

**AGENDA AND SUPPORTING PAPERS
FOR COUNCIL'S OCTOBER MEETINGS**

**TO BE HELD IN THE OFFICES OF THE WEST COAST REGIONAL COUNCIL
388 MAIN SOUTH ROAD, GREYMOUTH**

TUESDAY, 10 OCTOBER 2017

The programme for the day is:

10.30 a.m: Resource Management Committee Meeting

On completion of RMC Meeting: Council Meeting

Councillor Workshops:

**Conservation Project
Long Term Plan**

RESOURCE MANAGEMENT COMMITTEE

THE WEST COAST REGIONAL COUNCIL

Notice is hereby given that a meeting of the **RESOURCE MANAGEMENT COMMITTEE** will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Paroa, Greymouth on **Tuesday, 10 October 2017**

N. CLEMENTSON
CHAIRPERSON

M. MEEHAN
Chief Executive Officer

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
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2.	1 – 3	MINUTES 2.1 Confirmation of Minutes of Resource Management Committee Meeting – 12 September 2017
3.		PRESENTATION
4.		CHAIRMAN’S REPORT
5.		REPORTS
		5.1 Planning and Operations Group
	4	5.1.1 Planning Report
	5	5.1.2 Proposed Regional Policy Statement – Hearing Panel Composition
	6	5.1.3 Reefton Air Quality Summary
	7	Hydrology and Flood Warning Update
		5.2 Consents and Compliance Group
	8 – 9	5.2.1 Consents Monthly Report
	10 – 12	5.2.2 Compliance & Enforcement Monthly Report
		6.0 GENERAL BUSINESS

2.1

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE HELD ON 12 SEPTEMBER 2017, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.

PRESENT:

A. Robb (Chairman), P. Ewen, A. Birchfield, T. Archer, S. Challenger, P. McDonnell, J. Douglas, F. Tumahai

IN ATTENDANCE:

M. Meehan (Chief Executive Officer), R. Mallinson (Corporate Services Manager), R. Beal (Operations Manager), G. McCormack (Consents & Compliance Manager), N. Costley (Strategy & Communications Manager), H. Mills (Planning Science & Innovation Manager), T. Jellyman (Minutes Clerk), The Media

1. APOLOGIES

Moved (Archer / Challenger) *That the apology from Cr Clementson be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Moved (McDonnell / Archer) *that the minutes of the previous Resource Management Committee meeting dated 8 August 2017, be confirmed as correct, with the amendments listed below made.*

Carried

Matters Arising

Cr Ewen drew attention to page 1 on the minutes and asked if NZTA are going to bring just their works for the Waiho River under one consent. M. Meehan confirmed that the intention was to cover works under one consent.

Cr Ewen drew attention to page 4 of the minutes; he said that he now has the response from his information request relating to the transfer of mining functions. He stated that if he had this information earlier he would not have supported the transfer of mining functions as he feels this matter was unresolved and he was presented in an ad hoc manner.

4. CHAIRMAN'S REPORT

There was no Chairman's report due to Cr Clementson's absence.

5. REPORTS

5.1 PLANNING AND OPERATIONS GROUP

5.1.1 PLANNING REPORT

H. Mills spoke to this report. He spoke of the changes to the NES for Freshwater Management including funding for 33 projects across the country. H. Mills stated that changes to the NES

include national swimming targets with 90% of NZ's rivers and lakes swimmable by 2040 with regional councils required to set draft regional targets by 31 March 2018 and final regional targets by 31 December 2018. H. Mills reported that reviews have been carried out by the Ministry looking at regional councils progressing towards implementation of the NPS for freshwater management. Cr McDonnell asked how many rivers are likely to be monitored in the region. H. Mills responded that he is unsure at this stage but the Ministry will advise on this. Cr McDonnell asked if there is any update on what the stock exclusion policy is going to be. M. Meehan advised that guidance usually follows once the NES comes out and that ideally this would be developed before the NES or NPS is released. M. Meehan stated that this is frustrating and disappointing and in particular the forestry NES has been developed over 13 or 14 years with different iterations and various cost benefit analysis. The Chairman stated that there is a lot of proactive discussion happening between the Chairs of regional councils and the Ministry and through Chief Executives groups.

Moved (Archer / McDonnell) *That the report is received.*

Carried

5.1.2 PROPOSED REGIONAL PEST PLANT MANAGEMENT PLAN DECISIONS REPORT

R. Beal spoke to this report and took it as read. It was agreed that the date on the report's cover would be updated to 2017.

Moved (Ewen / Archer)

1. *That Council receives the report, with the amended change of date to read 2017.*
2. *That Council releases the decisions report to the public.*

Carried

5.1.3 REEFTON AIR QUALITY SUMMARY

H. Mills spoke to this report and advised that to date there have been no exceedances of the NES for PM₁₀ in Reefton this winter to date.

Moved (Challenger / Archer)

Carried

5.1.4 HYDROLOGY AND FLOOD WARNING UPDATE

H. Mills spoke to this report and advised a moderately heavy rainfall event produced flood alarms on a few rivers. He advised that staff were not concerned as this was a minor event.

Moved (McDonnell / Challenger)

Carried

5.2.1 CONSENTS MONTHLY REPORT

G. McCormack spoke to this report and advised that eight resource consents were granted during the reporting period along with five consent variations. G. McCormack reported that almost all of the whitebait resource consents have been processed and he has received all of the renewal resource consents applications for whitebait stands.

Cr Ewen stated that he made an information request to the Chief Executive on 23 July and waited beyond the statutory requirements. He stated that he has not had a response so he has engaged the Ombudsman.

Moved (Ewen / Archer) *That the September 2017 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

G. McCormack spoke to this report and advised that 58 site visits were carried out during the reporting period. He stated that 11 were non-compliant. G. McCormack reported that one formal enforcement notice was issued, three infringement notices against the same goldminer and seven abatement notices were issued during the reporting period. He reported that two work programmes have been approved.

G. McCormack answered questions from Councillors relating to complaints.

Cr Ewen asked G. McCormack if there have been any outcomes to date regarding the incident at Ross. G. McCormack advised that the investigation is almost complete with a final site visit scheduled for tomorrow. Cr Ewen asked if the operator concerned had provided a work programme prior to the incident. G. McCormack advised that that it would be inappropriate to discuss whilst the investigation is being completed.

J. Douglas asked how much land involved with regard to the rehabilitation at Rimu. G. McCormack offered to send photographs and details to J. Douglas of this area. He stated that Council has now completed all that was required.

Cr Ewen spoke of a complaint regarding cows in a river at Barrytown; he asked if there have been any developments on this. G. McCormack advised that staff have visited the site, they have responded to the complainant and there are no further concerns.

Moved (Archer / McDonnell)

- 1. *That the September 2017 report of the Compliance Group be received.*
- 2. *That the bonds for RC12228 PD Fitzgerald and RC10243 LTM Contracting are released.*

Carried

GENERAL BUSINESS

Cr Ewen stated that he has previously brought the issue of Council having Tai Poutini written on the annual plans as he feels this is part of who we are. He would like this to be considered for next year. The Chairman suggested to Cr Ewen that it might be prudent to put a formal proposal with a report to Council so this can be considered. He suggested this be done for the next Council meeting in order for Councillors to consider this.

