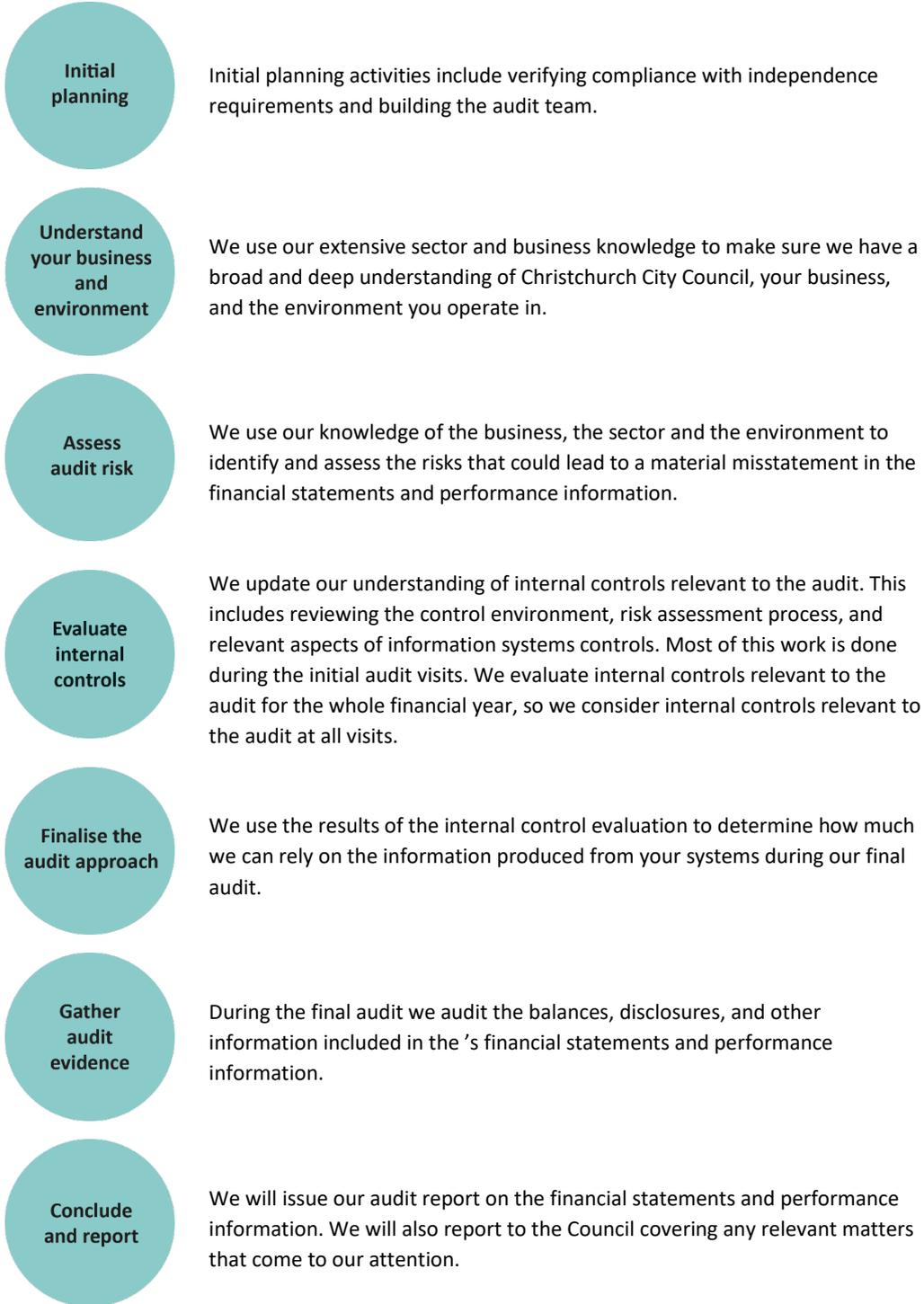
For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements.

We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

## Our audit process



**Materiality**

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers’ overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer’s perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer’s perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

**Financial statements materiality**

For planning purposes we have set **overall group materiality** for the financial statements at \$1.2 billion based on total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall group materiality to the fair value of property, plant and equipment.

Overall group materiality	\$1.2 billion
Specific group materiality	\$32.5 million
Overall parent materiality	\$800 million
Specific parent materiality	\$17.6 million
Group clearly trivial threshold	\$1.6 million
Parent clearly trivial threshold	\$880,000

For this audit we have set a lower, **specific group materiality** of \$32.5 million for all items not related to the fair value of property, plant and equipment.

We have set **overall parent materiality** for the financial statements at \$800 million based on last year’s total property, plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall parent materiality to the

fair value of property, plant and equipment. We have set a lower, **specific materiality** of \$17.6 million for all items not related to the fair value of property, plant and equipment.

We also set a lower, **specific materiality** for some items due to their sensitivity. For example, we apply a lower specific materiality to related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**. We consider misstatements of less than \$1.6 million to be clearly trivial for the **group** financial statements and misstatements of less than \$880,000 to be clearly trivial for the **parent** financial statements unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from management and the Council on the reasons why the corrections will not be made.

**Misstatements**

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements [and service performance information]. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

***Materiality for service performance information***

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the Council’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of Christchurch City Council’s performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Activity	Material measure	Council’s target	Materiality
Water	12.0.2.9 Proportion of residents (with supplies of > 100 customers) supplied water compliant with the DWSNZ bacterial compliance criteria.	100%	Within 1% of the reported result.

Activity	Material measure	Council's target	Materiality
Water	12.0.2.10 Proportion of residents (with supplies of > 100 customers) supplied water compliant with the DWSNZ protozoal compliance criteria.	≥ 0.3%	Within 1% of the reported result.
Water	12.0.1.10 Median time (in hours) from notification to attendance of urgent call-out.	≤ 1 hour	5%
Water	12.0.1.12 Median time (in hours) from notification to resolution of urgent call-outs.	≤ 5 hours	5%
Water	12.0.6 Percentage of real water loss from Council's water supply reticulated network.	≤ 24%	5%
Wastewater	11.1.2.0 Number of abatement notices, infringement notices, enforcement orders and convictions regarding Council resource consents related to discharges from wastewater systems per year.	0 notices	0%
Wastewater	11.0.5.2 Number of dry weather overflows from wastewater systems per 1,000 connected properties per year.	≤ 0.7 per 1,000 properties	5%
Wastewater	11.0.1.5 Median time (in hours) from notification to attendance of overflows resulting from network faults.	≤ 1 hours	5%
Wastewater	11.0.1.6 Median time (in hours) from notification to resolution of overflows resulting from network faults.	≤ 24 hours	5%
Stormwater	14.0.10 Council responds to flood events, faults and blockages promptly and effectively: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤60 minutes urban ≤120 minutes rural	8%
Stormwater	14.0.2.1 Number of abatement notices regarding Council resource consents related to discharges from the stormwater networks per year. 14.0.2.4 Number of infringement notices regarding Council resource consents related to discharges from the stormwater networks per year. 14.0.2.3 Number of enforcement orders regarding Council resource consents related to discharges from the stormwater networks per year. 14.0.2.2 Number of successful prosecutions regarding Council resource consents related to discharges from the stormwater networks per year.	0 notices for each measure	0%

Activity	Material measure	Council's target	Materiality
Transport	16.0.2 Improve roadway condition, to an appropriate national standard, measured by smooth travel exposure (STE).	≥75% of the sealed local road network meets the appropriate national standard	8%
Roads and Footpaths	16.0.3 Improve resident satisfaction with road condition.	≥25% resident satisfaction	5%
Transport	10.0.6.1 Reduce the number of death and serious injury crashes on the local road network.	≤ 105 crashes	8%
Building consenting	9.1.1 Grant Building consents within 20 days working days.	95% of building consents within 19 working days from the date of acceptance	5%

### Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

### **How we consider compliance with laws and regulations**

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

### **Wider public sector considerations**

A public sector audit also examines whether:

- Christchurch City Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by Christchurch City Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by Christchurch City Council or by one or more of its members, office holders, or employees;  
and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by Christchurch City Council or by one or more of its members, office holders, or employees.

## Reporting protocols

### Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
<b>Council</b>	<ul style="list-style-type: none"> <li>• Attend the annual report adoption meeting and any other meetings (as required). Informally meet with the Mayor and Deputy Mayor on an annual basis.</li> <li>• Our objective is:                             <ul style="list-style-type: none"> <li>○ to discuss key issues, risks and changes, and the areas of focus for the audit, and approach.</li> </ul> </li> </ul>
<b>Audit and Risk Committee</b>	<ul style="list-style-type: none"> <li>• Attend all formal meetings and informally meet with the Chair on a quarterly basis (April, July, October, January).</li> <li>• Our objective is:                             <ul style="list-style-type: none"> <li>○ to discuss the areas of focus for the audit, and approach;</li> <li>○ to discuss results of interim audit; and</li> <li>○ to discuss results of final audit.</li> </ul> </li> </ul>
<b>Management of the Council</b>	<ul style="list-style-type: none"> <li>• Meet with CEO and CFO quarterly (April, July, October, January) and all other members of the management team on an annual basis.</li> <li>• Our objective is:                             <ul style="list-style-type: none"> <li>○ to discuss key issues, risks and changes, and the areas of focus for the audit, and approach;</li> <li>○ to discuss preliminary results of interim audit and approach for final audit;</li> <li>○ to discuss preliminary results of the final audit; and</li> <li>○ to de-brief on the audit process in the current year to identify areas for improvement.</li> </ul> </li> </ul>

### Reports to the Council



We will provide a draft of all reports to management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to Council.

We will also follow up on your progress in responding to our previous recommendations.

## Audit logistics

### Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Chantelle Gernetzky	Appointed Auditor
Jo Smail	Engagement Quality Review Director
Karina Page	Audit Manager
Richard Ng	Audit Supervisor
Alan Clifford/Robyn Dearlove	Information Systems Audit Specialists

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day to day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team, but will not have direct contact with you.

### Timetable



Due to the cumulative impact of issues arising from the Covid-19 pandemic and the Auditor-General’s audit prioritisation process, there may be some flow on effects that impact the original time frames agreed. There is the possibility that due to Covid-19, there may be further disruptions that will require changes to the timetable proposed below. If this arises, we will discuss a revised timetable with you. Our priority is to make sure our clients meet their statutory timeframes.

Our proposed timetable is:

Interim audit begins	2 May 2022
Draft interim report (internal controls report) to the Council issued	13 June 2022
Draft parent financial statements available for audit (including notes to the financial statements) with actual year-end figures <sup>2</sup>	25 July 2022

<sup>2</sup> This includes all valuations processed (operational, restricted and infrastructure assets and the valuation of CCO subsidiaries), all Funding Impact Statements, all financial prudence benchmarks and other Local Government Act 2002 required disclosures.

