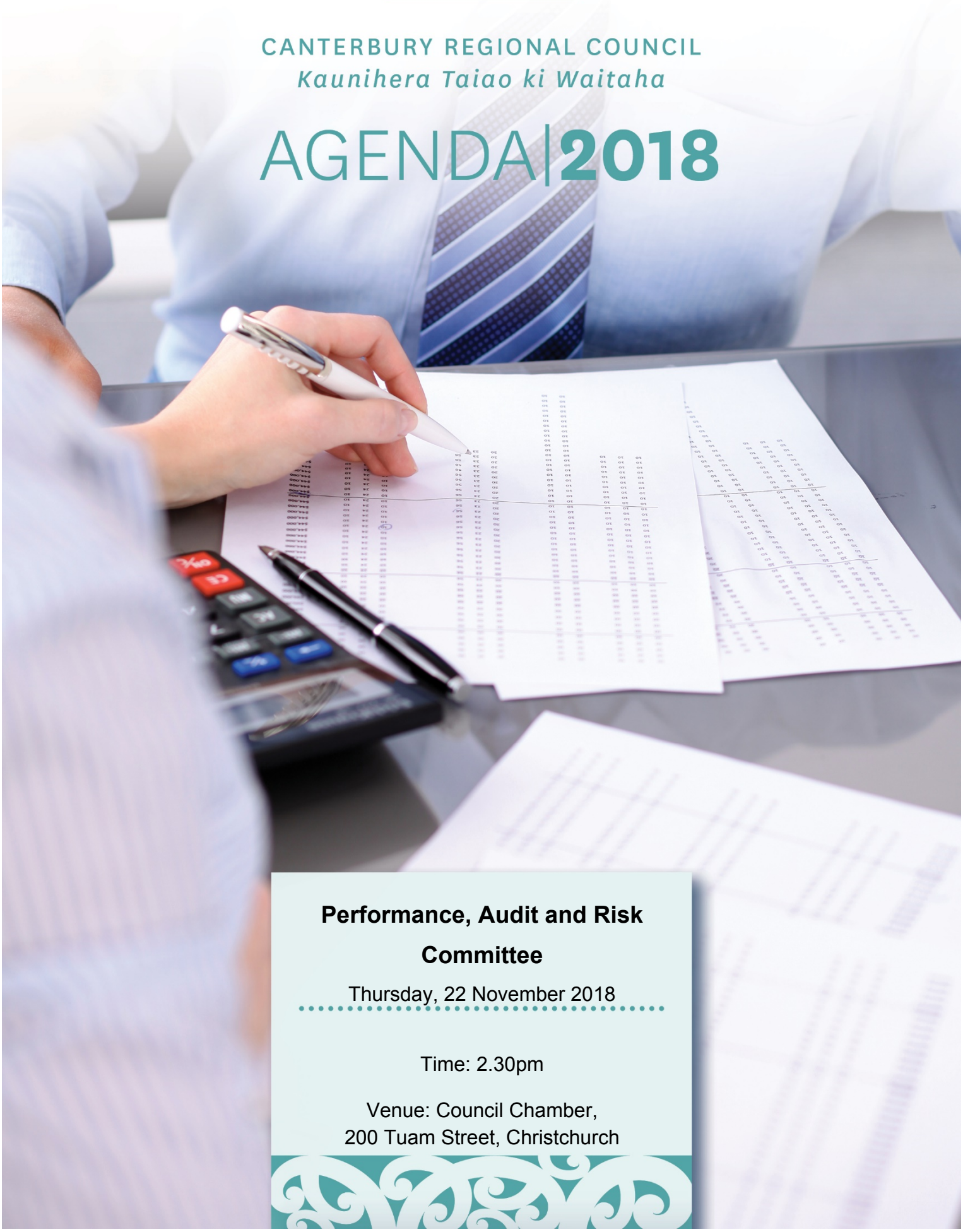
Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

CANTERBURY REGIONAL COUNCIL
Kaunihera Taiao ki Waitaha

AGENDA | 2018



Performance, Audit and Risk Committee

Thursday, 22 November 2018

Time: 2.30pm

Venue: Council Chamber,
200 Tuam Street, Christchurch

Performance, Audit and Risk Committee

Membership

Chair	Rod Cullinane	
Deputy Chair	Peter Scott	

Environment Canterbury

Councillors:	Claire McKay	John Sunckell
	Steve Lowndes	

Performance, Audit and Risk Committee

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1. Apologies

2. Conflict of Interest

3. Deputations and Petitions

4. Risk

4.1. Health and Safety

Performance, Audit and Risk Committee (PARC) Report

Date of meeting	22 November 2018
Author	Matthew Bennett Principal Health and Safety Advisor
Endorsed by	Miles McConway Director Finance and Corporate Services

Purpose

1. To provide a summary of information on Health and Safety matters to the Performance, Audit and Risk Committee.

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive the Health and Safety Governance Report for November 2018.

Attachments

1. 181105 H+ S Report - Governance - November 22 nd **[4.1.1]**

Health and Safety Report

Summary

- The internal desktop audit of our health and safety management system (HSMS) is underway. This is a first stage of a three-year cycle and we are benchmarking ourselves against ISO 45001. The audit results are expected for early December
- The Health and Safety data and information management project is nearing the end of the design phase and will shortly begin being built. This is an important piece of work as a number of other pieces of work are dependent upon it.
- An increase in use of vehicles and the times of use, coinciding with extended daylight hours was noted. In response messaging about the potential for fatigue has gone out and this will be followed up with further information, guidance and resources.
- **Ten incidents were reported since the last report** (17 September): Five insignificant events and five are minor events. Of these, five have been closed off and five are open.

Health and Safety Strategy Work Programme

Strategy Update

The strategy sets out our short to medium term health and safety work programme (objectives). The Health and Safety Champions are now supporting these in order to keep them progressing and to maintain direct connection with the needs of workers.

Programme	Details	Stage
Visible Safety Leadership	Safety Tours by Directors and Senior Leaders	Underway
Information sharing	Improving the methods of sharing health and safety information and learnings	Design and Development
Safe Systems of Work	Development, reviewing and updating of safe systems of work for all tasks / activities that expose ECan workers to potential harm	Underway
External reviewing of high-risk work	Engage external consultants and experts to look a key work activities and measure against good practice and principles	Underway
Health & Safety Training for all Senior Leaders	Develop an H+S Training package for People Leaders – principles of H+S, Hazard / Risk Identification, Incident Management. HR add an H&S induction for new People Leaders.	Design and Development
Incident management and learning	Improve the quality of incident management and implementation of learnings	Design and Development
Improvement and corrective actions	Develop and utilise an effective method for improvement and corrective actions including alerting and escalation of actions and reporting on progress	Design and Development
Health & Safety data and information management	Design and implement an effective system for collecting, managing, analysing and reporting health & safety at all levels and across all of Environment Canterbury	Design and Development
Training and Competency Data	Develop a training management system that enables clear view of training requirements and currency	Design and Development
Review of H+S Policy and Management Structure	Undertake an internal desktop review of the health and safety policy and management structure against ISO 45001	Underway
Contractor Management	Develop a centralised database and supporting resources to enable effective contractor management in line with the contractor management protocol	Underway
Worksite Inspections	Inspection ECan worksites and activities as planned in the Section H+S Plans	Underway
H+S Staff Surveying	Designing of surveying method for collecting worker input on the performance and effectiveness of HSMS and Strategy. Survey results used do drive a feedback loop.	Design and Development
PPE Project	Implementation of the recommendations from the Review of PPE	Design and Development