The meeting closed at 10.52 a.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 10 October 2017
Prepared by: Sarah Jones – Planning Team Leader
Date: 28 September 2017
Subject: **PLANNING REPORT**

Proposed Release of the 'Our atmosphere and climate 2017' Report

On 19 October 2017 the Ministry for the Environment intends to release a report titled 'Our Atmosphere and Climate 2017'. 'Our atmosphere and climate 2017' is the latest in the Environmental Reporting Series delivered by the Ministry for the Environment and Stats NZ. It is the first in the series to focus specifically on atmosphere and climate, with the aim of tracking change over time. The report will cover:

- New Zealand's emissions profile and changes in greenhouse gas sources over time
- changes to the marine environment from greenhouse gas emissions
- the state of our ozone and how it relates to UV levels
- trends in New Zealand's climate and the social and economic impacts these may have in the future
- climate change projections for New Zealand.

Once the report is released and staff have had an opportunity to consider its content, more detailed information will be provided to the Committee for consideration.

RECOMMENDATION

That the report is received.

Hadley Mills
Planning, Science and Innovation Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 10 October 2017
Prepared by: Sarah Jones – Planning Team Leader
Date: 28 September 2017
Subject: **Proposed Regional Policy Statement – Hearing panel composition**

Purpose

To agree the composition of the panel for the hearing of submissions on the Proposed Regional Policy Statement (RPS).

Background

The Proposed RPS was notified in March 2015 with 72 submissions received, and notified for further submissions in November 2015 with 22 submissions received. 36 submitters indicated they wished to be heard, and 23 submitters indicated they wished to be heard in support of others.

Staff have carried out a number of pre hearing meetings and workshops and are nearing completion of the recommending report required under Section 42A of the RMA. Once completed and distributed to relevant parties in accordance with the relevant part of the RMA, hearings can commence.

Panel composition

Section 34A allows a local authority to delegate to a hearings commissioner (who may or may not be a member of the local authority) a very wide range of functions, duties or powers. These typically include hearing and deciding notified resource consent applications, and hearing and deciding submissions on district or regional plans. The only exceptions to this power of delegation are the approval of a policy statement or plan, or the power of delegation itself.

There is no direction within the RMA as to the number of panel members required to hear a proposed plan, or their background. The only requirements that exists within the RMA relates to accreditation (section 39B).

Following internal discussions and discussions with staff in other authorities, staff recommend a mixed model hearing panel made up of the following:

- Three independent commissioners, including one commissioner with an understanding of tikanga Māori and of the perspectives of Poutini Ngai Tahu
- Two councillors

RECOMMENDATION

That the Committee agrees to appoint under s34A of the RMA, a hearing panel made up of two councillors and three independent commissioners, including one commissioner with an understanding of tikanga Maori, to hear and make decisions on the submissions on the Regional Policy Statement.

Hadley Mills
Planning, Science and Innovation Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee Meeting 10 October 2017
 Prepared by: Emma Perrin-Smith, Senior Resource Science Technician
 Date: 27 September 2017
Subject: REEFTON AIR QUALITY SUMMARY

There have been no exceedances of the Resource Management (National Environmental Standards for Air Quality) Regulations 2004 for PM₁₀ in Reefton so far this year (Figure 1). This is the first year since monitoring in Reefton began that there have been no recorded exceedances (Table 1). The maximum recorded daily average was also much lower compared to previous years. This may be due in part to the change of air quality site location.

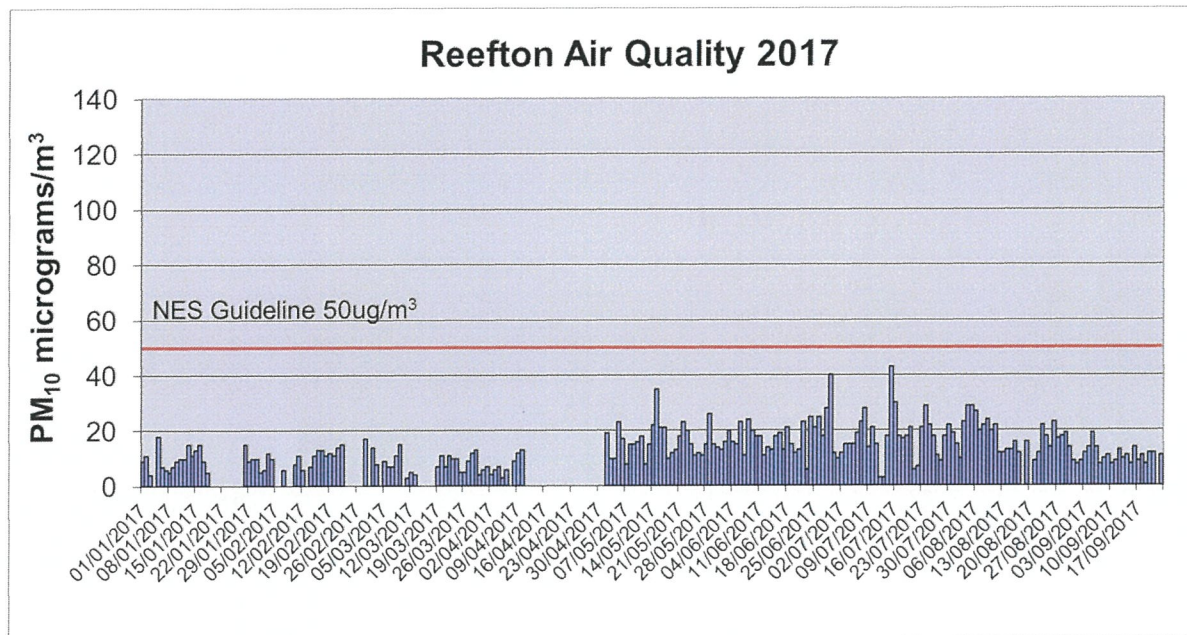


Figure 1. Reefton daily PM₁₀ for 2017 showing exceedances of the NES in red.

Table 1. Reefton air quality exceedances since 2006.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of exceedances (over whole year)	16	25	18	16	22	7	27	15	17	14	4	0
Maximum recorded 24hr average (µg/m ³)	86	129	78	91	99	68	115	87	82	91	70	43

This will be the last report for Reefton air quality for this winter.

RECOMMENDATION

That the report is received.

Hadley Mills
Planning Science and Innovation Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee Meeting 10 October 2017
 Prepared by: Stefan Beaumont – Team Leader Hydrology.
 Date: 28 September 2017
Subject: HYDROLOGY & FLOOD WARNING UPDATE

Flood Warning

A moderate rainfall event produced flood alarms for all rivers in the Buller District on 25 and 26 September. Between 50-75mm of rain fell on the coast and between 100-200mm in the inland/mountain areas.