Draft statement of service performance available for audit with actual year-end figures and variance explanations.	25 July 2022
Final audit begins	25 July 2022
Draft group financial statements available for audit (including notes to the financial statements) with actual year-end figures	22 August 2022
ARMC meeting to consider the draft financial statements	2 September 2022
Annual report available, including any Chair and Chief Executive's overview or reports	12 September 2022
Final financial statements available, incorporating all the amendments agreed to between us	20 September 2022
ARMC meeting to approve the 2022 annual report	23 September 2022
Verbal audit clearance given	25 September 2022
Council meeting to adopt the 2022 annual report	29 September 2022
Audit opinion issued	29 September 2022
Draft final report to Council issued	29 September 2022
Draft summary annual report available for audit	29 September 2022

### **AuditDashboard**

During the audit, your staff provide us with a significant number of files. These files contain information that we have asked for about your internal controls or financial and non-financial information to support the contents of your annual report. When all of this information is available in a timely manner, it helps the audit process to run as smoothly and effectively as possible for both you and us.

We began implementing a new online portal called AuditDashboard in 2021. AuditDashboard allows for easier collaboration and file sharing between the Council and your audit team. It is a robust, secure digital platform that is specifically designed to streamline the process of sharing information with us. During 2021, we used AuditDashboard to exchange more than 30,000 files with our clients. More information on this new tool can be found at: [Information about AuditDashboard](#).

### **The benefits of AuditDashboard**

Your team will be invited to collaborate on one central request list in a shared space. The ability to drag and drop files makes it easy to fulfill requests. Real-time status updates provide greater visibility to everyone and helps to keep everyone organised and on the same page. It will be easy to:

- see what has been asked for;
- assign specific tasks to your own people and see who each request is assigned to;
- see when each request is due and track the progress of requests;
- exchange information securely; and
- see what has been uploaded.

There will be no change to the information that the audit team asks for. Rather than obtaining information from a Council provided laptop connected to the Council network, we will request information using AuditDashboard, which your team will then use to upload files.

Your team will have time to gather the relevant information, upload the files, and submit them to us at any time that suits them up to the due date. When we start work, we will already have access to this information and can get started straight away.

We intend to start using AuditDashboard at our interim audit stage. We have provided the Chief Financial Officer with an overview and agreement to use AuditDashboard. We expect compliance with this agreement will already be covered by your computer-use policy. We need to receive the agreement back prior to implementing AuditDashboard on your audit.

### **Working remotely**

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home since the start of the pandemic have meant we changed how we worked with our clients over the last two years.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. For clients able to work remotely, with access to systems and electronic documentation, as well as being prepared for the audit, audits continued to progress and progress well.

Performing our audit work during higher alert level restrictions confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit. For you these benefits include:

- staging and sending the information we request for audit over an agreed period of time as opposed to having all the information requested ready for our arrival at one agreed date;
- less time spent on travel, so we will have more time focus on auditing what matters and raising issues earlier;
- reduction in disbursements as we will incur less travel and overnight costs; and
- less auditor time on site which allows you to get on with your work and enables planned focused conversations when these take place.

To complete audit work off-site and fully obtain the benefits detailed above, you will need to:

- ensure that you can assess your systems remotely; and
- store supporting documents electronically and be able to easily retrieve these.

During the previous audit, we were able to perform some of our audit work remotely, using the Council supplied laptop. Based on our experience we found that the Council has good systems and processes in place to facilitate any future off-site work by us.

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you as part of your 2022 audit. This will include our expectation that AuditDashboard will be used, which is a safe and secure way of transferring information and documentation between you and us.

## Expectations



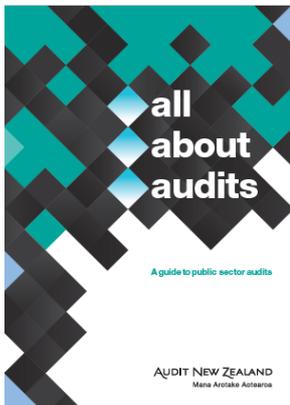
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to help explain the audit process:



**Health and safety**



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required.

We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

Level 3, 335 Lincoln Road  
PO Box 2, Christchurch 8140

[www.auditnz.parliament.nz](http://www.auditnz.parliament.nz)



## 10. Health, Safety and Wellbeing Dashboard January - March 2022

Reference / Te Tohutoro: 22/633788

Report of / Te Pou Duncan Sandeman; Manager Health, Safety & Wellbeing;  
Matua: duncan.j.sandeman@ccc.govt.nz

General Manager / Pouwhakarae: Leah Scales, General Manager Resources

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### 1. Brief Summary

- 1.1 The purpose of this report is forward to the Committee the Christchurch City Council Health, Safety and Wellbeing Dashboard January – March 2022, which was received and considered by the Health, Safety and Wellbeing Committee (HSWC) of Council at its last meeting on 6 May 2022.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Notes the Christchurch City Council Health, Safety and Wellbeing Dashboard January – March 2022 as received and considered by the Health, Safety and Wellbeing Committee (HSWC).
2. Notes that the Council has tasked the HSWC with assisting it to discharge its due diligence responsibilities as a Person Conducting a Business or Undertaking (PCBU), and the Audit and Risk Management Committee does not replicate HSWC's task, but notes that there are risk management and assurance processes in place.

### 3. Health, Safety & Wellbeing Dashboard

- 3.1 The HSW dashboard for the quarterly period 1 January – 31 March 2022 is included at **Attachment A**.

- 3.2 Key items to note:

3.2.1 **Dashboard format.** At the 4 February 2022 meeting of the Health and Safety Committee of Council the Committee expressed their frustration with the dashboard that had been provided. This was a format that had been in use for some time and it is acknowledged that it was no longer fit for purpose. A new dashboard was provided to the meeting of 6 May 2022 that provided an enhanced level of information. A monthly version of this dashboard is provided to ELT and is well received. The Committee approved of the new format and the information it contained, noting that it will be the subject of continuous improvement.

3.2.2 **Show visible leadership of HSW practices.**

- There have been limited officer HSW engagement activities reported over the past three months. However it is assessed that this paints an inaccurate picture of officer visible leadership. Discussions with ELT member officers make it clear that HSW is a frequent, but informal, topic in one-on-one meetings with direct reports and subordinate managers.
- The first Health & Safety Network Committee meeting, chaired by the Chief Executive, was held during the period. This provided a forum for the CE to engage

directly with health and safety representatives on a variety of topics. Feedback from workers from this meeting has been extremely positive.

### 3.2.3 **Support competent and committed workers.**

- Completion of health and safety training is currently the only enterprise-wide metric set by ELT. The targets set are 90% of employees completing the H&S staff assessment and 95% of managers having completed the Health and Safety Management Responsibilities Training.
- Heads of service and ELT receive a month-end report on training completion to help inform them in setting their monthly performance report. This has been effective in allowing heads of service to follow up on those people who had yet to complete training.
- There has been a significant improvement in managers completing the residential Health and Safety Management Responsibility Training. At the end of February this had reached 99% of managers, exceeding ELT's goal of 95% and up from 93% in October last year. However in March, due to staff churn, this level has subsided to 94%.
- The completion of the staff H&S assessment has remained constant with a slight improvement to 91% organisation-wide. The Resources Group, and Strategic Policy and Performance Group statistics are more affected due to the smaller numbers in each group.
- There is a good number of health and safety representatives across the organisation, however work needs to be undertaken to ensure the maximum number are trained in order to get the best from them. It is acknowledged that the representatives are all volunteers undertaking this work in addition to the own workloads.

### 3.2.4 **Effectively manage risk.** This is the most important piece of work that needs to be completed in order for the organisation to improve our health and safety performance.

- Good progress has been made over the quarter in progressing the development and completion of unit HSW risk registers. At the start of the period there were only eight HSW risk registers that had been completed with controls being monitored that were able to be sighted by the HSW team. All of these were in the Recreation, Sports and Events Unit. In the operational side of the organisation in Citizen's and Community and Infrastructure, Planning and Regulation most business units have commenced a risk identification, however these are at varying levels of completion. There are a small number of business units across the organisation where there is no evidence of a risk assessment having commenced.
- In order to learn from health & safety events with a view to preventing the same event from happening in the future, events need to be reported and investigated. All events must be reviewed by the one up manager who will confirm the actual and potential severity of the event. If that assessment is medium or high a further investigation is warranted and the event must be signed off by the head of service. One up reviews should be completed within 30 days. There are still too many events that have yet to be reviewed by the one-up manager that are over 90 days. Work has been undertaken in some parts of the organisation to reduce this, but it remains an ongoing task.

### 3.2.5 **Continuously improve performance.**

- H&S events for this period did not deviate from the trends from the past 12 months.

- Human behaviours accounts for the largest source of events both for the reporting period and for the previous 12 months. All employee high confirmed potential events of the reporting period stemmed from human behaviours where staff were either subjected to abuse from members of the public or in close proximity to a significant altercation between members of the public.
- Furniture, fixtures and fittings is the second highest source and this accounted for three citizen high confirmed potential events which resulted in slip, trip or fall hazards.
- Both medical conditions and water and liquid are the source of events predominantly for visitors to our facilities. There were no water and liquid events related to any employee over the past 12 months.
- Vehicles remain a major source of events for both employees and contractors. One confirmed contractor high potential event over the reporting period pertained to a near miss from an unattended vehicle the rolled down the Te Hononga Civic Office forecourt that narrowly missed a number of pedestrians. This event has been the subject of a detailed investigation by the contractor and the Facilities Unit.

### 3.2.6 Promote employee wellbeing.

- Total number of injury claims for FY 21/22 is well down from last year. This is reflected in the medical and weekly compensation cost that have been paid out and employee days lost.
- Workplace support for the period is reflective of the past 12 months.
- The staff vacancies by FTE does not provide the total picture. This shows vacancies against the current organisational structure as opposed to reflecting changes made over the past 12 months and the additional workload required to be undertaken by fewer employees.