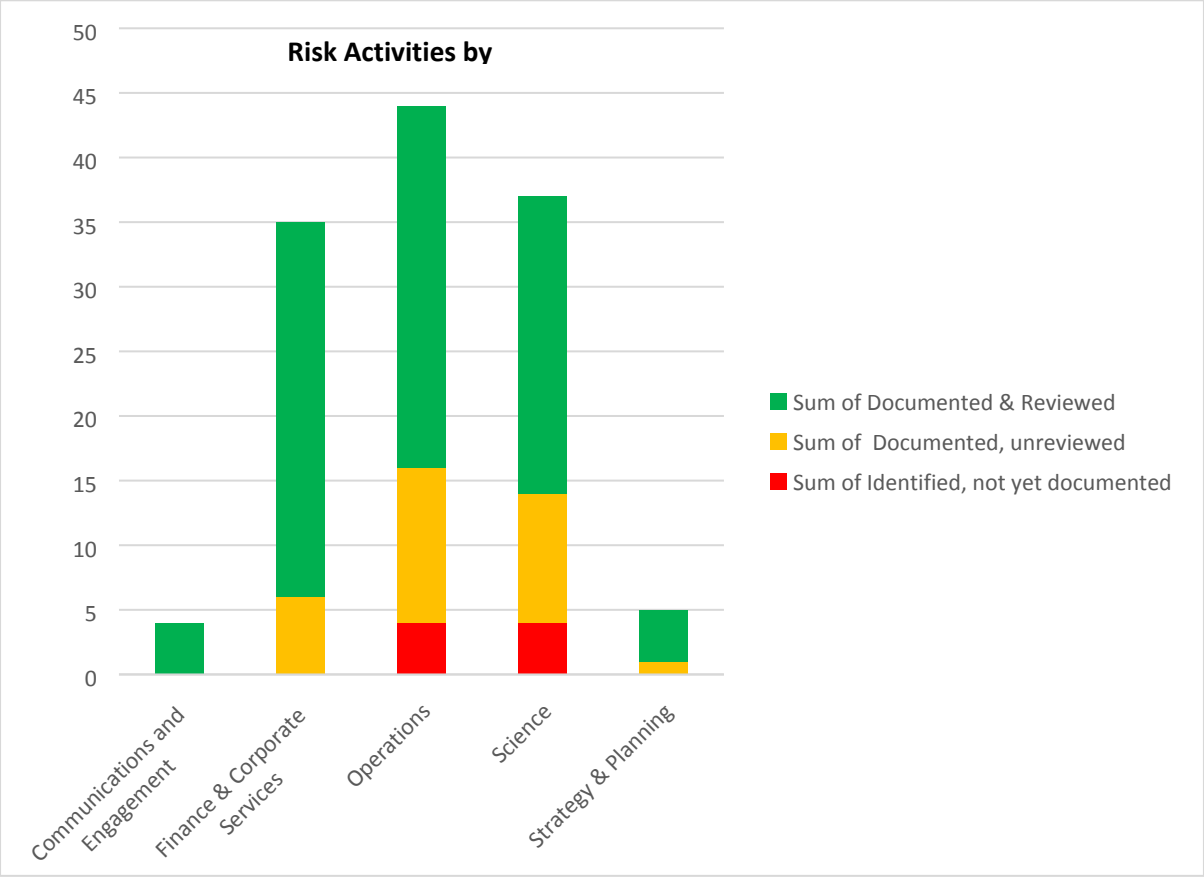
Measuring progress and performance of each of these is important and is included as a part of the H+S data and information management project. Once complete people at each level of Environment Canterbury will be able to see what projects they involved in and the status of the project. This will provide improved health and safety assurance.

Lead Indicators

Risk Profile

Following the review and development of the 2018 / 2019 Section Health and Safety Plans the section and group risk profiles have been updated. Simultaneously a number of activities were reviewed. Subsequently we have seen a positive shift in the overall risk profile.

This chart shows the risk profile by group, and measured by the number of 'risk activities' (activities undertaken that potentially cause harm). **Red** shows identified activities where there are no plans, procedures or mitigations embedded. **Amber** shows where a plan, procedure or mitigation is in place. **Green** is where a procedure is in place and has been reviewed and determined fit-for-purpose.



Improvement and Corrective Actions

New Improvement and Corrections 18 September – 5 November:

Improvement Number	Title	Group	Risk Category	Due By	Current Status
IM100	Workstation Assessments be moved in-house	Finance & Corporate Services	Other	1/11/2018	Closed
IM101	Establish clear guidance of monitoring guidance	Finance & Corporate Services	Other	15/11/2018	Open
IM102	Motorbike / ATV Training	Operations	Transportation	15/12/2018	Open
IM103	Biosecurity ERP Practice	Operations	Transportation	15/12/2018	Open
IM104	Update Flood Manual	Operations	Environment	30/11/2018	Open
IM105	Update Flood Training	Operations	Environment	30/11/2018	Open
IM106	Update the Fatigue Protocol	Finance & Corporate Services	Other	30/11/2018	Open
IM107	Checklist for Smoke Chaser Truck	Operations	Environment	31/10/2018	Closed
IM108	Update Fire Plan	Operations	Environment	1/01/2019	Open
IM109	FENZ Contract	Operations	Environment	1/01/2019	Open
IM110	FENZ Training	Operations	Environment	1/01/2019	Open

Safety Reviews Inspections and Audits

Fourteen external reviews have been lined up for 2018.

	Activity	Scope	Status
1	Commercial Diving - Biosecurity	Full review of the Dive manual	Complete
2	Rural Fire Fighting	Desktop audit	Complete
3	Flood inspection / monitoring	Desktop Audit w/ limited field check	Complete
4	Motorbike and quad bike use	Review of use, training and benchmark against good practice.	Complete
5	Surveying – cliffs and slips	Review of field practices	Complete
6	CDEM R.A.T.S Team	Desktop Audit w/ limited field check	Complete
7	Review of PPE	Full review of the provision and management of PPE	Complete
8	Use of Excavators / Bulldozers	Review of field practices and documentation	Report in draft
9	Incident Response	Desktop Audit w/ limited field check	Report in draft
10	Hydrologists working alone and remotely	Desktop audit of procedure, survey of team knowledge of use.	To be scheduled
12	Willow layering – Field Services	Review of field practices and documentation	To be scheduled
13	Confined Space (Hydrology)	Review of field practices and documentation	To be scheduled
14	Chainsaw use	Review of filed practices (sampling)	To be scheduled

Lag Indicators

Incidents from 18 September – 5 November:

Date	Title	Group	Section	Risk Category	Risk sub-category	Status	Actual Harm
2/11/2018	Knife Cut	Communications & Engagement	Marketing	Other	Manual Handling	Communicated & Closed	Minor
2/11/2018	Desk Chair	Operations	Zone Delivery	Buildings & Facilities	ECan Property	Open	Minor
1/11/2018	Bomb Threat	Operations	Zone Delivery	Personnel Security / Public Threat	Onsite	Open	Insignificant
26/10/2018	Trip down Mata Lane	Science	Surface Water	Buildings & Facilities	ECan Property	Communicated & Closed	Insignificant
15/10/2018	Twitchy Throttle	Operations	FS - Biosecurity	Transportation	Land - Motorbike	Open	Minor
8/10/2018	Overhead Hazard	Visitor / Public		Buildings & Facilities	ECan Property	Communicated & Closed	Insignificant
29/09/2018	Excavator Impact	Operations	River Engineering	Machinery	Heavy	Overdue	Insignificant
26/09/2018	Bike Harm	Operations	FS - Biosecurity	Environment	Physical task	Communicated & Closed	Minor
24/09/2018	Farm Harm	Operations	FS - Biosecurity	Environment	Physical task	Open	Minor
21/09/2018	Strained Knee	Operations	FS - Biosecurity	Environment	Terrain	Communicated & Closed	Insignificant