Site	Time of peak	Peak level	Warning Issued	Alarm threshold
Karamea River at Gorge	26/9/2017 13:30	4258 mm	26/9/2017 05:35	4000 mm
Mokihinui River at Welcome Bay	26/9/2017 09:15	5724 mm	26/9/2017 05:55	4500 mm
Mokihinui River at Welcome Bay	25/9/2017 19:45	4754 mm	25/9/2017 18:15	4500 mm
Buller River at Te Kuha	26/9/2017 11:25	8718 mm	25/9/2017 19:20	7400 mm
Grey River at Dobson	18/09/2017 00:45	3477 mm	17/09/2017 23:10	3400 mm
Hokitika River at Gorge	25/9/2017 10:35	4104 mm	25/9/2017 08:20	3750 mm

Flood Warning Twitter Outage

During the September flood event it was discovered that the Twitter messages being sent out by the flood warning team were not reaching Twitter. This was due to the mail transfer process used to send messages being discontinued. The flood duty staff were unaware of this and it was picked up at the end of the flood event. Manual tweets were sent out at this point and will continue to be. In the meantime we are searching for a new service to allow for robust, simple and timely Twitter alerting.

RECOMMENDATION

That the report is received

Hadley Mills
Planning Science and Innovation Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 10 October 2017
 Prepared by: Cassidy Rae – Trainee Administrator and Karen Glover – Consents and Compliance Administration Officer
 Date: 27 September 2017
Subject: CONSENTS MONTHLY REPORT

11 Non-Notified Resource Consents were Granted 29 August – 27 September 2017

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC-2017-0017 AD & SM Harvey	<p>To disturb the foreshore within the Coastal Marine Area within Mining Permit 60151 for the purpose of undertaking black sand (gold) mining at Charleston.</p> <p>To take auriferous black sand from the Coastal Marine Area and within Mining Permit 60151 for the purpose of undertaking black sand (gold) mining at Charleston.</p> <p>To deposit black sand tailings to the Coastal Marine Area associated with mining within Mining Permit 60151 at Charleston.</p> <p>To take and use water from the Coastal Marine Area for black sand (gold) mining activities within Mining Permit 60151 at Charleston.</p>
RC-2017-0077 KiwiRail Holdings Limited	<p>To disturb the riparian margins of Mallinsons Creek to replace Rail Bridge 93.</p> <p>To disturb the bed and banks of Mallinsons Creek to replace Rail Bridge 93 and associated works.</p> <p>To temporarily divert water while replacing Rail Bridge 93, Mallinsons Creek.</p> <p>The incidental discharge of sediment to Mallinsons Creek as a result of replacing Rail Bridge 93.</p>
RC-2017-0094 Franz Josef Limited	To discharge treated onsite sewage wastewater to land at Lots 1-3 DP 392476, Franz Josef.
RC-2017-0095 SM Lowe Contracting Limited	To disturb the dry bed of the Mokihinui River for the purpose of gravel extraction.
RC-2017-0096 GP Contracting Limited	<p>To disturb the dry bed of the Buller River (Organs Island) for the purpose of removing gravel.</p> <p>To disturb the dry bed of the Buller River (SH 67 Bridge) for the purpose of removing gravel.</p> <p>To disturb the dry bed of Giles Creek for the purpose of removing gravel.</p>
RC-2017-0098 Buller District Council	To take and use surface water from Ballarat Creek for the purpose of a supplementary community water supply.
RC-2017-0100 HC Roundhill & RA Inwood	<p>To disturb the dry bed of Landing Creek to extract gravel for the construction of river protection structures.</p> <p>To disturb the bed and banks of Landing Creek to undertake protection works (stopbank and groynes).</p> <p>To permanently divert water in Landing Creek from protection structures and as a result of channel realignment.</p>

RC-2017-0102 RD & RM Sandford	To discharge treated onsite sewage wastewater from a domestic dwelling to land at Lot 1 DP 3401 BLK XII Okuru SD, Haast.
RC-2017-0104 Mokihinui-Lyell Backcountry Trust	To disturb the dry bed of Stern Creek, Mokihinui for the purpose of extracting gravel.
RC-2017-0105 Hokitika Gorge Holdings Limited	To undertake earthworks associated with humping and hollowing activities, Doctor Creek. To discharge contaminants (sediment) to land where it may enter water, Doctor Creek.
RC-2017-0108 JJ & TM Dalzell	To discharge treated onsite sewage wastewater to land at Lot 1 DP2359, Barrytown.

Whitebait Update:

All whitebait applications have been received and are expected to be determined by the end of October.

3 Changes to and Reviews of Consent Conditions were Granted 29 August – 27 September 2017

CONSENT NO. & HOLDER	PURPOSE OF CHANGE/REVIEW
RC11117-V5 Amalgamated Mining Limited	To decrease disturbed gold mining area at Notown.
RC12035-V1 MS Moore Contracting Limited	To increase disturbed gold mining area and bond at the Buller River.
RC-2016-0034-V2 Amalgamated Mining Limited	To change to disturbed area and bond at Notown.

No Notified or Limited Notified Resource Consents were granted between 29 August – 27 September 2017

Public Enquiries

37 written public enquiries were responded to during the reporting period. 25 (67%) were answered on the same day, and the remaining 12 (33%) within the next ten days.

RECOMMENDATION

That the October 2017 report of the Consents Group be received.

Gerard McCormack
Consents & Compliance Manager

Prepared for: Resource Management Committee – 10 October 2017
 Prepared by: Gerard McCormack – Consents & Compliance Manager
 Date: 28 September 2017
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 31 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	6
Mining compliance & bond release	13
Complaint related	8
Dairy farm	4

Out of the 31 total site visits, 26 visits were compliant, 5 visits were non-compliant.

• **Mining visits**

Gold Mining: 11 alluvial gold mining inspections were carried out during the month.

Coal Mining: Two coal mining inspections were carried out during the month.

• **Dairy Farms**

4 dairy farm inspections were undertaken.

• **Gravel Extraction**

25 gravel contractors throughout the West Coast have been formally warned for failing to supply gravel extraction volumes to the Council, which is a requirement of their resource consents.

• **Prosecution**

On 21 September 2017 Crescent Creations Limited appeared in the Christchurch District Court for sentencing. The company was fined \$17,000 for the unlawful excavation of Waimea Creek that occurred on 10 February 2016.

Complaints/Incidents between 1 September 2017 & 28 September 2017

The following five complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome	INC/Comp
Storm water	Complaint regarding the discharge of storm water causing an issue to the neighbouring property.	Ruatapu	Enquiries established that there was no breach of the Regional Rules as it was natural runoff from higher ground.	Complaint
Earth works within the Coastal Marine Area and diverting a river.	Complaint received that a person has diverted Hou Hou Creek by opening up another river mouth.	Ross	Enquiries established that a person excavated a channel on the beach creating a new river mouth and thereby diverting the river. Enforcement action was undertaken.	Complaint
Discharge to air	Complaint received that smoke discharging from an incinerator caused an issue to a neighbouring property.	Hokitika	The site was investigated and established that there was no breach of the Regional Rules.	Complaint

Activity	Description	Location	Action/Outcome	INC/Comp
Dairy effluent	Complaint received that cows have been stood off close to a creek.	Kokatahi	Enquiries are ongoing as the complaint was recently received.	Complaint
Discharge of dairy effluent and milk	Complaint received regarding the discharge of milk and effluent from a dairy shed.	Seddonville	Enquiries established that the stormwater diversion on the dairy yard was accidentally left open. The farmer has been issued with a formal warning.	Complaint

Formal Enforcement Action

Formal warnings: 37 formal warnings were issued during the reporting period

Activity	Location
Discharge of dairy effluent and milk	Seddonville
Gravel Extraction: warnings issued to 25 various contractors for 36 breaches of failing to supply their gravel volume returns.	West Coast

Infringement notices: One infringement notice issued during the reporting period.