## Attachments / Ngā Tāpirihanga

No.	Title	Page
A  	Health, Safety & Wellbeing Dashboard January - March 2022	99

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
<enter document name>	<enter location/hyperlink>
<enter document name>	<enter location/hyperlink>

## Confirmation of Statutory Compliance / Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

### Signatories / Ngā Kaiwaitohu

<b>Author</b>	Duncan Sandeman - Manager Health and Safety
<b>Approved By</b>	Nicholas Hill - Head of Risk & Assurance Leah Scales - General Manager Resources/Chief Financial Officer

# Health, Safety and Wellbeing Dashboard January – March 2022

Duncan Sandeman  
Health & Safety Manager  
[duncan.j.sandeman@ccc.govt.nz](mailto:duncan.j.sandeman@ccc.govt.nz)

# Organisation Health & Safety Maturity

<ul style="list-style-type: none"> <li>•No Care Culture             <ul style="list-style-type: none"> <li>•Apathy/ resistance</li> <li>•Near misses not considered</li> <li>•Negligence</li> <li>•Dishonesty</li> <li>•Hiding of incidents</li> </ul> </li> <li>•No or little training</li> <li>•Poor or no communication</li> <li>•Reactive approach</li> <li>•No systems</li> <li>•No risk assessment</li> <li>•Legal non compliance</li> <li>•Accept equipment/ process decay</li> <li>•Superficial incident investigation</li> <li>•Poor investigation</li> <li>•No monitoring/ audits</li> <li>•Permit non-compliance</li> <li>•Potential illegal practices</li> </ul> <p><b>Accept that incidents happen</b></p> <p>Vulnerable</p>	<ul style="list-style-type: none"> <li>•Blame culture             <ul style="list-style-type: none"> <li>•Accept need to care</li> <li>•Some near miss reporting</li> <li>•Some window dressing</li> <li>•Disciplinary action</li> </ul> </li> <li>•Minimum/ inconsistent training</li> <li>•Some communication on a need to know basis</li> <li>•Administrator driven</li> <li>•Loose systems, elements of a HS Management System</li> <li>•Re-active risk assessment</li> <li>•Minimum legal compliance</li> <li>•Apply PPE as a way of eliminating exposure</li> <li>•Incident investigation but limited             <ul style="list-style-type: none"> <li>•Focus on what happened</li> <li>•No systems focus</li> <li>•Human fault focus</li> </ul> </li> </ul> <p><b>Prevent a similar incident</b></p> <p>Reactive</p> <ul style="list-style-type: none"> <li>•No occupational hygiene or health</li> <li>•Reactive medical monitoring</li> <li>•Monitoring as per regulations</li> </ul>	<ul style="list-style-type: none"> <li>•Compliance culture             <ul style="list-style-type: none"> <li>•Some participation</li> <li>•Near miss discussion</li> </ul> </li> <li>•Acceptable training/ awareness</li> <li>•Established and good communication channels</li> <li>•Regular people involvement and focus</li> <li>•OH&amp;S Coord. Driven</li> <li>•Risk assessment through existing systems</li> <li>•Total legal compliance</li> <li>•Strict enforcement of the use of PPE where required (knowing risk)</li> <li>•Causal incident analysis based on event potential</li> <li>•Info sharing from events</li> <li>•Planning occupational hygiene/</li> <li>•Periodical medical examinations</li> </ul> <p><b>Prevent incidents before the occur</b></p> <p>Compliant</p> <ul style="list-style-type: none"> <li>•Planned monitoring/ audits</li> <li>•Safety meetings &amp; talks</li> <li>•Some task observations</li> </ul>	<ul style="list-style-type: none"> <li>•Ownership culture             <ul style="list-style-type: none"> <li>•Involvement at all levels</li> <li>•Near miss involvement</li> </ul> </li> <li>•High level of training/ awareness</li> <li>•Communicating at a high level hiding nothing</li> <li>•Line driven systems improvement</li> <li>•Pro-active formal risk assessment</li> <li>•Beyond legal compliance</li> <li>•Seek to actively engineer out process/ equipment inadequacies</li> <li>•Incident learnings shared with all levels</li> <li>•Well designed plans/ procedures</li> </ul> <p><b>Improve the systems</b></p> <p>Proactive</p> <ul style="list-style-type: none"> <li>•Focus on adhering to site plans and procedure</li> <li>•Integrated audits</li> <li>•Peer evaluation and discussion</li> </ul>	<ul style="list-style-type: none"> <li>•Way of life             <ul style="list-style-type: none"> <li>•Comes natural</li> <li>•Personal involvement by all to prevent incidents</li> </ul> </li> <li>•Complete understanding</li> <li>•All informed at all times about everything</li> <li>•Individually internalised</li> <li>•Integrated management systems</li> <li>•Risk assessment integrated into all systems</li> <li>•Self regulating style</li> </ul> <p><b>Way we do business</b></p> <p>Resilient</p> <ul style="list-style-type: none"> <li>•Eliminate problems before they occur</li> <li>•All threats considered in decision-</li> <li>•Systems enhancement through</li> </ul>
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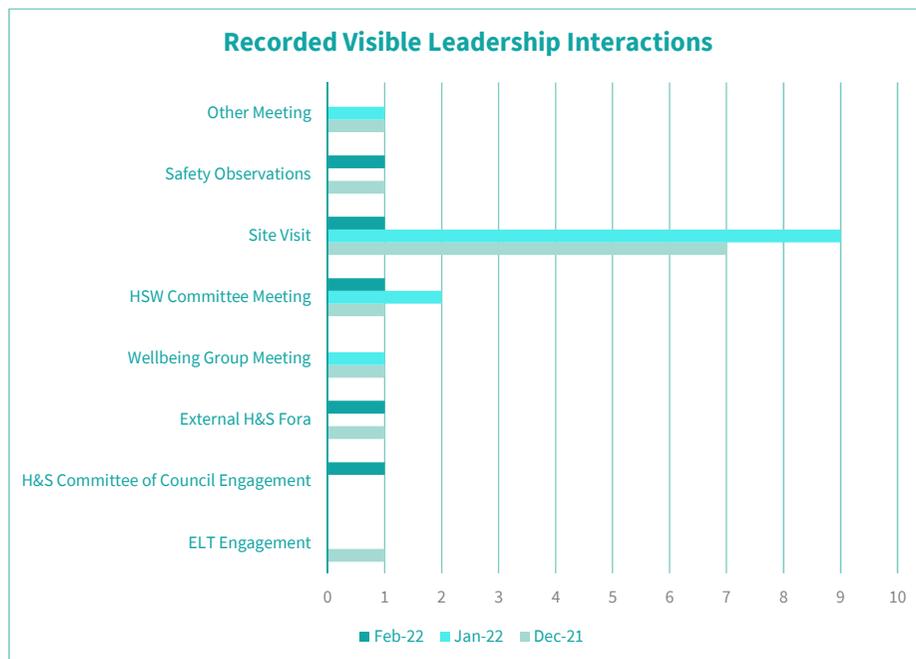
# Health, Safety & Wellbeing Plan 2021-2026

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## **Goal: Be the safest and healthiest council in New Zealand**

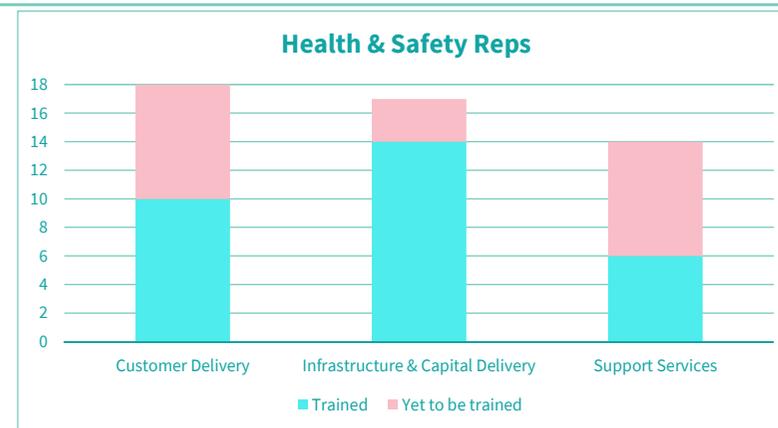
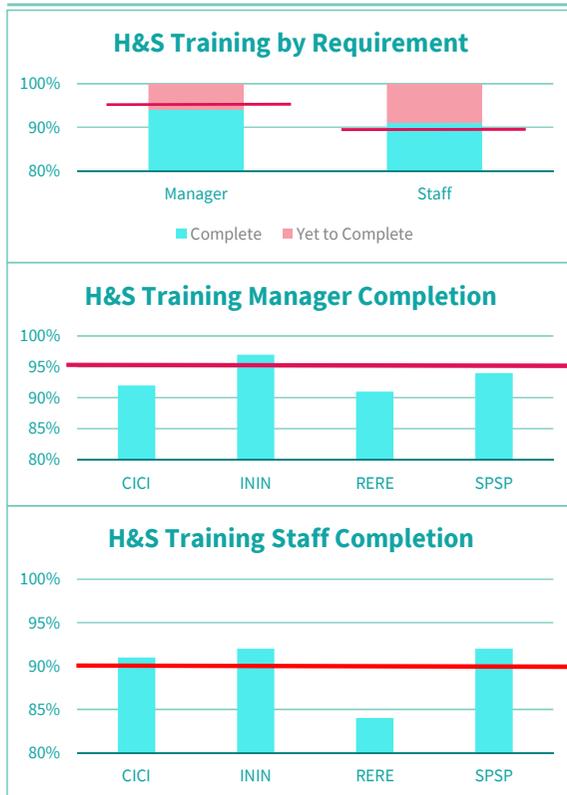
- Show visible leadership of HSW practices
- Support competent, committed people
- Effectively manage risks
- Continuously improve performance
- Collaborate with industry and community partners
- Promote employee wellbeing

# Show visible leadership of HSW practices



- Purpose is to demonstrate leadership commitment to specific HSW activities and as a result, influence others to do so too
- May engage in conversations with and observe employees or contractors during this
- Proactively embedding conversations about Health, Safety and Wellbeing in our day-to-day meetings, interactions and the behaviour we model
- Relates to us modelling best practice, creating physically and psychologically safe, inclusive work environments
- Fundamental part and expectation of leadership in general, not just in relation to HSW.
- Needs to be recorded in Able.

# Support competent and committed workers



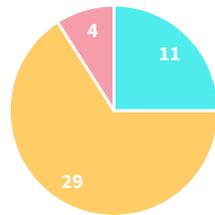
## Goals to support competent and committed workers

- Increase worker engagement and participation
- Ongoing development of resources and training to ensure all our people have the right skills and competence to undertake health and safety
- Develop a single source of truth for HSW resources at Council
- Ensure resources and training are available

# Effectively manage risk – Main Effort

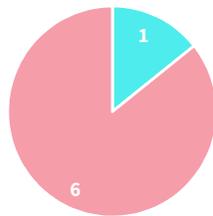


**Risk Register Development  
Citizens & Community**



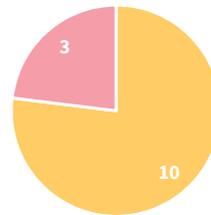
■ Completed ■ Incomplete ■ Not-started

**Risk Register Development  
Resources**



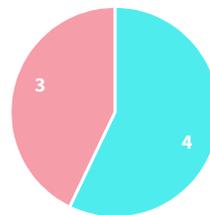
■ Completed ■ Incomplete ■ Not-started

**Risk Register Development  
Infrast. Planning & Regulation**



■ Completed ■ Incomplete ■ Not-started

**Risk Register Development  
Strategic Performance**



■ Completed ■ Incomplete ■ Not-started

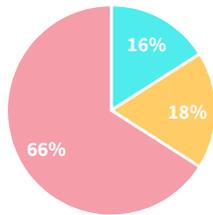
Ongoing identification and management of significant health and safety risks.