Year-to-date Summaries

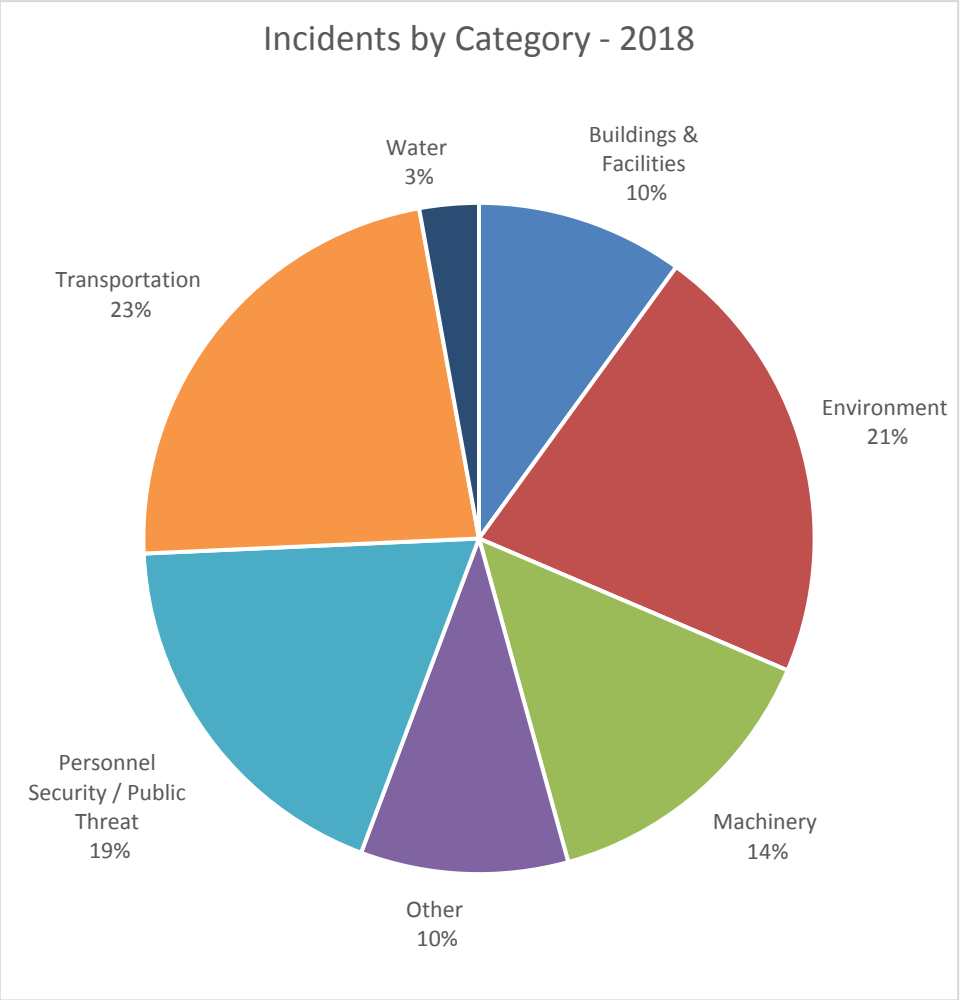
1 January 2018 – 5 November 2018

Incident by Impact and Group (Table)

	Insignificant	Minor	Moderate	Major & Catastrophic	Total (by Group)
Communications and Engagement	1	2	-	-	3
Finance and Corporate Services	4	4	1	-	9
Operations	21	21	8	2	52
Science	1	6	-	1	8
Strategy and Planning	-	-	-	-	0
Contractors	3	1	-	-	4
Non-Workplace	2	1	1	-	4
Visitor / Public	1	1	1	-	3
Total (by Impact)	33	36	11	3 ‡	83

‡

Date	Risk Category	Sub-Category	Details
3/8/2018	Transportation	Trailer	Trailer came unattached while unloading causing damage
30/7/2018	Machinery	Chainsaw	Worker cut while using a chainsaw
11/7/2018	Other	Fatigue	Employee burnout requiring extended leave of absences



5. Performance

5.1. Action List

Performance, Audit and Risk Committee (PARC) report

Date of meeting	22 November 2018
Author	Katherine Harbrow
Endorsed by	Miles McConway

Purpose

1. The purpose of this report is to record matters raised at the PARC meetings that require substantial follow up actions and to provide delivery times and accountability.

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive the Action List for the 22 November 2018 meeting agenda

Attachments

1. Current PAR Action list - 22 November 2018 **[5.1.1]**

Performance, Audit & Risk Committee Action List

#	Action Request Date	Resolution/Request	Action Taken	By Whom	Notes/Dates
		Future Meetings:			
		Efficiency and Productivity Reporting	Ongoing	Miles McConway	
		Current Meeting:			
1	26/04/18	*Public Transport Report:* Results of 3-month WIFI trial to be included in public transport report when available	Report included in 22 Nov agenda	Stewart Gibbon	Completed
2	28/06/18	*Registered Dam Safety Assurance programme*: It was queried whether the draft policy which has been in draft format since 2006 could not be adopted by Council as 'policy'.	It was agreed at 4 Oct PARC that it would be prudent to conduct the required five yearly review of the policy.	Catherine Schache	This review will now go the Council process.
3	28/06/18	*Public Transport Report:* Staff to engage with Christchurch International Airport Ltd (CIAL) to support promotion and transport integration logistics for the new electric buses.	Update will be provided at PARC meeting	Stewart Gibbon	Meeting has been arranged with Airport Staff for Thursday 15 Nov to commence engagement
4	4/10/18	*Health & Safety*: Requested changes in reporting have be made including under 'Lag Indicators' a column be added showing incident reporting date; and under the heading of 'Year-to-date Summaries', a note be added advising incidents were for the calendar year.	Updated in this month's meeting	Matt Bennett	Completed

5.2. Public Transport Financial Update

Performance, Audit and Risk Committee (PARC) report

Date of meeting	22 November 2018
Author	Stewart Gibbon
Endorsed by	Nadeine Dommisse

Purpose

1. To provide an update on the financial performance of Public Transport

Recommendations

That the Performance, Audit and Risk Committee:

1. **Receives the financial update on Public Transport**
2. **Receives the WiFi Trial Report**

Attachments

1. Public Transport Financial Report
2. WiFi Trial Report

Public Transport Financial Update October 2018

Background

The following analysis is based on financial results for the four-month period from 1 July 2018 to 31 October 2018. Monthly activity and risks are outlined at the end of the report.

Financial Results

The table below provides details of expenditure levels for the four months beginning 1 July 2018 to 31 October 2018 and also the various funding sources. The financial result is also compared to the 2018/19 Annual Plan budget.