Activity	Location
Unconsented River diversion.	Hou Hou Creek

Abatement Notices

Two abatement notices were issued during the reporting period.

Activity	Location
Dairy – cease discharge of effluent	Charleston
Dairy – cease discharge of effluent	Charleston

Mining Work Programmes and Bonds

The Council received the following four work programmes during the reporting period. Two work programmes have been approved. The remaining work programmes require a site visit to be undertaken prior to approval or they have just been recently received.

Date	Mining Authorisation	Holder	Location	Approved
05-09-17	RC-2016-0015	Elect Mining Ltd	Waimea	Yes
08-09-17	RC11121	DC & D Hampton	Blackball	Yes
19-09-17	RC-2014-0159	Prospect Resources Ltd	Maori Gully	In progress
22-09-17	RC-2017-004	Red Jack Resources Ltd	Arahura Valley	In progress

One bond was received during the reporting period.

Mining Authorisation	Holder	Location	Amount
RC11221	BRM Developments Ltd	Ianthe	\$140,000

Three bonds are recommended for release.

Mining Authorisation	Holder	Location	Amount
RC98024	Blakely Mining Ltd	Woods Creek	\$90,000
RC-2016-0037	Blakely Mining Ltd	Callaghans	\$40,000
RC-2015-0030	Alluvial Mining (NO2) Ltd	Scandinavian Hill	\$20,000

RECOMMENDATIONS

- 1. That the October 2017 report of the Compliance Group be received.*
- 2. That the bonds for RC98024, RC-2016-0037 Blakely Mining Ltd and RC-2015-0030 Alluvial Mining (NO 2) are released.*

Gerard McCormack
Consents and Compliance Manager

COUNCIL MEETING

THE WEST COAST REGIONAL COUNCIL

Notice is hereby given that an **ORDINARY MEETING** of the West Coast Regional Council will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Greymouth on **Tuesday, 10 October 2017** commencing on completion of the Resource Management Committee Meeting

A.J. ROBB
CHAIRPERSON

M. MEEHAN
CHIEF EXECUTIVE OFFICER

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.		PUBLIC FORUM
3.		MINUTES
	1- 3	3.1 Minutes of Council Meeting 12 September 2017
4.		REPORTS
	4 – 5	4.1 Engineering Operations Report
	6	4.1.2 Greymouth Floodwall and Cobden Flood Protection Works
	7 – 9	4.2 Corporate Services Manager's Report
	10	4.2.1 Adoption of the Audited Annual Report 2016 / 17
	11 – 19	4.2.2 Interim Audit Management Report 2017 / 17
	20	4.3 Leave of Absence – 13 November 2017 Meeting
5.	21	CHAIRMAN'S REPORT
6.	22	CHIEF EXECUTIVE'S REPORT
7.		GENERAL BUSINESS

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 12 SEPTEMBER 2017,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH,
COMMENCING AT 12.05 P.M.**

PRESENT:

A. Robb (Chairman), N. Clementson, P. Ewen, A. Birchfield, T. Archer, S. Challenger, P. McDonnell

IN ATTENDANCE:

M. Meehan (Chief Executive Officer) R. Mallinson (Corporate Services Manager), G. McCormack (Consents & Compliance Manager), R. Beal (Operations Manager), H. Mills (Planning Science & Innovation Manager), N. Costley (Strategy & Communications Manager), T. Jellyman (Minutes Clerk, The Media.

1. APOLOGIES:

Moved (Archer / McDonnell) *That the apology from Cr Clementson be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3.1 CONFIRMATION OF MINUTES

Moved (Archer / Challenger) *that the minutes of the Council Meeting dated 8 August 2017, be confirmed as correct.*

Carried

Matters arising

Cr Ewen drew attention to page 4 of the minutes and requested a copy of the Tonkin & Taylor report on Franz Josef. M. Meehan agreed to email the report, in confidence, to Councillors. He advised that the process will now be to go through the major findings of the report with the community, meet with the Franz Josef Working Group and then to hold a public meeting.

Cr Archer asked if the letter to the Ministry of Health regarding the proposed new Buller medical facilities has been sent. N. Costley confirmed that the draft letter is complete and she will circulate the response once it is received.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

R. Beal spoke to this report and advised that the engineer is very happy with the standard of work which has been completed in the Kaniere rating district.

R. Beal reported that a working group meeting was held with the Carters Beach community with good progress being made. R. Beal advised that a funding application will be submitted this week for further advice on planting, fencing, signage and access tracks.

R. Beal displayed video footage of Cobden Lagoon / Range Creek during a 3.3m spring tide last week and stated that the river was not in flood at the time of filming. R. Beal advised that a significant amount of water enters this area and one of the main priorities is to get this under control as the lagoon fills up quite rapidly.

R. Beal reported that a community meeting for Granity, Ngakawau and Hector will be held on 26 September to discuss options for this area.

R. Beal reported that the mining licence for the Taramakau rating district has now been surrendered. This was costing the rating district around \$1,500 per year. It was noted that the licence has never been used.

R. Beal answered questions from Councillors.

That the report is received.

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson tabled an updated version of the JB Were report. He advised that the Annual Report is now complete apart from some financial graphs. R. Mallinson reported that the amended operating surplus is \$694,000. R. Mallinson stated that investment portfolio has increased by just under \$200,000 during July and August. R. Mallinson stated that he would circulate an update on the operating surplus as he had referred to an operating surplus of \$668,242 in his report but should have referred to the \$668,242 as "Surplus after non-operating items" rather than "Operating Surplus". Discussion took place on what level of reporting Council would like to receive from JB Were in view of this being a new working relationship. It was agreed a simple report outlining the figure at the beginning and end of each month would be acceptable. R. Mallinson stated a report on agreed benchmark figures is most important along with a more in depth quarterly report.

Moved (Birchfield / McDonnell)

1. That this report be received.

2. That Council receives the unaudited Annual Report for the 12 months to 30 June 2017.

Carried

4.2.1 LTP 2018 / 28 PROJECT PLAN

R. Mallinson spoke to this report and explained what is required over the coming months.

Moved (Birchfield / Archer)

That Councillors agree to the Project Plan and the associated workshop commitments.

Carried

5.0 CHAIRMANS REPORT

The Chairman spoke to his report. He spoke of his recent meeting with the Chief Executive of Westland Milk Products and stated that the fencing of waterways issue was discussed as this could have a big impact on the company.

The Chairman stated that he did not make the meeting with Air NZ on 6 September as he was unwell but he advised that opportunities to increase air services to the West Coast were discussed.