- All business units need to identify significant health and safety risks and have controls in place to manage that risk.
- Controls require to be regularly reviewed.

# Effectively manage risk – Main Effort

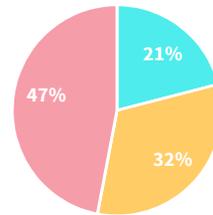


**CICI Citizen's & Community  
Events Awaiting 1-up Review**



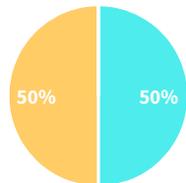
■ 0-30 ■ 31-90 ■ 91+

**ININ Infrast. Planning & Regulation  
Events Awaiting 1-up Review**



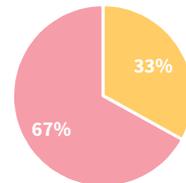
■ 0-30 ■ 31-90 ■ 91+

**RERE Resources  
Events Awaiting 1-up Review**



■ 0-30 ■ 31-90 ■ 91+

**SPSP Strategic Performance  
Events Awaiting 1-up Review**

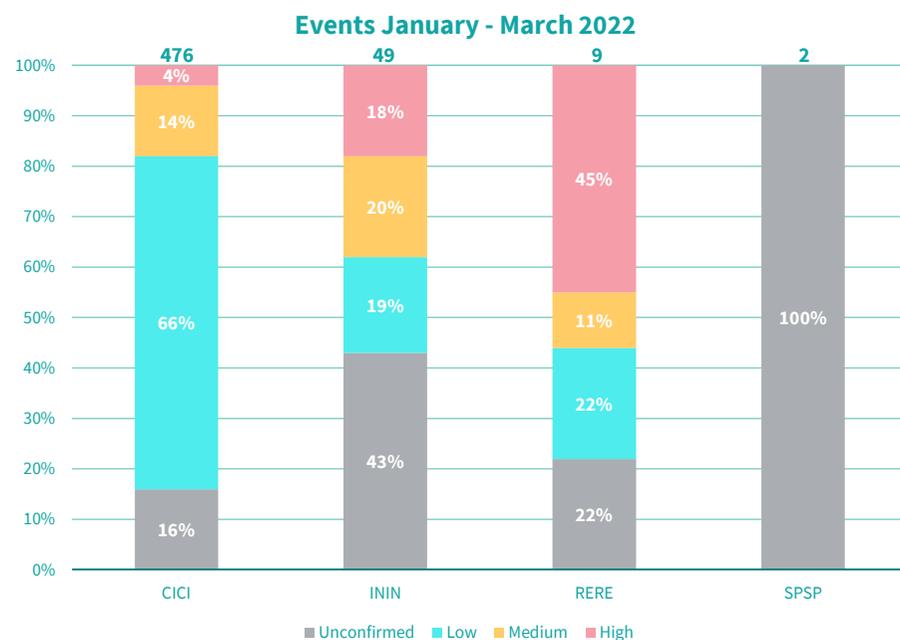


■ 0-30 ■ 31-90 ■ 91+

We want to ensure we learn from incident investigations to drive improvement

We must ensure all HSE are investigated promptly

# Continuously Improve Performance: Health & Safety Events



**Total events this period:**  
536

**Employee events this period:**  
222

**Citizen events this period:**  
287

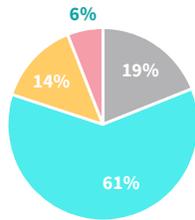
**Contractor events this period:**  
27

**Notifiable events this period:**  
1

# Continuously Improve Performance Health & Safety Events

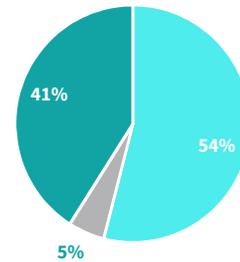


Events by Confirmed Potential Severity  
Jan - Mar 22



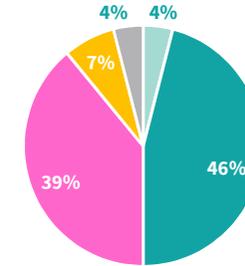
■ Unconfirmed ■ Low ■ Medium ■ High

Events by Person Type Jan-Mar 22



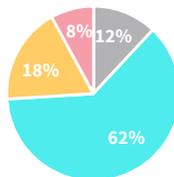
■ Citizen ■ Contractor ■ Employee

Events by Type Jan-Mar 22



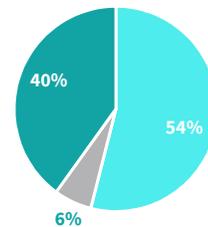
■ Illness ■ Incident ■ Injury ■ Near Miss ■ Other

Events by Confirmed Potential Severity  
Past 12 Months



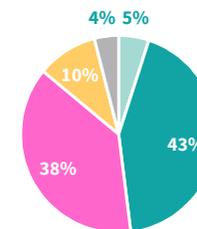
■ Unconfirmed ■ Low ■ Medium ■ High

Events by Person Type Past 12 Months



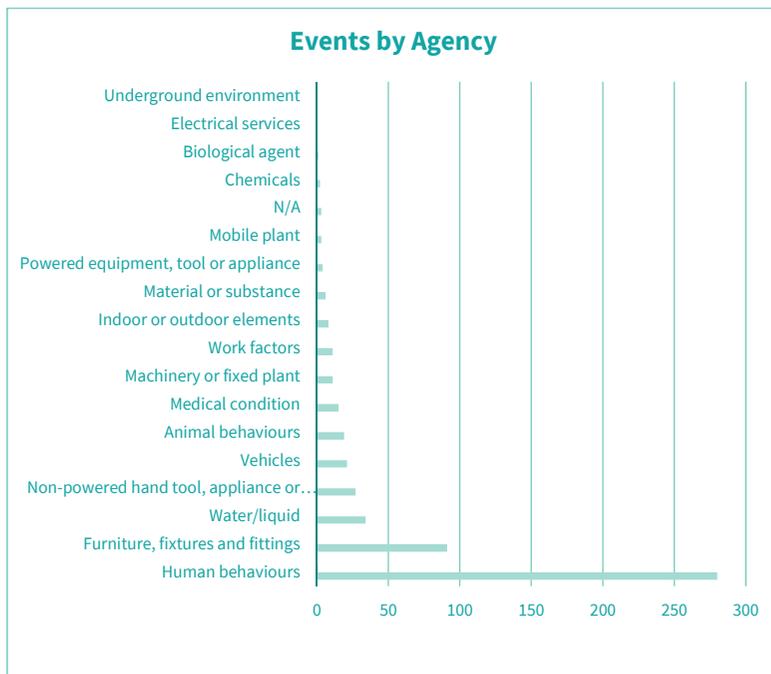
■ Citizen ■ Contractor ■ Employee

Events by Type Past 12 Months

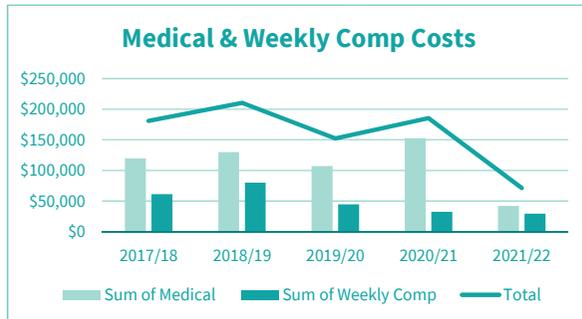
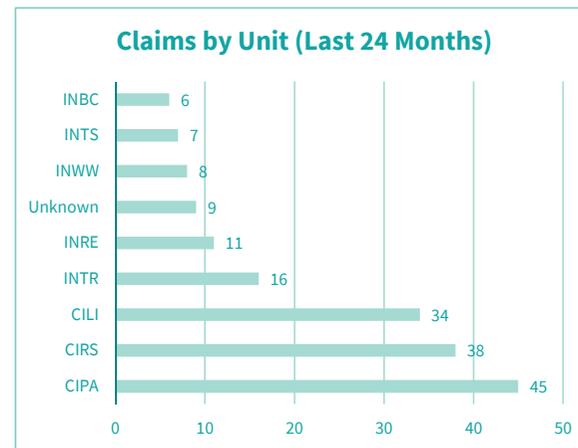
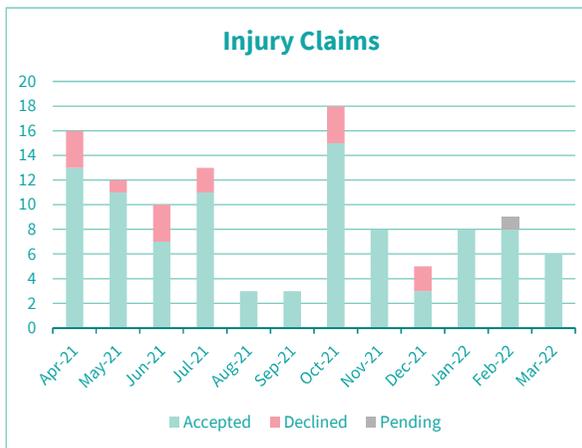
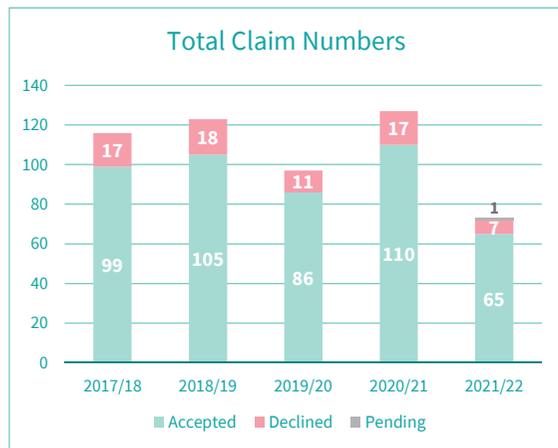