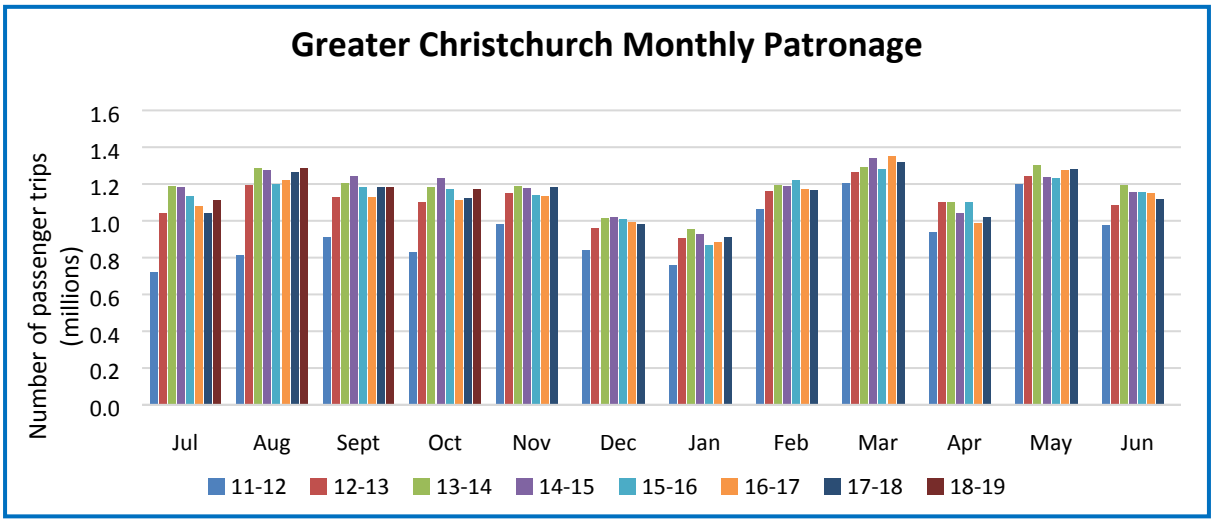
$000	Year to Date			
FUNDING OF SERVICES - REVENUE	**Act**	**Bud**	**Var**	**%**
Rates	7,526,474	7,526,474	0	0%
Grants	9,503,159	9,571,969	(68,810)	-1%
User pays and other	6,607,519	6,486,715	120,804	2%
Total Revenue	**23,637,152**	**23,585,159**	**51,993**	**0%**
DELIVERY OF SERVICES - EXPENDITURE	**Act**	**Bud**	**Var**	**%**
Total Expenditure	**24,100,960**	**23,792,502**	**308,458**	**1%**
Reserve Accumulation / (Use)	**(463,808)**	**(207,343)**	**(256,465)**	

Public Transport expenditure is tracking 1% over budget. NZTA June index has been adjusted in September accounts, contract payment costs are higher than budget due to increasing fuel prices. Regional Public Transport Plan was out for consultation resulting in expenditure in the Strategy & Marketing space increasing.

Revenue is tracking within budget. Grant revenue is lower than budget due to timing of Territorial Authority infrastructure and IT project claims, fare revenue is ahead of budget, balancing overall against budget.

Monthly Activity

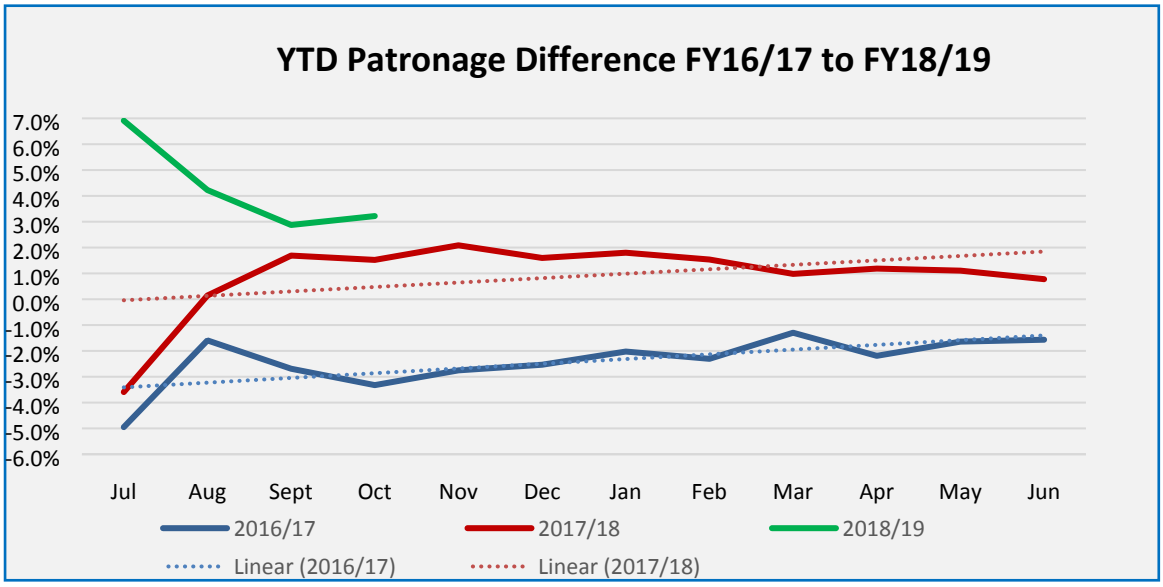
Patronage – Fiscal year to Date (October)



GREATER CHRISTCHURCH	Month October 2018	Prev Yr Comparison	Y-T-D	Prev Yr Comparison
Patronage	**1,171,266**	↑ **4.3%**	**4,751,137**	↑ **3.2%**
Commerciality	**39.6**	↑ **2.7**	**38.9**	**0.0**

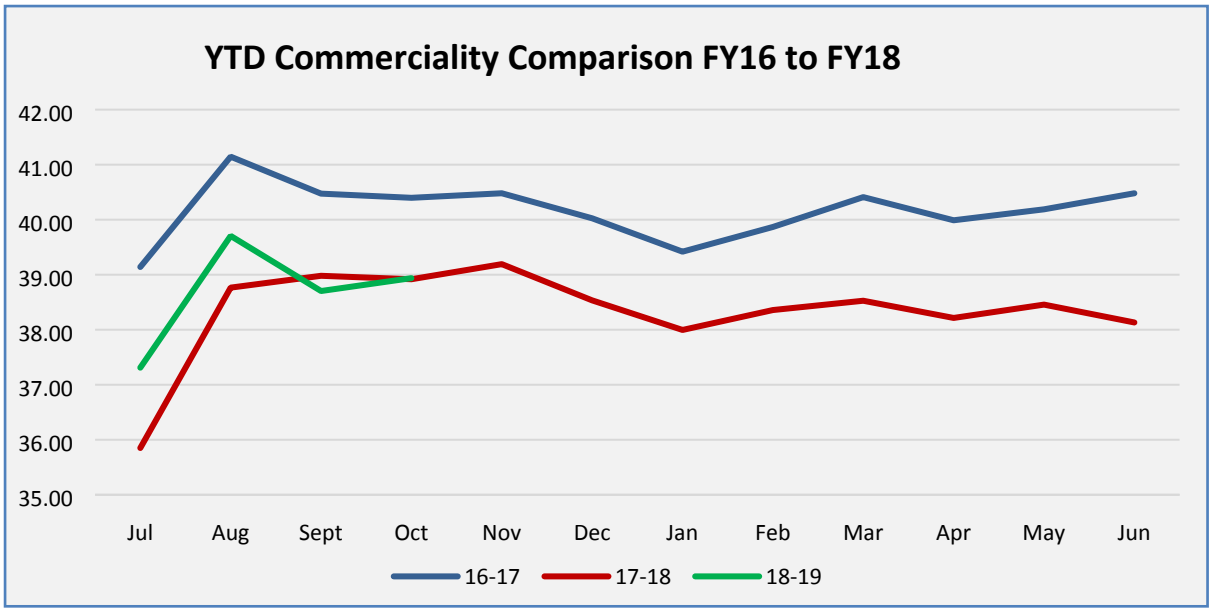
October continues the positive patronage trend of the 2018/19 financial year recording a patronage increase of 4.3%.

The fiscal Y-T-D patronage continues to track at a positive figure of 3.2% growth. As a comparison this time last year patronage was up only 1.5% year-to-date as shown below. Having growth occurring on top of growth for the same period last year is a very encouraging sign, particularly noting that the long run trend continues to be positive.