It was noted that a formal proposal on the One District Plan is being drafted and will be put to all Councils for ratification.

Moved (Robb / Birchfield) *that this report is received.*

Carried

6.0 CHIEF EXECUTIVE'S REPORT

M. Meehan spoke to his report and advised that there was discussion on stock access to waterways at the recent Regional Sector Group meeting. M. Meehan stated at this stage there is limited benefit from what has been proposed and it is now a matter of seeing where this goes.

M. Meehan stated that it is unlikely that the report on the Civil Defence Technical Advisory Group Review will be looked at until after the election. He stated that every region in the South Island has gone to the same structure that this Council has moved to except for Canterbury.

Moved (Birchfield / Ewen) *that this report is received.*

Carried

GENERAL BUSINESS

Cr Birchfield asked what Council is planning to do regarding air quality in Reefton as the issue seems to have gone away and would Council continue to monitor this. M. Meehan responded that during 2013 a public meeting was held, a working group was formed, Iwi, Councils and MfE worked together and brought recommendations to Council. He stated that within days of the recommendations coming in the government announced that they were changing the NES for air quality. Work is ongoing and it is expected that an annual average over the year might be considered and instead of PM₁₀ it will be PM_{2.5}. M. Meehan stated that this is the recommendation from the Parliamentary Commissioner for the Environment and is in line with the World Health guidelines. M. Meehan stated that this matter has been parked as an announcement is expected early in the New Year. Cr Archer stated that he asked Hon Nick Smith about this and he advised that it would be at least six months before an outcome is available. Cr Archer feels that the right approach has been taken and that Council continues to monitor this.

Cr Archer apologised to the meeting for his use of "colourful language" at last month's Council workshop. He accepts that a workshop is a meeting and is subject to the same standards and requirements set out in Standing Orders.

The meeting closed at 12.43 p.m.

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Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 10 October 2017
 Prepared by: Paulette Birchfield – Engineer, Brendon Russ - Engineer
 Date: 25 September 2017
 Subject: **ENGINEERING OPERATIONS REPORT**

WORKS COMPLETED AND WORKS TENDERED FORTaramakau Rating District

A long term maintenance contract for this rating district has been put out to tender. The length of this contract will be 3+1+1 (5years). Tenders close for this contract on 16 October 2017.

FUTURE WORKSCarters Beach

A Working Group meeting took place on 5 September 2017. At this meeting the extent of the restoration project that we would apply for funding through the "Community Environment Fund" was finalised.

The "Community Environment Fund" application was submitted on 13 September 2017 requesting funds of \$71,824 for this project.

Trigger points have been installed and the current erosion line has been surveyed. If the erosion advances to the trigger points identified, Council will convene another community meeting to discuss 'hard engineering' solutions.

Cobden Lagoon and Range Creek

Potential options for mitigation of the effects of flooding in lower Cobden were discussed at the annual meeting of the Greymouth Floodwall Committee in September.

ONGOING WORKSPunakaiki Rating District

The contractor has confirmed that initial works relating to rock removal and stockpiling at the Whitehorse Quarry site will begin mid to late October 2017.

Granity/Ngakawau/Hector Erosion

A community meeting was held at Ngakawau community hall on 26 September. 65+ residents attended the meeting. The meeting resulted in a number of action points that Council staff are following up on. The community is going to form a committee to help coordinate any protection works.

Both Councils have been asked to provide some follow up advice on;

- What happens to surrendered land and what is the process to surrender land
- Provide advice on the process to close access on legal roads
- Why rates are going up
- Would Council consider waiving the annual fees on a RC
- Draft a letter to other agencies and stakeholders requesting financial assistance with protection works
- Circulate contact details from the meeting so 2-3 people from each zone can be nominated to form a community committee

There has also been a request that Council provides the community a Resource Consent for the protection works and a consent to extract rock from the Ngakawau River.

Buller River Flood Consultation

Work is being undertaken on the advertorials. The terms of reference document has been provided to the invitees to the working group for signing.

QUARRIES

Quarry rock movements for August 2017

Quarry		Opening Stockpile Balance	Rock Sold	Rock Produced	Closing Stockpile Balance
Camelback	Small/medium	11,943	0	0	11,943
	Large	5,472	4,826	4,000	4,646
Whataroa	Small/medium	6,016	0	0	6,016
	Large	11,731	0	0	11,731
Blackball		850	0	0	850
Inchbonnie		12,850	0	0	12,850
Kiwi		547	1,938	4,000	2,609
Miedema		0	0	0	0
Okuru		400	0	0	400
Totals		49,809	6,764	8,000	51,045

RECOMMENDATION*That the report is received*Randal Beal
Operations Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 10 October 2017
 Prepared by: Paulette Birchfield – Engineer, Brendon Russ - Engineer
 Date: 25 September 2017
 Subject: **Greymouth Floodwall and Cobden Flood Protection Works**

COBDEN LAGOON AND RANGE CREEK FLOOD PROTECTION

The Greymouth Joint floodwall committee held its annual meeting on 12 September 2017. The committee approved the motion that the following protection works be implemented via the Greymouth Rating District:

Recommendation

Upgrade of floodgate and monitoring of floodgate	\$99,500
Upgrade culvert to a one way valve	\$500
Establish 100m sacrificial bund	\$33,000
Block ditch mouth	\$30,000
Monitor the effectiveness of the protection works	Ongoing

REPLACEMENT OF FLOOD PUMPS

Grey District Council (GDC) requested that the Greymouth Rating District reimburses GDC for the renewal of the pump columns at Johnstone street and the cost of hiring of temporary pumps. GDC recommended that the Tarry creek pump station columns are also upgraded.

Recommendation

GDC is reimbursed for Johnstone Street pump station upgrade	\$145,000
Tarry Creek pump station is upgraded	\$42,000

GREYMOUTH FLOODWALL REPAIRS

Further repair methodology is being considered before being released to tender.
 Estimated costs of repair \$400,000

RECOMMENDATIONS

1. *That the report is received.*
2. *Implement the protection works as per recommendation.*
3. *GDC is reimbursed for incurred costs and upgrade of the Tarry Creek pump station, through the Greymouth Rating District.*
4. *That the Greymouth Joint Floodwall Committee reconvenes in February 2018 (13 February 2018 TBC) to examine the effectiveness of the above works.*

Randal Beal
Operations Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 10 October 2017
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date: 2 October 2017
 Subject: **Corporate Services Manager's Monthly Report**