■ Illness ■ Incident ■ Injury ■ Near Miss ■ Other

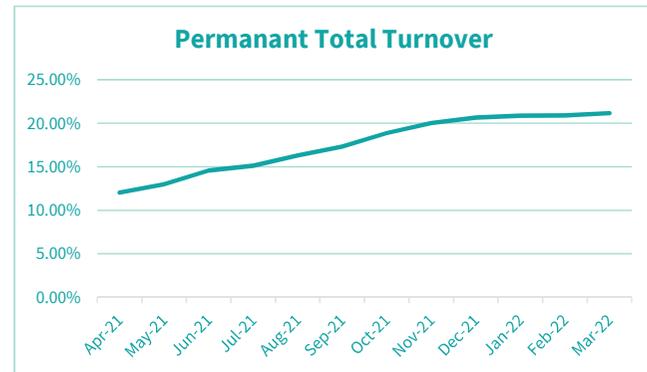
# Event Source Analysis



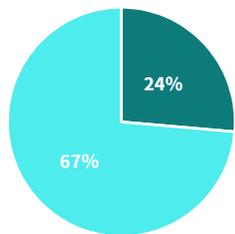
# Promote employee wellbeing



# Promote employee wellbeing

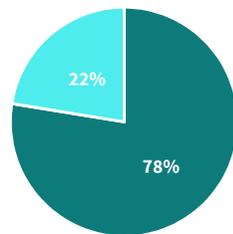


Referrals January - March 2022

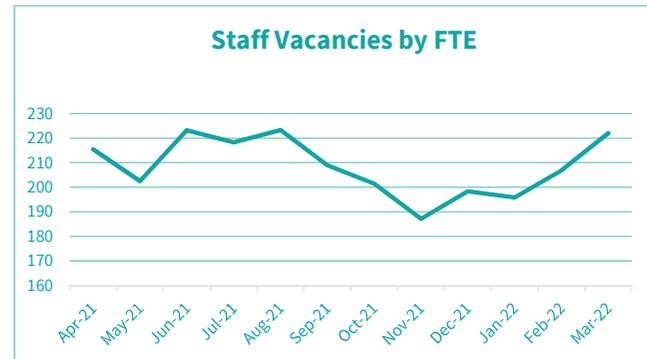


■ Work ■ Personal

Referrals 12 Months



■ Work ■ Personal



## 11. Health, Safety and Wellbeing Dashboard (Carried Forward from 1 April 2022)

Reference / Te Tohutoro: 22/672214

Report of / Te Pou Matua: Duncan Sandeman, Manager Health and Safety,  
duncan.j.sandeman@ccc.govt.nz

General Manager / Pouwhakarae: Leah Scales, Acting General Manager Resources,  
leah.scales@ccc.govt.nz

### 1. Brief Summary

- 1.1 The purpose of this report is to forward to the Committee the Christchurch City Council Health, Safety and Wellbeing Dashboard (**Attachment A**), which was received and considered by the Health, Safety and Wellbeing Committee (HSWC) of Council at its last meeting.
- 1.2 At the 4 February 2022 meeting the Committee expressed a strong desire for the dashboard to be completely revamped to provide better lead and lag indicators to assist them in their oversight duties. A revamped dashboard is to be presented to the Executive Leadership Team on 23 March. This dashboard is attached (**Attachment B**) for the Audit and Risk Management Committee's reference.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Notes the Christchurch City Council Health, Safety and Wellbeing Dashboard as received and considered by the Health, Safety and Wellbeing Committee (HSWC).
2. Notes that the Council has tasked the HSWC with assisting it to discharge its due diligence responsibilities as a Person Conducting a Business or Undertaking (PCBU), and the Audit and Risk Management Committee does not replicate HSWC's task, but notes that there are risk management and assurance processes in place.

### Attachments / Ngā Tāpirihanga

No.	Title	Page
A  	HSW Dashboard October - December 2021	113
B  	Health, Safety and Wellbeing Dashboard January-February 2020	115

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

## Confirmation of Statutory Compliance / Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

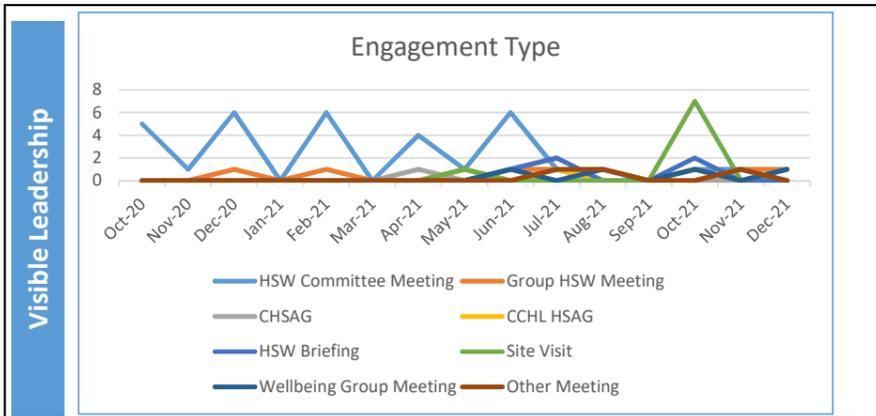
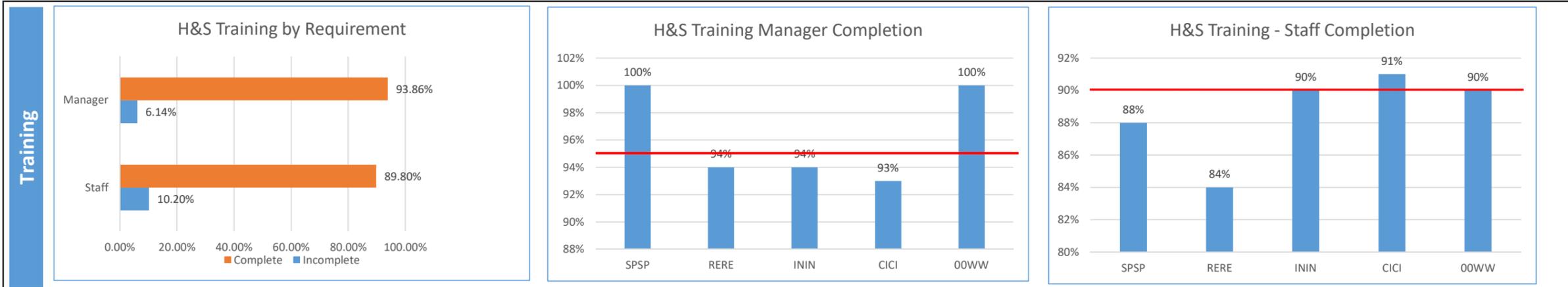
- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

<b>Authors</b>	Mark Saunders - Community Board Advisor Duncan Sandeman - Manager Health and Safety
<b>Approved By</b>	Duncan Sandeman - Manager Health and Safety

Christchurch City Council - Health, Safety & Wellbeing Dashboard - as at 31 December 2021



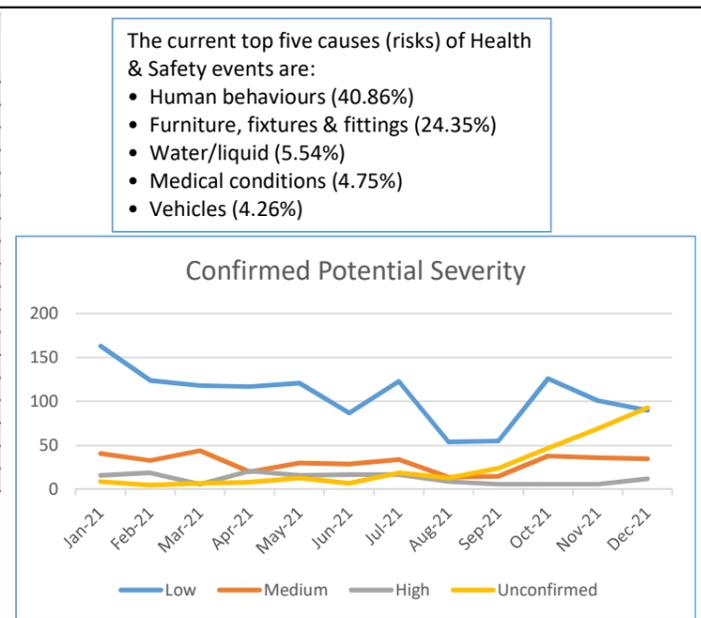
**Events Summary**

- Total events this period: 631
- Employee events this period: 266
- Citizen events this period: 355
- Contractor events this period: 38
- Events by Group: 00WW: 9, CICI: 579, ININ: 65, RERE: 5, SPSP: 1
- Notifiable events this period: 49
- Discomfort & Pain events this period: 49
- Lost time injuries this period: 11
- Lost time days this period: 65.5

**Key:**  
 00WW: Three Waters & Waste  
 CICI: Citizens & Community  
 ININ: Infrastructure, Planning & Regulatory Serv  
 RERE: Resources  
 SPSP: Strategic Policy & Performance

Risk Frequency Heat Map	EX00	00WW	CICI	ININ	RERE	SPSP	Total	% of Total Events	Low	Medium	High	Unconfirmed	Total
Animal behaviours	0	1	14	12	0	0	27	1.12%	8	2	3	14	27
Biological agent	0	0	12	0	2	0	14	0.64%	6	2	0	6	14
Chemicals	0	1	15	3	0	0	19	0.69%	8	3	1	7	19
Electrical services	0	2	5	9	2	0	18	0.69%	5	4	5	4	18
Furniture, fixtures and fittings	0	9	403	27	11	0	450	24.35%	325	73	16	36	450
Human behaviours	1	6	831	79	10	6	933	40.86%	563	170	63	137	933
Indoor or outdoor elements	0	3	63	5	0	0	71	3.58%	41	12	12	6	71
Machinery or fixed plant	0	5	32	4	2	0	43	2.40%	30	7	2	4	43
Material or substance	1	3	33	18	2	0	57	2.60%	37	9	3	8	57
Medical condition	0	0	88	5	2	0	95	4.75%	45	29	16	5	95
Mobile Plant	0	5	10	10	0	0	25	1.08%	13	3	3	6	25
Non-powered hand tool, appliance or equipment	0	1	66	10	2	1	80	4.65%	62	7	0	11	80
Powered equipment, tool or appliance	0	2	20	3	1	0	26	1.22%	11	7	4	4	26
Underground environment	0	1	0	0	1	0	2	0.10%	1	0	1	0	2
Vehicles	0	9	46	39	2	0	96	4.26%	35	16	15	30	96
Water/liquid	0	0	113	0	0	0	113	5.54%	84	16	5	8	113
Work factors	0	1	17	6	2	2	28	1.47%	13	6	2	7	28
<b>Total Events</b>	<b>2</b>	<b>49</b>	<b>1768</b>	<b>230</b>	<b>39</b>	<b>9</b>	<b>2097</b>	<b>100.00%</b>	<b>1287</b>	<b>366</b>	<b>151</b>	<b>293</b>	<b>2097</b>
<b>% of Total Events</b>	<b>0.09%</b>	<b>2.34%</b>	<b>84.31%</b>	<b>10.97%</b>	<b>1.86%</b>	<b>0.43%</b>			<b>61.37%</b>	<b>17.45%</b>	<b>7.20%</b>	<b>13.97%</b>	

Color key: 0-14 (Green), 15-29 (Yellow), 30-59 (Orange), 60+ (Red)





# Health, Safety and Wellbeing Dashboard January – February 2022

Duncan Sandeman  
Health & Safety Manager  
[duncan.j.sandeman@ccc.govt.nz](mailto:duncan.j.sandeman@ccc.govt.nz)