Farebox Recovery

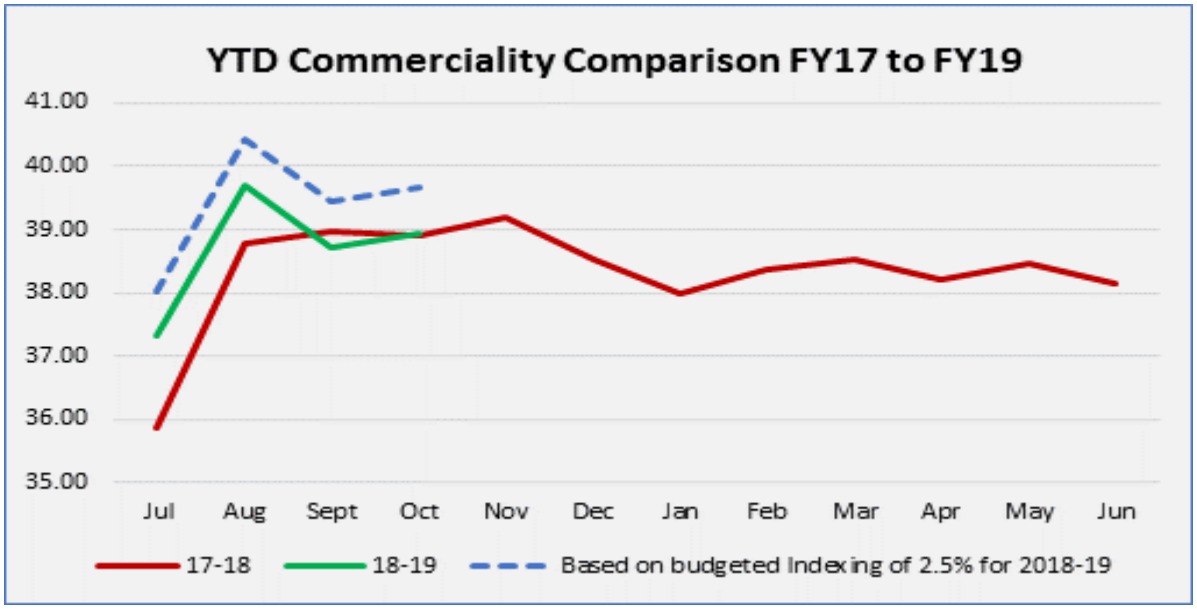
The Farebox Recovery target in the Canterbury Regional Public Transport Plan is to reach a ratio of 50 for cost recovery by the end of the 2019/2020 financial year. This represents Canterbury's contribution to the National Farebox Recovery Policy.



October Farebox Ratio was 39.6 taking the year-to-date ratio to 38.9 the same as this time last year.

The October 2018 average fare was $1.61 ex GST for Greater Christchurch compared to $1.58 ex GST for October 2017.

Farebox recovery has and will continue to be impacted by Indexing beyond what was forecast and budgeted for. To illustrate the impact of Indexing on our budgeted outcomes, the below chart illustrates the difference between what our Farebox would have been given current network performance if indexing remained within forecast levels and what it currently is.



This demonstrates that our underlying strategy and approach is sound, however external factors beyond our control are negatively impacting on budgeted outcomes.

Payment Type

Payment Type October 2018	Metrocard	Cash	SuperGold Card	Other e.g. Complimentary passes etc
Greater Christchurch	72.0%	16.2%	11.6%	0.2%

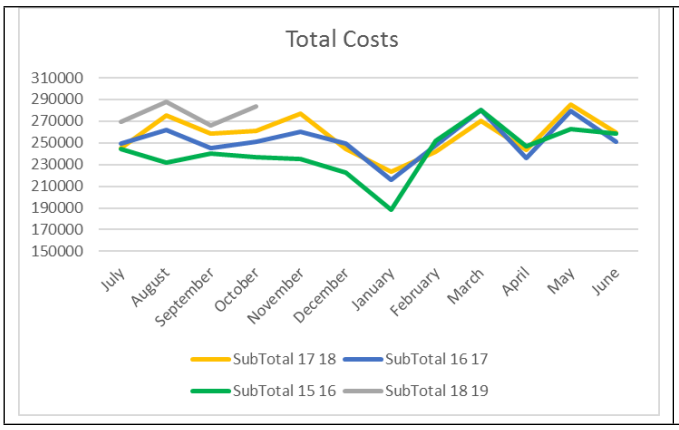
As a comparison, cash fares made up 17.4% of payments in October 2017.

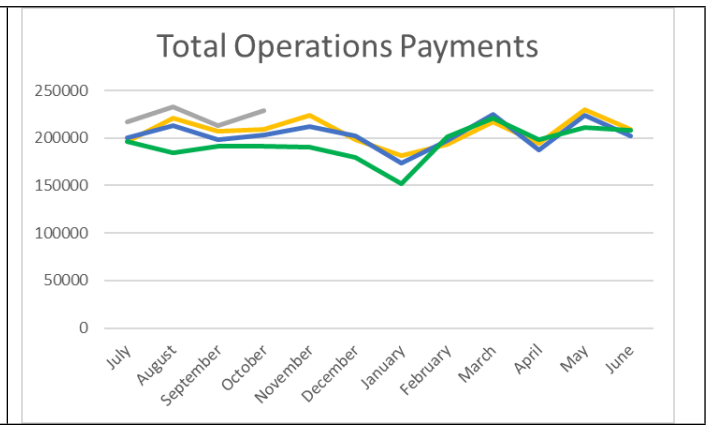
Community Transport

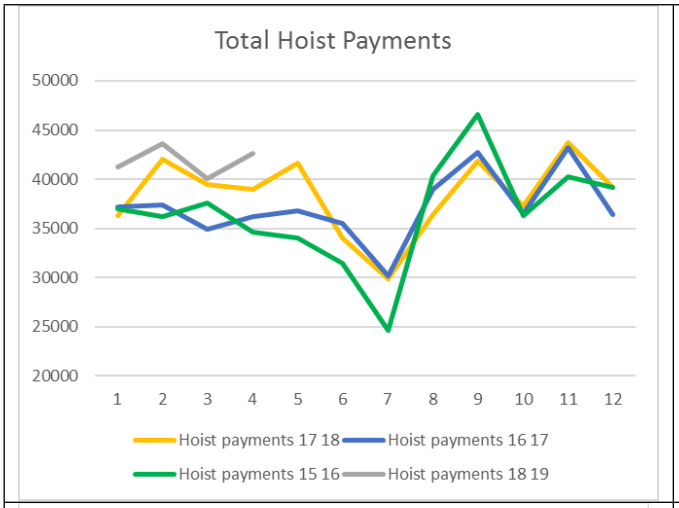
Community Transport (combined Total Mobility and vehicle trusts) Y-T-D is tracking over budget year to date.