1. Financial Report 1 July to 31 August 2017

FOR THE TWO MONTHS ENDED 31 AUGUST 2017	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
REVENUES				
General Rates and Penalties	399,731	398,333	17%	2,390,000
Investment Income	220,390	184,556	20%	1,107,333
Resource Management	284,506	213,104	22%	1,278,625
Regional Land Transport	12,680	13,722	15%	82,330
Emergency Management	200,954	116,667	29%	700,000
Economic Development	25,838	25,000	17%	150,000
River, Drainage, Coastal Protection	338,563	261,786	22%	1,570,713
Warm West Coast	0	15,333	0%	92,000
VCS Business Unit	798,258	529,250	25%	3,175,500
Commercial Property Revaluation	0	0	0%	35,526
	2,280,919	1,757,750		10,582,027
EXPENDITURE				
Governance	73,983	75,629	16%	453,771
Economic Development	61,277	50,000	20%	300,000
Resource Management	604,200	526,365	19%	3,158,188
Regional land Transport	28,289	28,408	17%	170,447
Hydrology & Floodw arning Services	107,756	103,644	17%	621,863
Emergency Management	181,201	118,609	25%	716,152
River, Drainage, Coastal Protection	292,822	302,134	16%	1,812,803
VCS Business Unit	579,629	436,417	22%	2,618,500
Other	20,231	12,856	26%	77,137
Warm West Coast	3,956	15,333	4%	92,000
	1,953,343	1,669,394		10,020,861
OPERATING SURPLUS / (DEFICIT)	327,576	88,357		561,166

BREAKDOWN OF SURPLUS (-DEFICIT)	Variance Actual V Budgeted YTD	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	4,042	72,678	68,636	411,818
Economic Development	-10,439	-35,439	-25,000	-150,000
Quarries	21,830	8,668	-13,162	-78,973
Investment Income	35,834	220,390	184,556	1,107,333
VCS Business Unit	125,795	218,629	92,833	557,000
General Rates Funded Activities	73,487	-133,163	-206,650	-1,244,401
Warm West Coast	-3,956	-3,956	0	0
Revaluation Investment Property	0	0	0	35,526
Other	-7,375	-20,231	-12,856	-77,137
TOTAL	239,218	327,576	88,357	561,166

Net Contributors to General Rates Funded Surplus (-Deficit)	<u>Actual</u>	<u>Budet ytd</u>	<u>Annual Plan</u>	
	<u>Net Variance Actual V YTD</u>			
Rates	1,397	399,731	398,333	2,390,000
Representation	1,646	-73,983	-75,629	-453,771
Resource Management	-6,434	-319,695	-313,261	-1,879,563
Transport Activities	-923	-15,609	-14,686	-88,117
River, Drainage, Coastal Protection	60,218	-35,605	-95,823	-574,935
Hydrology & Floodw arning	-4,112	-107,756	-103,644	-621,863
Emergency Management	21,695	19,753	-1,942	-16,152
	73,487	-133,163	-206,650	-1,244,401

STATEMENT OF FINANCIAL POSITION @ 31 AUGUST 2017

@ 30/06/17

CURRENT ASSETS

Cash	-481,416
Deposit - Westpac	780
Accounts Receivable - General	880,591
Accounts Receivable - Rates	-34,137
Prepayments	171,021
Sundry Receivables	580,088
GST Refund due	23,879
Stock - VCS	28,440
Stock - Rock	504,786
Stock - Office Supplies	16,456
Accrued Rates Revenue	694,805

2,385,291

NON CURRENT ASSETS

Investments	10,973,677
Strategic Investments	1,218,275
Term Deposit - PRCC bond	50,000
MBIE & DOC Bonds	11,142
Investments-Catastrophe Fund	1,031,892
Warm West Coast Loans	471,452
Commercial Property Investment	1,480,000
Fixed Assets	4,240,083
Infrastructural Assets	58,134,074

77,610,594

TOTAL ASSETS 79,995,885

CURRENT LIABILITIES

Bank Short Term Loan	1,426,200
Accounts Payable	525,684
GST	0
Deposits and Bonds	854,249
Sundry Payables	312,839
Revenue in advance	0
Accrued Annual Leave, Payroll	240,431

3,359,403

NON CURRENT LIABILITIES

Future Quarry restoration	70,000
Interest Rate Hedge Position	126,822
Lower Waiho	176,380
Kaniere	89,000
Greymouth Floodwall	1,621,668
Hokitika Seawall	1,225,000
Strategic Investments	1,117,093
Warm West Coast	475,000
Working capital loan	643,376
Office Equipment Leases	0

5,544,339

TOTAL LIABILITIES 8,903,741

EQUITY

Ratepayers Equity	19,329,382
Surplus transferred	327,576
Rating Districts Equity	2,354,016
Revaluation	38,339,289
Quarry Account	0
Catastrophe Fund	1,020,880
Investment Growth Reserve	9,721,000

71,092,143

LIABILITIES & EQUITY 79,995,885

2. The surplus for the two months amounted to \$327,000 compared to the budgeted \$88,000 this relates to:

Emergency Management revenue and expenditure included grant revenue and expenditure relating to the Franz Josef hazard study. This work has been funded through central government, variances relate to when invoices are received and then paid.

Resource Management costs include the > 30/6/17 overhang of costs amounting to \$36,000 involved in processing the 10 year whitebait stand resource consent renewals. The net cost of Resource Management activities (expenditure – revenues) of -\$319,000 was close the budgeted net cost of -\$313,000.

River Drainage & Coastal Protection revenue and expenditure includes rock sales (and associated costs) exceeding budget.

VCS results reflect aerial contract completed for Southern Paparoas.

Balance sheet bank short term borrowing will reduce as TBfree contract payments are received and first rates instalment cash flow occurs.

3. Investment Portfolio

July/August 2017	Catastrophe Fund	Major Portfolio	TOTAL
Opening balance 1 July 2017	\$ 1,020,880	\$ 10,786,216	\$ 11,807,096
Income July/August 2017	\$ 11,102	\$ 187,461	\$ 198,563
Deposit			
Withdrawal		\$ -	\$ -
Closing balance 31 August 2017	\$ 1,031,982	\$ 10,973,677	\$ 12,005,659
Total income year to date to 31 August 2017	\$ 11,102	\$ 187,461	\$ 198,563

RECOMMENDATION

That the report be received.

Robert Mallinson
Corporate Services Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 10 October 2017
Prepared by: Robert Mallinson – Corporate Services Manager
Date: 2 October 2017
Subject: Adoption of Audited Annual Report 2016/17

Background

Audit New Zealand site work was completed on 15 September, with a smaller contingent coming back for one day on 2 October to cover off a few matters that they weren't able to complete during September.

As of the date of preparation of this report (2 October) Council was on target to receive Audit New Zealand sign off on 10 October. I will arrange for the final document to be circulated by personal or courier delivery on Friday 6 October

Council must formally adopt its Annual Report prior to 31 October 2017 pursuant to section 98 of the Local Government Act 2002.

RECOMMENDATION

That Council formally adopts the Annual Report for the 16/17 year pursuant to section 98 of the Local Government Act 2002.

Robert Mallinson
Corporate Services Manager

4.2.2

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 10 October 2017
Prepared by: Robert Mallinson – Corporate Services Manager
Date: 2 October 2017
Subject: Interim Audit Management Report 2016/17

Background

This relates to the interim audit carried out several weeks ago and focuses on Council internal controls. It is separate from the Final Audit Management Report which focuses on the Annual Report and associated financial statements. The final report is not normally finalised by Audit NZ before November.

Where relevant "Management Comment" is included.

Item 2.1 of the Report confirms that there are "appropriate relevant internal controls in place".

Item 3.2 has been redacted under the privacy provision of the Local Government Official Information & Meetings Act (LGOIMA) and is included in the "In-Committee" agenda with the public excluded.