# Organisation Health & Safety Maturity

<ul style="list-style-type: none"> <li>•No Care Culture             <ul style="list-style-type: none"> <li>•Apathy/ resistance</li> <li>•Near misses not considered</li> <li>•Negligence</li> <li>•Dishonesty</li> <li>•Hiding of incidents</li> </ul> </li> <li>•No or little training</li> <li>•Poor or no communication</li> <li>•Reactive approach</li> <li>•No systems</li> <li>•No risk assessment</li> <li>•Legal non compliance</li> <li>•Accept equipment/ process decay</li> <li>•Superficial incident investigation</li> <li>•Poor investigation</li> <li>•No monitoring/ audits</li> <li>•Permit non-compliance</li> <li>•Potential illegal practices</li> </ul> <p><b>Accept that incidents happen</b></p> <p>Vulnerable</p>	<ul style="list-style-type: none"> <li>•Blame culture             <ul style="list-style-type: none"> <li>•Accept need to care</li> <li>•Some near miss reporting</li> <li>•Some window dressing</li> <li>•Disciplinary action</li> </ul> </li> <li>•Minimum/ inconsistent training</li> <li>•Some communication on a need to know basis</li> <li>•Administrator driven</li> <li>•Loose systems, elements of a HS Management System</li> <li>•Re-active risk assessment</li> <li>•Minimum legal compliance</li> <li>•Apply PPE as a way of eliminating exposure</li> <li>•Incident investigation but limited             <ul style="list-style-type: none"> <li>•Focus on what happened</li> <li>•No systems focus</li> <li>•Human fault focus</li> </ul> </li> </ul> <p><b>Prevent a similar incident</b></p> <p>Reactive</p> <ul style="list-style-type: none"> <li>•No occupational hygiene or health</li> <li>•Reactive medical monitoring</li> <li>•Monitoring as per regulations</li> </ul>	<ul style="list-style-type: none"> <li>•Compliance culture             <ul style="list-style-type: none"> <li>•Some participation</li> <li>•Near miss discussion</li> </ul> </li> <li>•Acceptable training/ awareness</li> <li>•Established and good communication channels</li> <li>•Regular people involvement and focus</li> <li>•OH&amp;S Coord. Driven</li> <li>•Risk assessment through existing systems</li> <li>•Total legal compliance</li> <li>•Strict enforcement of the use of PPE where required (knowing risk)</li> <li>•Causal incident analysis based on event potential</li> <li>•Info sharing from events</li> <li>•Planning occupational hygiene/</li> <li>•Periodical medical examinations</li> </ul> <p><b>Prevent incidents before the occur</b></p> <p>Compliant</p> <ul style="list-style-type: none"> <li>•Planned monitoring/ audits</li> <li>•Safety meetings &amp; talks</li> <li>•Some task observations</li> </ul>	<ul style="list-style-type: none"> <li>•Ownership culture             <ul style="list-style-type: none"> <li>•Involvement at all levels</li> <li>•Near miss involvement</li> </ul> </li> <li>•High level of training/ awareness</li> <li>•Communicating at a high level hiding nothing</li> <li>•Line driven systems improvement</li> <li>•Pro-active formal risk assessment</li> <li>•Risk assessment through existing systems</li> <li>•Beyond legal compliance</li> <li>•Seek to actively engineer out process/ equipment inadequacies</li> <li>•Incident learnings shared with all levels</li> <li>•Well designed plans/ procedures</li> </ul> <p><b>Improve the systems</b></p> <p>Proactive</p> <ul style="list-style-type: none"> <li>•Focus on adhering to site plans and procedure</li> <li>•Integrated audits</li> <li>•Peer evaluation and discussion</li> </ul>	<ul style="list-style-type: none"> <li>•Way of life             <ul style="list-style-type: none"> <li>•Comes natural</li> <li>•Personal involvement by all to prevent incidents</li> </ul> </li> <li>•Complete understanding</li> <li>•All informed at all times about everything</li> <li>•Individually internalised</li> <li>•Integrated management systems</li> <li>•Risk assessment integrated into all systems</li> <li>•Self regulating style</li> </ul> <p><b>Way we do business</b></p> <p>Resilient</p> <ul style="list-style-type: none"> <li>•Eliminate problems before they occur</li> <li>•All threats considered in decision-</li> <li>•Systems enhancement through</li> </ul>
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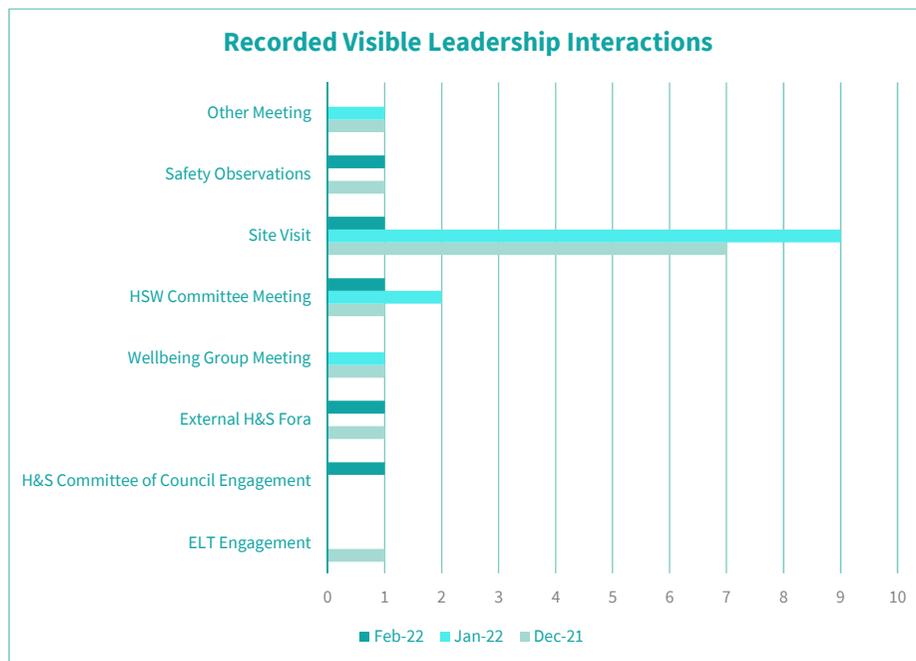
# Health, Safety & Wellbeing Plan 2021-2026

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## **Goal: Be the safest and healthiest council in New Zealand**

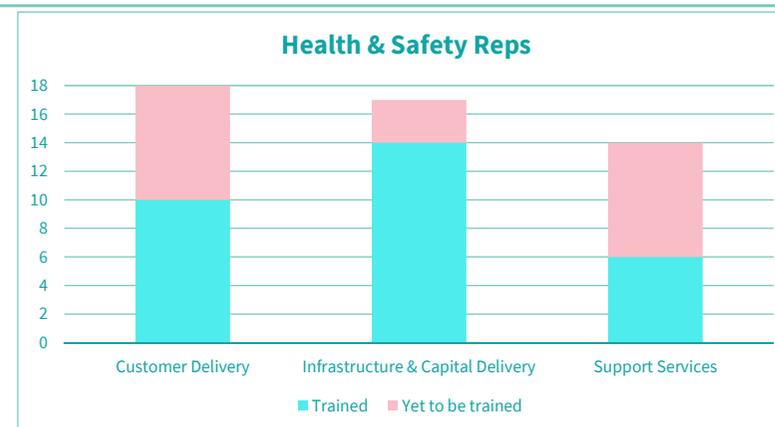
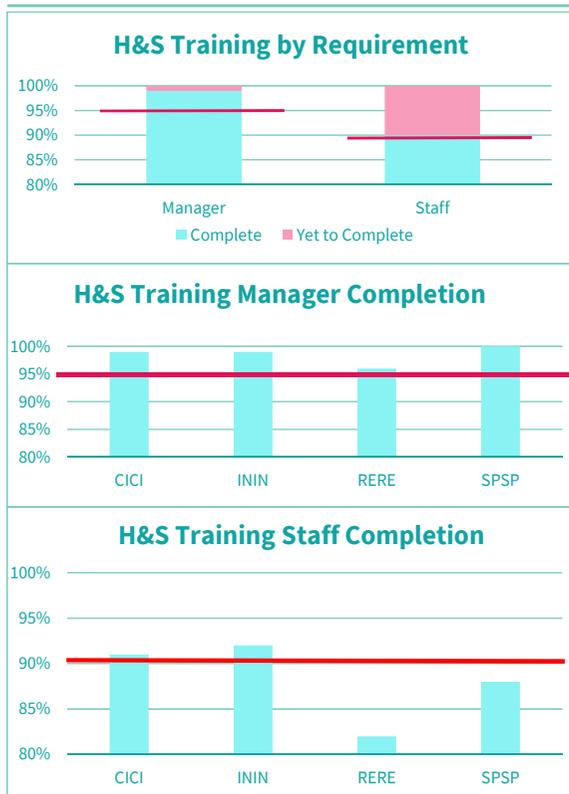
- Show visible leadership of HSW practices
- Support competent, committed people
- Effectively manage risks
- Continuously improve performance
- Collaborate with industry and community partners
- Promote employee wellbeing

# Show visible leadership of HSW practices



- Purpose is to demonstrate leadership commitment to specific HSW activities and as a result, influence others to do so too
- May engage in conversations with and observe employees or contractors during this
- Proactively embedding conversations about Health, Safety and Wellbeing in our day-to-day meetings, interactions and the behaviour we model
- Relates to us modelling best practice, creating physically and psychologically safe, inclusive work environments
- Fundamental part and expectation of leadership in general, not just in relation to HSW.
- Needs to be recorded in Able.

# Support competent and committed workers



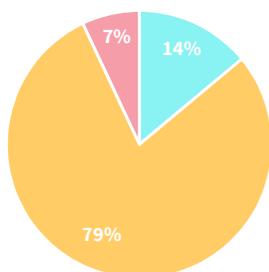
## Goals to support competent and committed workers

- Increase worker engagement and participation
- Ongoing development of resources and training to ensure all our people have the right skills and competence to undertake health and safety
- Develop a single source of truth for HSW resources at Council
- Ensure resources and training are available

# Effectively manage risk – Main Effort

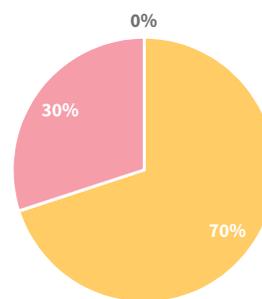


Customer Delivery



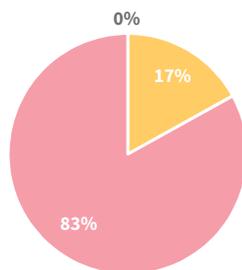
■ Completed ■ Incomplete ■ Not started

Infrastructure Delivery



■ Completed ■ Incomplete ■ Not started

Support Services



■ Completed ■ Incomplete ■ Not started

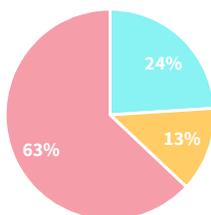
Ongoing identification and management of significant health and safety risks.