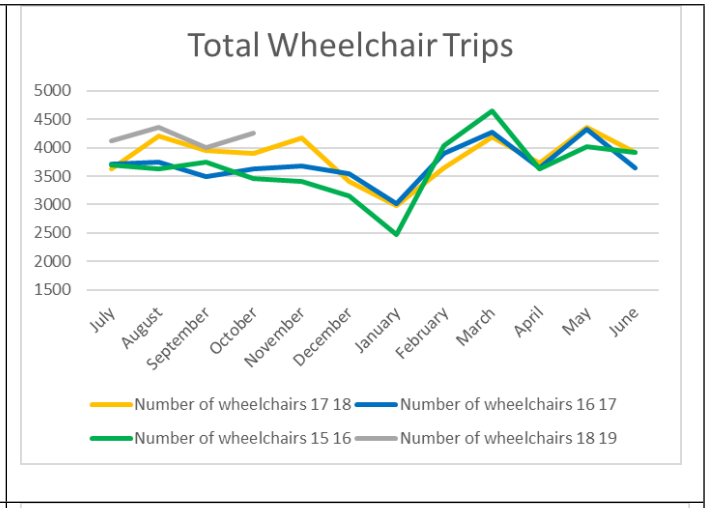
$000	Year to Date			
FUNDING OF SERVICES - REVENUE	**Act**	**Bud**	**Var**	**%**
Rates	417,178	417,178	0	0%
Grants	841,063	763,939	77,125	10%
User pays and other	6,228	1,408	4,820	342%
Total Revenue	**1,264,469**	**1,182,524**	**81,945**	**7%**
DELIVERY OF SERVICES - EXPENDITURE	**Act**	**Bud**	**Var**	**%**
Total Expenditure	**1,334,183**	**1,182,525**	**151,658**	**13%**
Reserve Accumulation / (Use)	**(69,714)**	**(0)**	**(69,714)**	

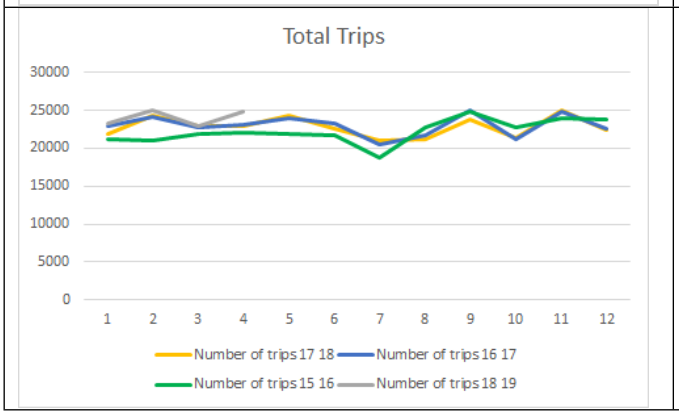
Total Mobility usage for October was approximately 10% above last year in terms of trips, and this aligns with increased wheelchair customer trips and hoist use. It is interesting to note a continuation of the trend for increased hoist usage in the beginning part of the year. Average subsidised fare YTD is $9.27 compared to $9.07 last year. This increase is primarily driven by the increased hoist usage.

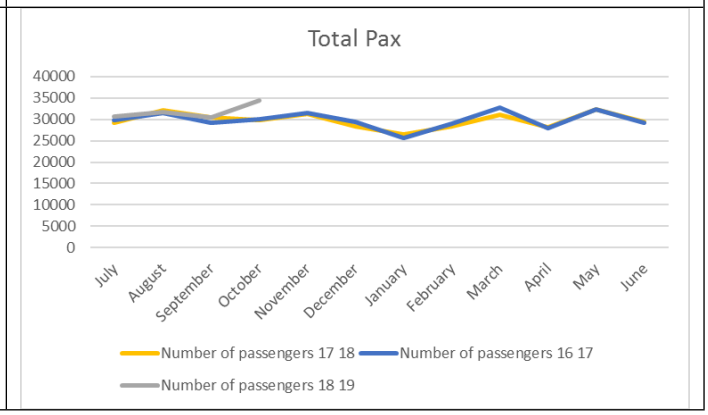












Project Updates

The following Projects are currently in flight:

National Ticketing		The procurement phase of this project is underway as planned. Procurement phase commenced on 15 June with release of an ROI to market. The ROI process has now closed, and effort is now focused on reviewing and analysing responses.
Real Time Information System		Development is well underway for the RFP for this project for releasing to the market later this year.
Wi-Fi Trial		The three-month Wi-Fi trial on two routes – 85 Rolleston and 29 Airport is now complete and preliminary results are encouraging. The trial for Routes 85 and 29 will be extended and consideration is being given to expanding the trial to include a long-distance route from Waimakariri district. See separate, attached paper.
RPTP Review		The Regional Public Transport Plan consultation closed on 14 October. A high level of community engagement was received from this consultation with over 700 submission and just under 9,000 fact to face surveys. The Public Transport Joint Committee Hearings panel received 55 verbal submissions. The Joint Committee will now consider recommendations from the Hearings Panel before

		recommending a final draft to ECAN for adoption at their December meeting
PT Data 2020		Phase 1 of the Data Warehouse is progressing well as we look to bring additional data from our RTI system into our storage pool. Pilot reports are being consumed to help shape the structure and relationships of the underlying information. Wider team training has now been booked to "productionise" work done to date and expand access and availability to the wider team.
Electric Bus Trial		These vehicles are scheduled to arrive in the first quarter of next calendar year as planned.
Timaru DRT		ECAN have engaged DRT technology provider Via to assist in the completion of a Feasibility study into the potential for provision of DRT in Timaru. This work will identify, through direct engagement with the community, the scope and design of a potential service and the economics of it. Timaru District Council and ECan staff are completing a field trip to Newcastle in Australia to learn from their experiences in provisioning DRT to specific communities.
LTP Route Changes		The implementation of route changes as an outcome of the LTP process has gone well with no operational impacts as a result of good planning and collaboration between parties.

Network Risk Summary

RISKS	MONTHLY UPDATE
Additional costs associated with extensive road works and detours	***Moderate:*** The incidence of detours across the network has reduced significantly in the current year. The risk remains, however, and there are a few large detours planned for 2018 which are likely to impact the network.
Fuel price increase	***High:*** Fuel prices have increased over recent months. The risk remains that any increase will have an effect on budgets should they exceed projections. The NZTA Index is projected to increase to 4% in the coming quarter and this will erode gains made from patronage uplift
Potential for operator to collapse due to contracted market	***Low:*** Staff continue to work with operators to ensure they are able to operate sustainably.
Road User Charge increase	***High:*** Road User Charges have increased as of 1 Oct 2018 with further increased scheduled for 2019 and 2020 as part of the Government's Transport funding programme. This will also impact on the NZTA Index
Risk of discontinuation of grant	***Low:*** There is minimal risk of discontinuation of grant provided we remain within the NZTA LTP budget envelope. This is a 3-year budget envelope. Should diesel prices rise during the 3-year LTP there is a risk

	that expenditure outside of that budgeted will have to be funded by ECan.
Bus driver retention	***Moderate:*** Bus operators advise that while recruitment and retention is not posing a significant risk at present, the trend in availability of suitable P endorsed drivers as not heading in the right direction. We continue to monitor this issue with Operators

Performance, Audit and Risk Committee (PARC)

Date of Meeting	22 November 2018
Author	Jeremy Dickson
Endorsed by	Nadeine Dommisse

Public Transport Wifi Trial

Purpose

1. This paper updates the Performance, Audit and Risk Committee on the results of the Wifi trial and the next steps for provision of these services on the Greater Christchurch Public Transport Network.

Value proposition

2. The Draft RPTP presents a priority of growing patronage, these trial services are aimed at increasing patronage both directly (on routes with new services) and indirectly (by association across our network with a customer centric service).

Background

3. Customer feedback and recent customer research suggested that the provision of Wifi services on-bus is an attractor to both current and future passengers.

4. Between late April and August this year we implemented Wifi and other services on two routes to test the hypothesis that this would make taking the bus a more attractive alternative to single occupancy travel and therefore increase bus patronage.

5. At the end of the trial we wanted to understand the cost of delivering these services to enable a cost / benefit analysis of providing them.

6. On Route 85 (Rolleston to City non-stop peak only route) we implemented Wifi for passengers to a limit of 50MB per day. This route was chosen due to its long length and aimed at commuters where we believed Wifi would add incentive to use the route.