RECOMMENDATION

That the interim audit management report for 2016/17 be received.

Robert Mallinson
Corporate Services Manager

27 September 2017

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

www.auditnz.govt.nz

Fax: 03 961 3059

Andrew Robb
Chairman
West Coast Regional Council
PO Box 66
Greymouth 7840

Cc: Mike Meehan, Chief Executive
Robert Mallinson, Corporate Services Manager

Dear Andrew

Report on West Coast Regional Council interim audit for the year ended 30 June 2017

1 Introduction

We have completed our interim audit of the West Coast Regional Council (the Council) for the year ended 30 June 2017.

The primary purpose of our audit was to update our understanding of the Council's control environment and gain a better understanding of the issues facing the Council and how these were being addressed. We also reviewed the internal control systems and, where appropriate, tested those systems to confirm that the relevant controls identified, operated effectively throughout the period.

The follow up of matters raised in our 2016 interim report to the Council are included in Appendix 1. Our recommendations have priorities of urgent, necessary or beneficial. Appendix 2 provides more detail of each priority.

2 Assessment of your control environment

We have performed a high-level assessment of the control environment. This assessment was performed for the purpose of planning the most effective and efficient audit approach, in order to enable us to express an audit opinion on the Council's financial statements and the non-financial information. We considered the overall attitude, awareness, and actions of the Council and management in establishing and maintaining effective management procedures and internal controls.

In performing this assessment, we considered both the "design effectiveness"¹ and "operational effectiveness"² of internal control. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such,

¹ Control is effective to either prevent or detect a material error in either the financial statements and/or non-financial information. The control is "fit for purpose".

² Control has operated effectively throughout the period tested.

we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control.

In relation to the broader management control environment we noted the following:

2.1 Internal controls

We reviewed the internal controls in place for your key financial and non-financial processes that are designed to provide reasonable assurance as to reliability and accuracy of financial and non-financial reporting, as well as compliance with significant legislative requirements. These internal controls are designed, implemented and maintained by the Council and management. Both “design effective” and “operationally effective” internal control is important to minimising the risk of either fraud or misstatement occurring. The responsibility for the effective design, implementation and maintenance of internal control rests with the governing body.

We reviewed the internal controls in place for the following processes:

- expenditure;
- payroll;
- revenue and cash receipting;
- investments and fixed assets;
- non-financial performance systems; and
- related parties.

We documented and carried out tests of the systems to confirm that there are appropriate relevant internal controls in place. Where appropriate, we intend to rely on the key controls for the purposes of our audit.

2.2 Segregation of duties and access profiles

Recommendation

The Council review:

- segregation of incompatible duties in key internal control systems, and implement appropriate segregation of duties; and
- access profiles in Civica Authority for consistency with employee roles in each system.

Findings

In recent years our review of the expenditure system has identified areas where segregation of duties could be improved. These areas for improvement are yet to be addressed.

For the expenditure system the Corporate Services Manager has the ability or access to perform changes to the creditor's masterfile, approve invoices within delegation, review the payment preview report, and approve payments.

In mitigation, we have confirmed that the Corporate Services Manager has not performed changes to the creditor's masterfile for the period. Additionally, authorisation of payments in the expenditure system requires the authorisation of two approvers. On this basis we were able to rely on the expenditure system for the purpose of our audit. However, we still consider that changes should be made.

Management Comment

The Administrator has been asked to delete the Corporate Services Manager's Data Entry, Processing and Maintenance menu access in Accounts Payable.

2.3 Sensitive expenditure policies and compliance

Recommendations

- reinforce the need for compliance with the Council's key sensitive expenditure policies; and
- include guidance for entertainment expenditure within the existing sensitive expenditure policies.

Findings

As part of the interim audit we reviewed the content of the Council's key sensitive expenditure policies against good practice in the public sector, and reviewed a sample of transactions for compliance with the Council's policies.

Our review found that on the whole the Council's policies cover the key good practice elements expected in the public sector. We also identified the following areas below where policies have not been complied with, or where we believe policies could be improved:

- The Council's travel policy specifically prohibits the reimbursement of alcohol in expense claims for courses, conferences and workshops. We identified one instance where alcohol had been claimed for in an expense claim for a conference.
- We also reviewed an item of staff entertainment expenditure. Whilst the transaction was reasonable and moderate in our opinion, we did identify the Council's policies do not provide specific guidance with regard to such expenditure.

Management Comment

The policy will be reviewed.

3 Our areas of audit focus for 2017

The areas which we are giving particular attention to this year are outlined in our audit arrangements letter. We will comment in full on these matters in our final

management report. Based on our work to date, we are able to make the following comments.

3.1 Investment system

As part of our review of Council's investment system, each year we obtain a report from Price Waterhouse Coopers (PWC), which is prepared for Westpac's investment custodial service provider Aegis Ltd (Aegis). The report outlines the systems and controls performed by Aegis, over the Council's investment portfolio.

This year the report concluded that controls in place operated effectively throughout the period, with the exception of three controls where sufficient information was not available for an operationally effective conclusion to be reached. The controls that were not operationally effective relate to the update of investment prices, and capture of corporate announcements.

The report covered the twelve month period to 30 June 2016. At the final audit, we will obtain the report that covers the year ended 30 June 2017, and further assess the controls in place, and the impact on our audit approach. We may need to complete more testing if the same control weaknesses are identified.

We will also obtain external confirmation from Westpac to verify the closing value of the portfolio, and the opening balance held with J B Were to confirm the balances transferred.

Management Comment

We will redact this section in the final report submitted to Council under the "Privacy" heading of LGOIMA.

4 Matters to consider for the final audit

4.1 Identification of capital expenditure

In our report to the Council dated 15 November 2016, we recommended the Council review its capitalisation procedures for infrastructure assets. This was as a result of identifying previous capital works for the Waiho and Wanganui schemes which had been expensed in the financial statements.

We discussed this recommendation with management, who confirmed that a review of the nature of flood protection work that has been expensed will be performed as part of their year-end procedures. This review is designed to capture operational expenditure that requires capitalisation. At the final audit, we will review the process undertaken by management, to determine whether works have been appropriately capitalised or expensed in the financial statements.

4.2 Unbilled Revenue Module

Unbilled consent work in progress has been an area of focus in recent years. This is due to challenges faced by Council in determining the aging and recoverability of work in progress.

We understand the solution developed for works order billing will be used for reporting unbilled revenue for the year ended 30 June 2017. Previously, the Council have required the assistance of Molloy and Associates to review the unbilled revenue transactions and determine what the balance should be.

As this is the first time the transactions will be reported in the new module, there are risks not all data has been transferred, or data may have not been transferred accurately. At the final audit visit we will review the processes for the migration of data to obtain assurance that information has been captured, is calculated correctly and is accurately reflected in the general ledger. Additionally, we will again review the collectability of the reported unbilled revenue, and any work completed by Molloy & Associates in determining the unbilled revenue balance.

Management Comment

New module is in place and performing to our expectations.

5 Audit New Zealand has performed this audit on behalf of the Controller and Auditor-General.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

We carry out our audit in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The

Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.