- All business units need to identify significant health and safety risks and have controls in place to manage that risk.
- Controls require to be regularly reviewed.

# Effectively manage risk – Main Effort

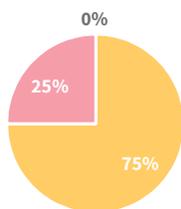


**CICI Citizen's & Community Events Awaiting 1-up Review**



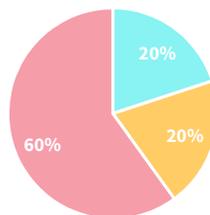
■ 0-30 ■ 31-90 ■ 91+

**RE Resources Events Awaiting 1-up Review**



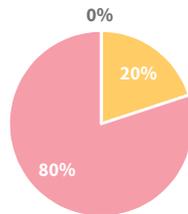
■ 0-30 ■ 31-90 ■ 91+

**ININ Infrast. Planning & Regulation Events Awaiting 1-up Review**



■ 0-30 ■ 31-90 ■ 91+

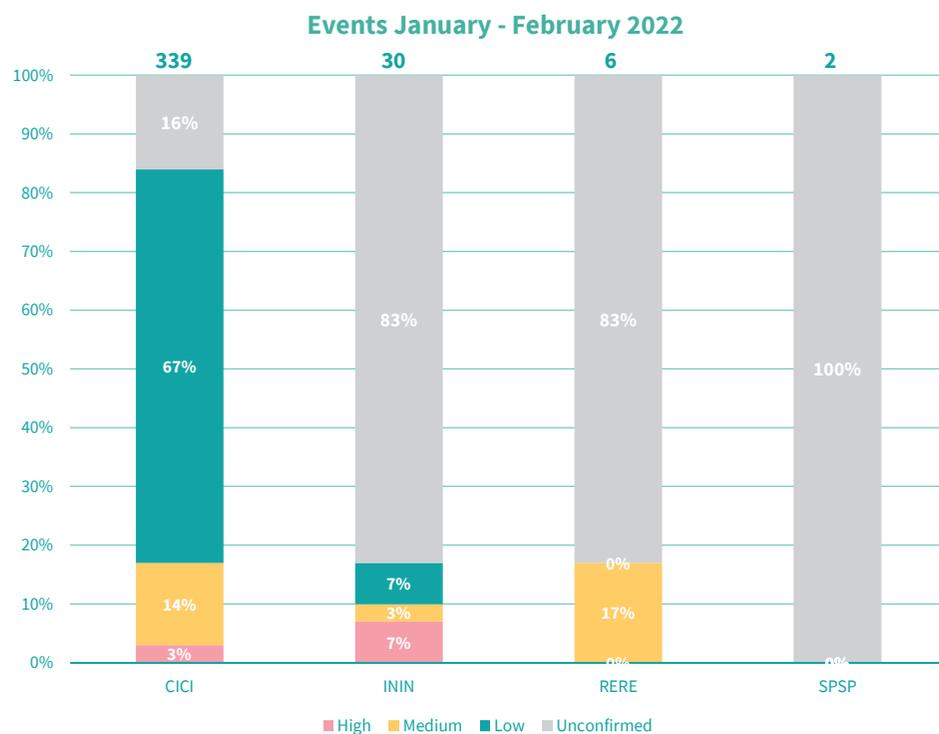
**SPSP Strategic Performance Events Awaiting 1-up Review**



■ 0-30 ■ 31-90 ■ 91+

- We want to ensure we learn from incident investigations to drive improvement
- We must ensure all HSE are investigated promptly

# Continuously Improve Performance: Health & Safety Events



Total events this period:  
**377**

Employee events this period:  
**150**

Citizen events this period:  
**213**

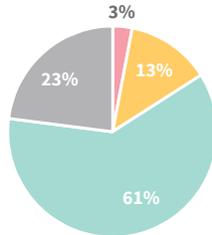
Contractor events this period:  
**14**

Notifiable events this period:  
**1**

# Continuously Improve Performance Health & Safety Events



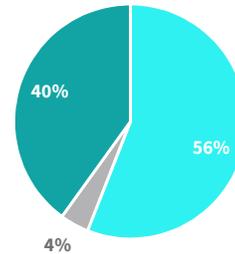
Jan - Feb Events by Confirmed Potential Severity



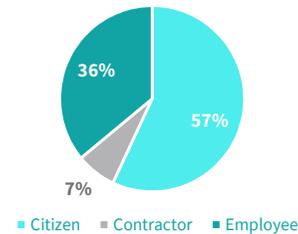
Events by Confirmed Potential Severity Past 12 Months



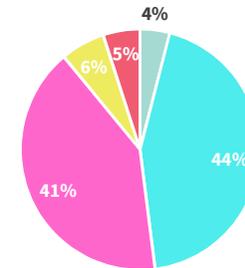
Event by Person Type Jan-Feb 22



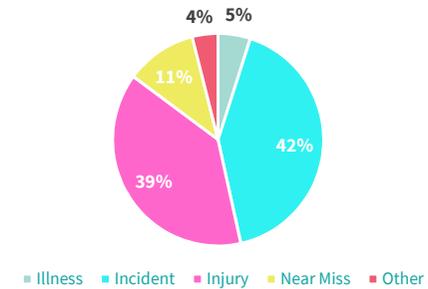
Event by Person Type Past 12 Months



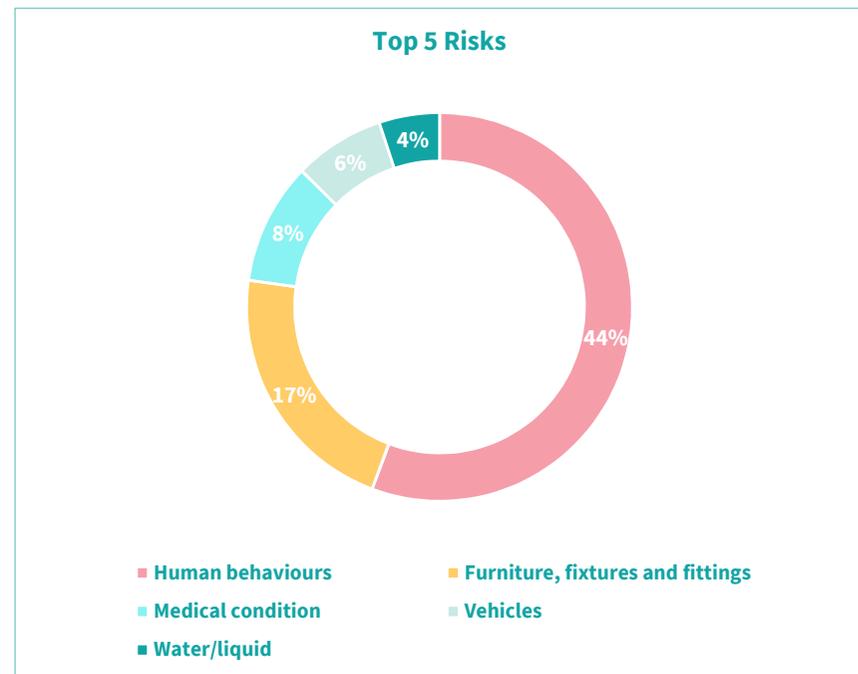
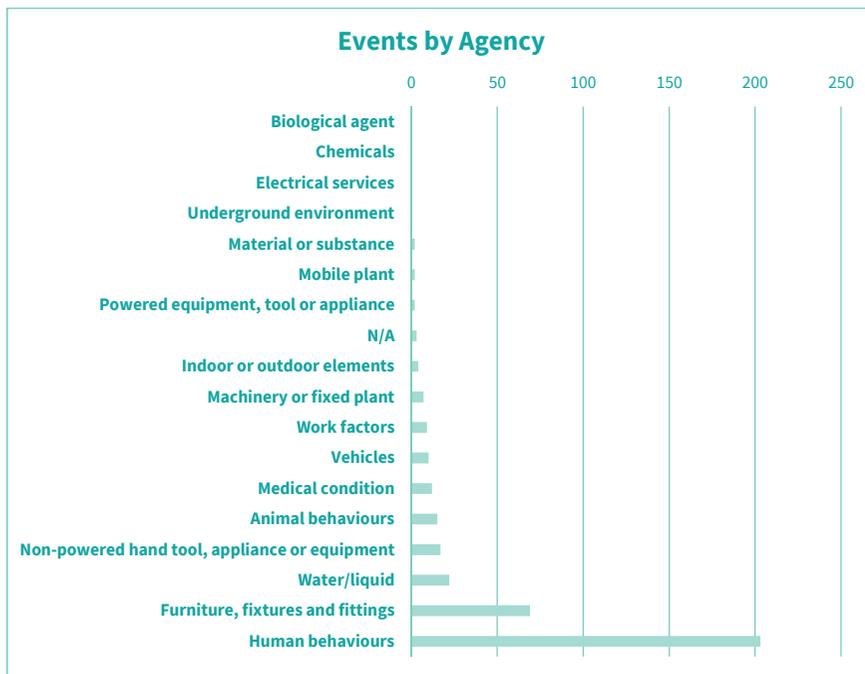
Event by Type Jan - Feb 22