7. On Route 29 (Airport route) we implemented Wifi, on-bus stop announcements and on-bus screens displaying route and marketing information regarding other metro services. This route was chosen as we believed that passenger announcements and route display information would be useful to the tourist market using this route.

Trial Findings

Wifi usage

8. During the course of the trial there was significant uptake of Wifi usage. Significant portions of passengers used the wifi service with growing numbers as per the following table. We observed a much higher rate of Wifi usage on the 85 Rolleston Commuter type route.

Table 1: Wifi usage for Route 85 and 29[1]

COMPONENT	85 (Commuter Service)	29 (Airport Service)
Average weekly unique users	170	700
Average weekly times uses	370	1100
Average weekly passengers trips	580	4000

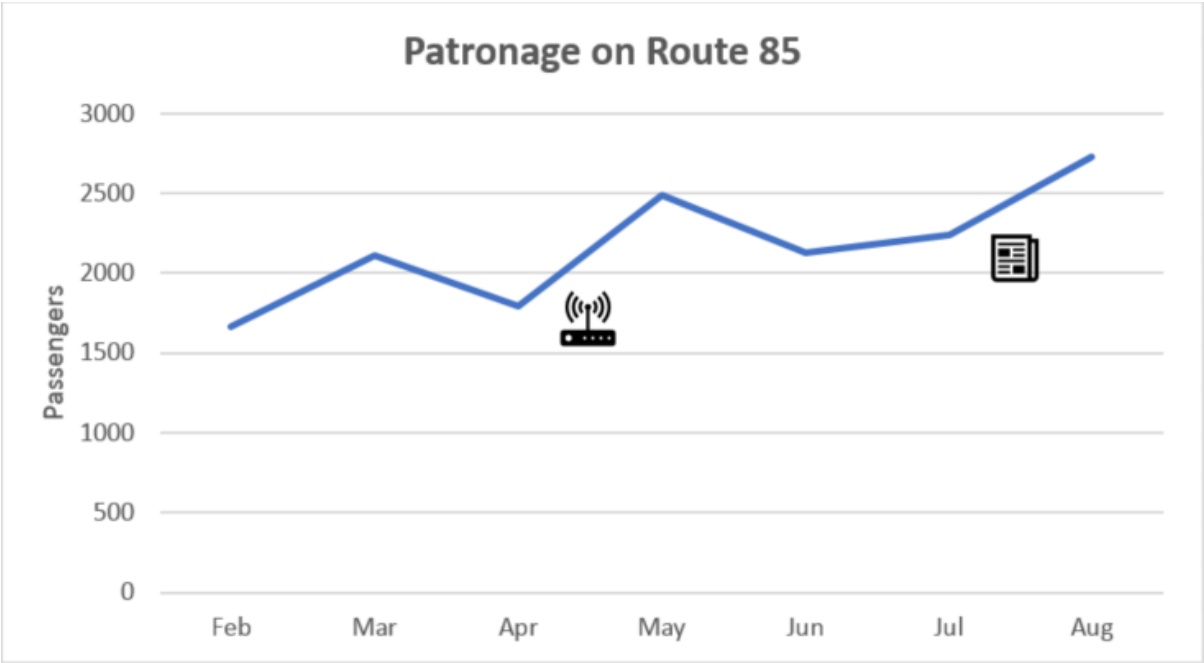
Patronage Impact

9. Without surveying every customer, we are unable to directly correlate any increase in passengers on either of the routes with the provision of Wifi. However, since bus back advertising of the Wifi services was introduced in late July patronage for both routes has increased significantly.

    a. Route 85 – Since this routes inception (Jan 2018) patronage has increased steadily. We can likely attribute some of this to promotion and provision of the Wifi service.

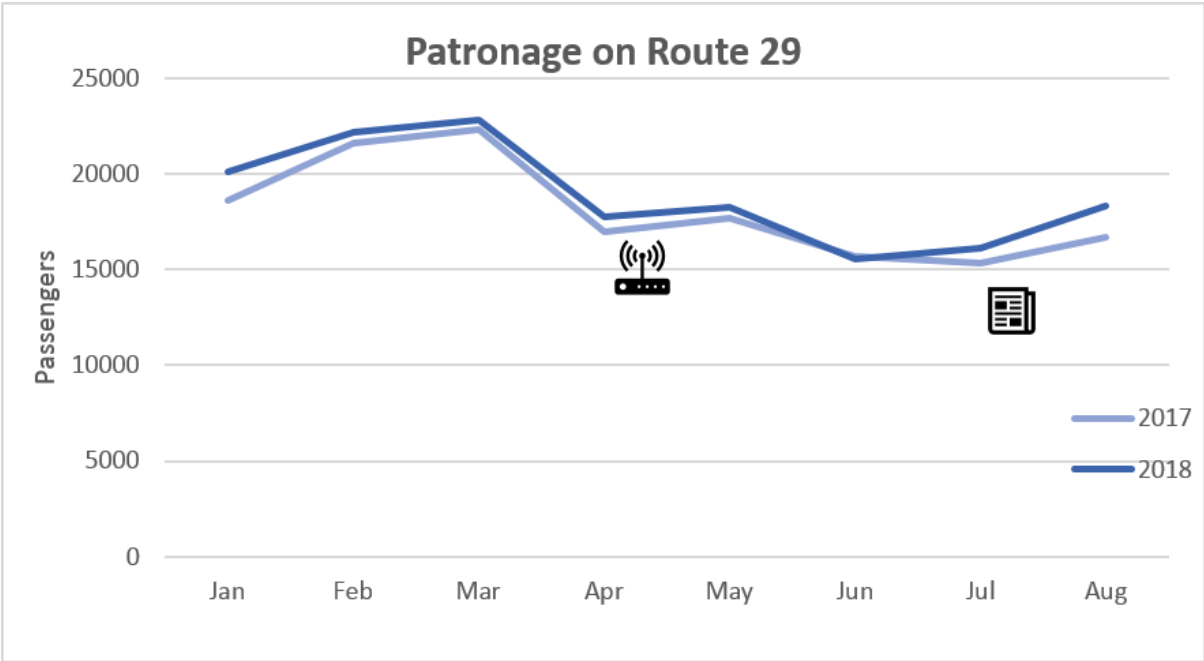
    b. Route 29 - Year to date (YTD) increase is 11% compared to the network average of 4.2%

[1] The number suggest very high ratios of Wifi use to patronage, we have been unable to definitively quantify these ratios so have not included any in this report.



Start of the Wifi trial in late April

One month back of bus advertising campaign began



Feedback

10. Over the trial period we had 80 passengers complete our on-bus surveys. 85% of these were frequent users of the routes, 15% were casual users. A summary of their feedback is:

11. General Feedback

    a. Every respondent to the survey who used the services was positive about all the services trialled (Wifi, passenger announcements and displays).

    b. When asked ‘do these services make you more likely to use Public Transport?’ 60% of casual users said yes.

    c. There was more value perceived for Wifi on the longer Route 85 where passengers have approximately 40 minutes on the bus each way with which to work, browse the internet and/or use social media.

12. Feedback about specific services

    a. The common theme from respondents was that Wifi provided them with a more valuable use of their time. It enabled them to either do work and/or catch up with friends via their devices.

    b. Over 90% of users found both the passenger announcements and displays useful. The most common reason was they were less likely to miss stops and this reduced their anxiety.

13. Ideas from customers

    a. The most common pieces of feedback were to increase the amount of data and to increase the number of routes that have Wifi.

    b. Social Media feedback was to have Wifi on different routes and/or in the interchange. Otakaro are aware of customer desire for WiFi in the interchange

Key Summary / Analysis

14. A significant portion of customers on the routes are using the Wifi service and on the balance of probabilities we believe it is attractive enough to potential customers to slightly increase patronage on these routes.