6 Statement of auditor independence

We have maintained our independence in accordance with the requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

7 Conclusion

Please extend our thanks to the management and staff of the Council who provided assistance to the audit team during our visit.

If there is any further information you require, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "S. Tobin". The signature is fluid and cursive, with a long horizontal line extending from the top of the first letter.

Scott Tobin
Director

Appendix 1: Status of recommendations

Matters in progress

Matter	Current status	Priority	Management's proposed action
Authority Post-implementation Review			
<p>There remain some key outstanding issues from the post-implementation review undertaken in December 2013. Solutions need to be developed between Civica and the Council. For example the work order billing, improving online timesheets and QV data imports.</p> <p>We recommended the Council to resolve these issues.</p>	<p>In Progress</p> <p>Works Order Billing This is scheduled to go live 30 June 2017.</p> <p>On-Line timesheets These are now available for beta testing from Civica.</p> <p>QV data imports The Civica enhancement still does not meet Council's SRA requirements. Council are having continuing discussions with Civica about this.</p>	Necessary	<p>Works Order Billing <i>New module is in place and performing to our expectations.</i></p> <p>On-Line timesheets <i>This issue has been put to one side while Council investigates options for removing the necessity of a number of staff to file weekly electronic timesheets.</i></p> <p>QV data imports <i>Civica has done everything we would reasonably expect with regard to the functionality of their software with regard to SRAs. We have strong checks and balances and due diligence processes in place to ensure the integrity of our SRA rating.</i></p>
Credit notes monitoring			
<p>Council produce and monitor a credit note listing report that shows all credit notes issued within a specified period.</p>	<p>In Progress Management are now able to produce a report which shows all credit notes. This is not yet being monitored.</p>	Beneficial	<p>Management have identified a query which can be run to produce a listing of all credit notes. This will be used for monitoring credit notes in the future.</p>
Gifts register			
<p>Council maintain a gifts register and communicate to all staff that gifts received in relation to work should be included in the register.</p>	<p>In Progress A gift register is likely to be implemented in the next few months. We will follow up on the progress at final audit.</p>	Beneficial	<p>The policy should be finalised shortly.</p>

Appendix 2: Explanation of priority ranking system

Our recommendations for improvement and their priority are based on our assessment of how far short the Council is from a standard that is appropriate for the size, nature, and complexity of its business. We have developed rankings for our recommendations:

Urgent

Major improvements required

Needs to be addressed *urgently*

These recommendations relate to a serious deficiency that exposes the Council to significant risk. Risks could include a material error in the financial statements (and the non-financial information); a breach of significant legislation; or the risk of reputational harm.

Necessary

Improvements are necessary

Address at the earliest reasonable opportunity, generally *within 6 months*

These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.

Beneficial

Some improvement required

Address, generally *within 6 to 12 months*

These recommendations relate to deficiencies that result in the Council falling short of best practice. These include weakness that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 10 October 2017
Prepared by: Councillor Terry Archer
Date: 13 September 2017
Subject: **LEAVE OF ABSENCE – 13 November 2017 MEETING**

My wife and I have made travel arrangements to travel overseas from the 5th November 2017 until 29th November 2017. Regretfully my travel itinerary has resulted in my not returning to New Zealand for the scheduled 13 November 2017 Council meeting. In terms of Standing Orders 3.6.1, I subsequently request a Leave of Absence from attending the 13 November 2017 Council meeting.

RECOMMENDATION

That Council grants Councillor Archer a Leave of Absence from attending the 13 November 2017 scheduled Council meeting.

Terry Archer
Councillor

Prepared for: Council Meeting- 10 October 2017
Prepared by: Andrew Robb – Chairman
Date: 29 September 2017
Subject: **CHAIRMAN'S REPORT**

Meetings Attended:

- I chaired the meeting of the Greymouth Joint Floodwall Committee on 12 September.
- I met with Audit NZ on 13 September.
- Chris McKenzie (Chief Executive of Development West Coast) and I met with the Tourism West Coast Board on 14 September to discuss economic development matters.
- I took part in a teleconference for the Visiting Drivers Governance Group on 21 September.
- Chris McKenzie (Chief Executive of Development West Coast) and I attended the Buller District Council meeting to discuss the restructure of Development West Coast on 4 October.

I chaired the Franz Josef working group and community meeting on 26 September in Franz Josef. Both meetings were to allow Tonkin and Taylor to present the conclusions of their work. The Community meeting in particular was extremely positive and those in attendance (approximately 70) were keen to make further progress.

Tonkin and Taylor will finalise their report over the next few weeks. The next step is undertaking consultation over the next few months with the wider community to map a way forward.

RECOMMENDATION

That this report be received.

Andrew Robb
Chairman

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 10 October 2017
Prepared by: Michael Meehan – Chief Executive
Date: 29 September 2017
Subject: **CHIEF EXECUTIVE'S REPORT**

Meetings attended:

- I attended the meeting of the Greymouth Joint Floodwall Committee on 12 September.
- I met with Audit NZ on 13 September.
- On 15 September I took part in the meeting to discuss the water issues in Westport. A Governance Group has been set up to work through the issues with water supply for Westport.
- Randal Beal, Mark Crowe, Paulette Birchfield and I were hosted by Bay of Plenty Regional Council staff in Edgecumbe and Matata on 20 and 21 September.
- I attended the LGNZ Policy Advisory Group meeting in Wellington on 22 September.
- I attended the Franz Josef Working Group and a community meeting in Franz Josef on 26 September to discuss the draft findings of the Tonkin Taylor report for future options for Franz Josef.
- I met with DoC staff on 28 September to discuss Kotahitanga mō te Taiao - Partnership work.
- I will be attended a meeting at the Arahura Marae on 5 October to discuss matters relation to the One District Plan.

Annual Leave

I took one day's annual leave during the reporting period.

RECOMMENDATION

That this report be received.

Michael Meehan
Chief Executive

THE WEST COAST REGIONAL COUNCIL

To: Chairperson
West Coast Regional Council

I move that the public be excluded from the following parts of the proceedings of this meeting, namely, -

Agenda Item No. 8.

23 – 24 8.1 Confirmation of Confidential Minutes 12 September 2017

8.2 Overdue Debtors Report (to be tabled)

25 – 26 8.3 Interim Audit Management Report (Part 3.2)

8.4 Response to Presentation (if any)

8.5 In Committee Items to be Released to Media

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
8.			
8.1	Confirmation of Confidential Minutes 12 September 2017		Item 1 & 2 protecting privacy of natural persons Section 7 (3) (a) of the Local Government Official Information and Meetings Act 1987.
8.2	Overdue Debtors Report (to be tabled)		
8.3	Interim Audit Management Report 2016 / 17 (Part 3.2)		
8.4	Response to Presentation (if any)		
8.5	In Committee Items to be Released to Media		

I also move that:

- Michael Meehan
- Robert Mallinson
- Gerard McCormack
- Randal Beal
- Hadley Mills
- Nichola Costley

be permitted to remain at this meeting after the public has been excluded, because of their knowledge on the subject. This knowledge, which will be of assistance in relation to the matter to be discussed.

The Minutes Clerk also be permitted to remain at the meeting.