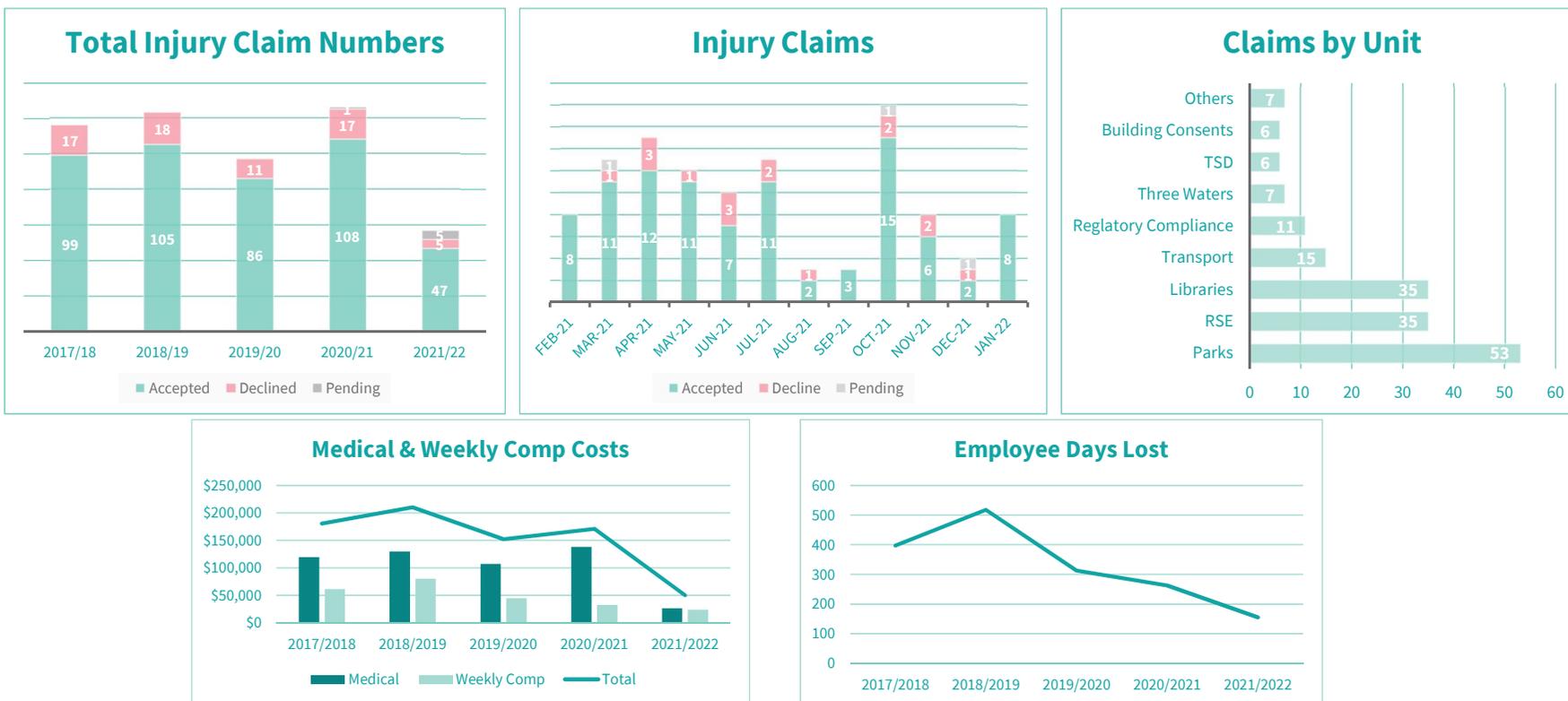
Event by Type Past 12 Months



# Event Source Analysis



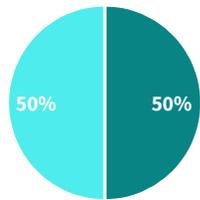
# Promote employee wellbeing



# Promote employee wellbeing

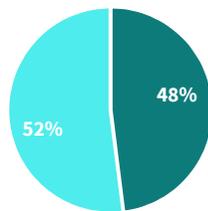


Referrals January - February

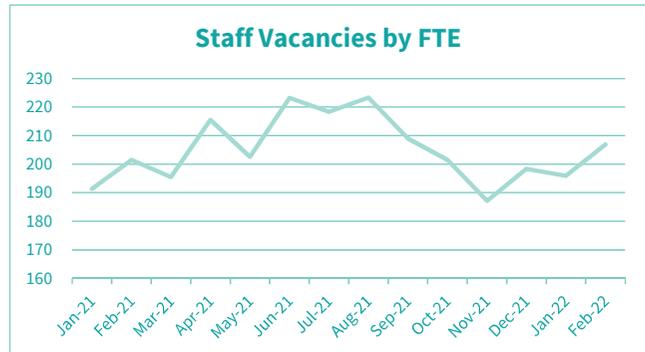
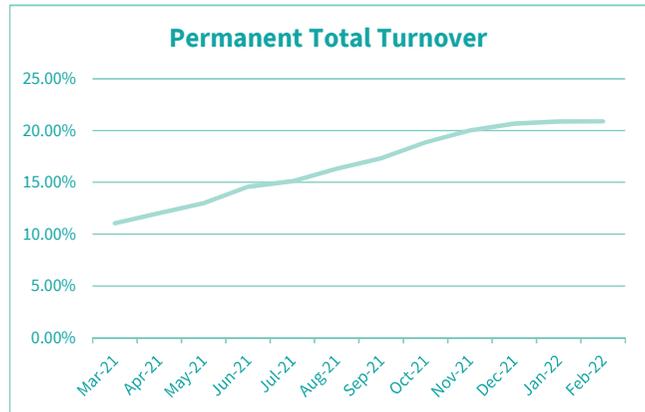


■ Work ■ Personal

Referrals 12 Months



■ Work ■ Personal



## 12. Resolution to Exclude the Public

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*Section 48, Local Government Official Information and Meetings Act 1987.*

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

### **Note**

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
- (a) Shall be available to any member of the public who is present; and
  - (b) Shall form part of the minutes of the local authority.”

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

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ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
7.	CONSIDERATION OF THE COUNCIL'S ANNUAL PLAN 2022/23				
	ATTACHMENT D - ANNUAL PLAN 2022/23 ADOPTION DOCUMENTS	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	THE INFORMATION IN THE CURRENT VERSION OF THE COUNCIL'S ANNUAL PLAN REMAINS SUBJECT TO CHANGE. PREMATURE RELEASE OF THIS INFORMATION COULD PREJUDICE THOSE PEOPLE AND ENTITIES THAT MAY BE AFFECTED BY ANY CHANGES MADE.	WHEN THE AGENDA FOR THE COUNCIL MEETING ON 21 JUNE 2022 TO CONSIDER THE ANNUAL PLAN IS PUBLISHED.
13.	CYBER SECURITY PROGRAMME UPDATE (CARRIED FORWARD FROM 1 APRIL 2022)	S7(2)(C)(II)	PREVENT DAMAGE TO THE PUBLIC INTEREST	DISCLOSURE OF OUR APPROACH TO CYBER SECURITY WILL INCREASE THE RISK OF COUNCIL BEING A TARGET, RESULTING IN POTENTIAL SERVICE DISRUPTIONS AND / OR INFORMATION BREACHES THAT WILL NOT BE IN THE PUBLIC INTEREST.	THE CYBER SECURITY PROGRAMME UPDATE REPORT MAY ONLY BE RELEASED IF THE CHIEF EXECUTIVE HAS DETERMINED THAT THERE ARE NO LONGER ANY REASONS UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETING ACT TO WITHHOLD THE INFORMATION.

14.	HOLIDAYS ACT REMEDIATION PROGRAMME (CARRIED FORWARD FROM 1 APRIL 2022)	S7(2)(B)(II), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	THE INFORMATION IN THIS REPORT RELATES TO REMUNERATION OF PAST AND CURRENT EMPLOYEES. THE FINAL POSITION IS STILL TO BE DETERMINED THEREFORE THIS INFORMATION SHOULD NOT BE MADE PUBLIC UNTIL THIS OCCURS.	AT THE COMPLETION OF THE HOLIDAYS ACT REMEDIATION PROJECT WHEN ALL PAYMENTS HAVE BEEN MADE.
15.	FRAUD MANAGEMENT UPDATE (CARRIED FORWARD FROM 1 APRIL 2022)	S7(2)(J)	PREVENTION OF IMPROPER ADVANTAGE	TO ENSURE THAT FRAUD DETECTION TECHNIQUES ARE NOT CIRCUMVENTED	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF RISK AND ASSURANCE TO CONFIRM WHEN IT IS NO LONGER DEEMED TO REQUIRE PUBLIC EXCLUSION

					FOR THE APPLICABLE REASONS ABOVE.
16.	QUARTERLY PROCUREMENT REPORT	S7(2)(B)(II), S7(2)(H), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	TO PREVENT INFORMATION BEING RELEASED THAT COULD BE USED FOR IMPROPER COMMERCIAL ADVANTAGE OR THAT NEEDS TO BE WITHHELD TO AVOID PREJUDICE TO THE COUNCIL'S OR ITS SUPPLY CHAIN'S COMMERCIAL POSITION.	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE WILL BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART, AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF PROCUREMENT AND CONTRACTS, WHEN IT IS NO LONGER DEEMED TO IDENTIFY SENSITIVE COMMERCIAL INFORMATION FOR THE COUNCIL OR ITS SUPPLY CHAIN.
17.	QUARTERLY PROCUREMENT REPORT (CARRIED	S7(2)(B)(II), S7(2)(H), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL	TO PREVENT INFORMATION BEING RELEASED THAT COULD BE USED FOR	DUE TO THE NATURE AND SENSITIVITY OF THIS

	FORWARD FROM 1 APRIL 2022)		ACTIVITIES, CONDUCT NEGOTIATIONS	IMPROPER COMMERCIAL ADVANTAGE OR THAT NEEDS TO BE WITHHELD TO AVOID PREJUDICE TO THE COUNCIL'S OR ITS SUPPLY CHAIN'S COMMERCIAL POSITION.	INFORMATION, IT IS NOT ANTICIPATED THAT THERE WILL BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART, AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF PROCUREMENT AND CONTRACTS, WHEN IT IS NO LONGER DEEMED TO IDENTIFY SENSITIVE COMMERCIAL INFORMATION FOR THE COUNCIL OR ITS SUPPLY CHAIN.
18.	RISK AND ASSURANCE UPDATE	S7(2)(C)(II), S7(2)(E), S7(2)(F)(II), S7(2)(G), S7(2)(I), S7(2)(J)	PREVENT DAMAGE TO THE PUBLIC INTEREST, PREVENTION OF MATERIAL LOSS, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT, MAINTAIN LEGAL	THE CONTENT OF THIS REPORT IS LEGALLY PRIVILEGED. TO PREVENT IMPROPER USE OR MISINTERPRETATION OF RISK INFORMATION. TO PREVENT THE USE OF INTERNAL AUDIT FINDINGS AND IDENTIFIED CONTROL	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF

			PROFESSIONAL PRIVILEGE, CONDUCT NEGOTIATIONS, PREVENTION OF IMPROPER ADVANTAGE	WEAKNESSES FROM BEING USED FOR IMPROPER ADVANTAGE.	THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF RISK AND ASSURANCE TO CONFIRM WHEN IT IS NO LONGER DEEMED TO REQUIRE PUBLIC EXCLUSION FOR THE APPLICABLE REASONS ABOVE.
19.	RISK AND ASSURANCE UPDATE (CARRIED FORWARD FROM 1 APRIL 2022)	S7(2)(C)(II), S7(2)(E), S7(2)(F)(II), S7(2)(G), S7(2)(I), S7(2)(J)	PREVENT DAMAGE TO THE PUBLIC INTEREST, PREVENTION OF MATERIAL LOSS, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT, MAINTAIN LEGAL PROFESSIONAL PRIVILEGE, CONDUCT NEGOTIATIONS, PREVENTION OF IMPROPER ADVANTAGE	THE CONTENT OF THIS REPORT IS LEGALLY PRIVILEGED. TO PREVENT IMPROPER USE OR MISINTERPRETATION OF RISK INFORMATION. TO PREVENT THE USE OF INTERNAL AUDIT FINDINGS AND IDENTIFIED CONTROL WEAKNESSES FROM BEING USED FOR IMPROPER ADVANTAGE.	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON

					PERIODICAL REVIEW BY THE HEAD OF RISK AND ASSURANCE TO CONFIRM WHEN IT IS NO LONGER DEEMED TO REQUIRE PUBLIC EXCLUSION FOR THE APPLICABLE REASONS ABOVE.
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