15. Customers appreciate the passenger announcements and on-bus screens and they provide assurance on journey route and stops for passengers, reducing their anxiety.

16. Technology providers and Bus Operators can provide and support the services and provide remote reporting and management of this technology.

17. The learnings from the trial have been very informative for our upcoming RFP for replacement of our RTI system and we will include these services in the scope of the RFP.

18. Implementing these services on a permanent basis will require some initial set-up and monitoring from an Environment Canterbury staff member.

Next Steps / Recommended Actions

19. Based on the findings of the trial we are taking the following steps:

    a. making permanent all the current services being trialled

    b. investigating implementing Wifi on a North Canterbury Service

    c. using the next 12 months with the above services as a long run pilot to understand enduring trends prior to the implementation of the new RTI system and to inform bus requirements as part of the PTOM process.

5.3. Operational Report Oct 2018

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday 22th November 2018
Author	Wendy Gainford, Team Leader Corporate Reporting
Endorsed by	Katherine Harbrow, CFO

Purpose

To report on operational performance by portfolio for the period ended 31 October 2018.

Recommendations

That the Performance, Audit and Risk Committee:

receives the Operational Performance report for the period ended 31 October 2018.

Background

1. The Performance, Audit and Risk Committee (PARC) Operations Report includes service delivery and related financial performance information for the 2018/19 year to date.

Overall Performance

2. All of the 72 measured Levels of Service (LoS) performance targets for the year are on track to be achieved with the exception of one Urban Development target. The amendment of the Canterbury Regional Policy Statement will not occur before the target date of December 2018.

3. As at 31 October 2018, we had an operating deficit of $1.08M compared to a budgeted deficit of $1.03 million, a variance of $0.05M.

4. The variance is a result of spending $0.49M more than budget and receiving 0.44M more revenue than budget.

Performance against Levels of Service (LoS)

5. The 2018-28 Long-Term Plan contains 41 Levels of Service, 76 measures and 99 targets. 27 targets in the plan relate to activity to be delivered in future years, leaving 72 targets for 2018/19.

6. Currently all targets are on track to be delivered by the end of the financial year except the one indicated in overall performance above.

Financial Performance

7. The performance of each portfolio is displayed in the attached report. The significant variances by Portfolio are:

    a. Biodiversity and Biosecurity – $0.5M below budget expenditure in this portfolio is due to the seasonal implementation in this portfolio and the expenditure is expected to increase over the coming months.

    b. Freshwater Management - $0.53M above budget expenditure due to the additional RMA water framework investment including the OTOP and Waimakariri addendums and CWMS Fit for Future project work.

Attachments

1. Operations Report Oct 2018 **[5.3.1]**
2. 2018-19 LOS PARC Appendix **[5.3.2]**

File reference	[SharePoint link for this paper]
Peer reviewers	Miles McConway, Director Finance & Corporate Services Tanya Clifford, Corporate Reporting Accountant / Internal Audit

LEVELS OF SERVICE TARGETS 72

Achieved	On Track	Not On Track	Won't Achieve
0	71	0	1

	Revenue	Expenditure	Surplus/Deficit
Actuals	55.41	56.49	-1.08
Budget	54.97	56.00	-1.03
Variance	0.44	0.49	-0.05
%Variance	0.80%	0.87%	

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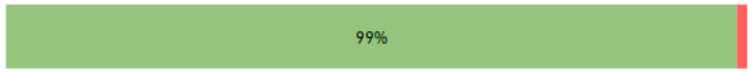
Overall Level of Service Targets Status

Achieved May not be achieved On track to be achieved Will not be achieved

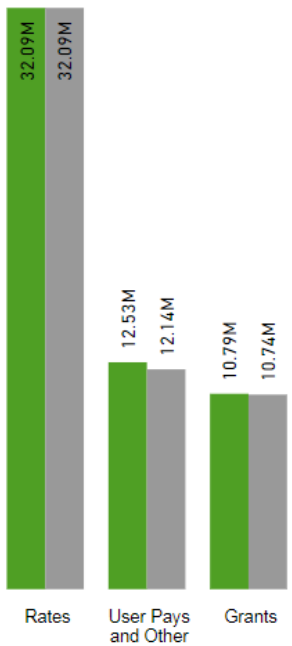


Level of Service By Portfolio

Achieved May not be achieved On track to be achieved Will not be achieved

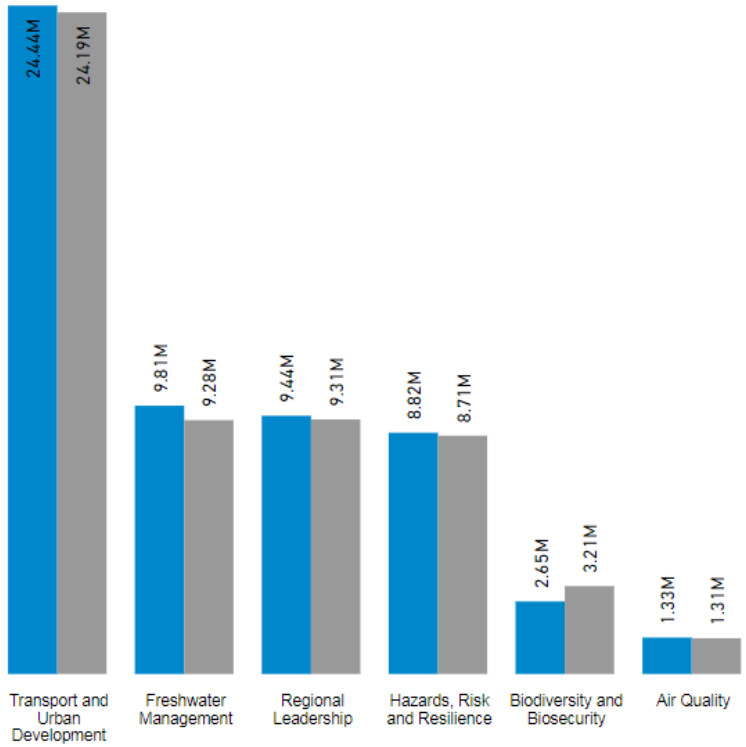
Revenue

YTD Actual Revenue YTD Budget Reve...



Expenditure

YTD Actual Expenditure YTD Budget Expenditure



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Air Quality

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	5	0	0

Status : Levels Of Service Targets

Achieved · May not be achi... · Not Monitored · On track to be ... · Will not be ...

100%

Level of Service

2

Measures

5

Targets

5

Not Measured This Year

0

Comment On Service Delivery

Following the launch of the Healthier Homes Canterbury initiative in September we have 10 registered suppliers, with another supplier RFP planned for early 2019. Many suppliers are interested in providing the non-sales based home energy performance assessments recommended by the scheme. Applications from households will slowly come in as people will need time to get assessments and quotes. Significant air quality investigation programs in South Canterbury have been completed, including the Timaru spatial monitoring and the Timaru/Waimate mobile monitoring programe. The resulting data is being reviewed to ensure an accurate picture of Timaru air quality. We have continued to work with a range of industries to address emission-related issues. There have also been abatement or infringement notices issued where outdoor burning has not been compliant with the Air Plan.

Watchlist

All targets were achieved in 2017/18.

Emerging Issues

No emerging issues

Acronyms / Additional Notes / Metrics

RFP: Request for Proposal

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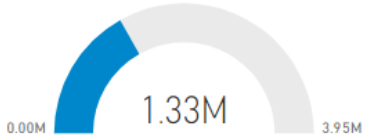
Air Quality

YTD Actual Expenditure vs Full Year Budget



33.65%

YTD Actual/Full Year Budget %

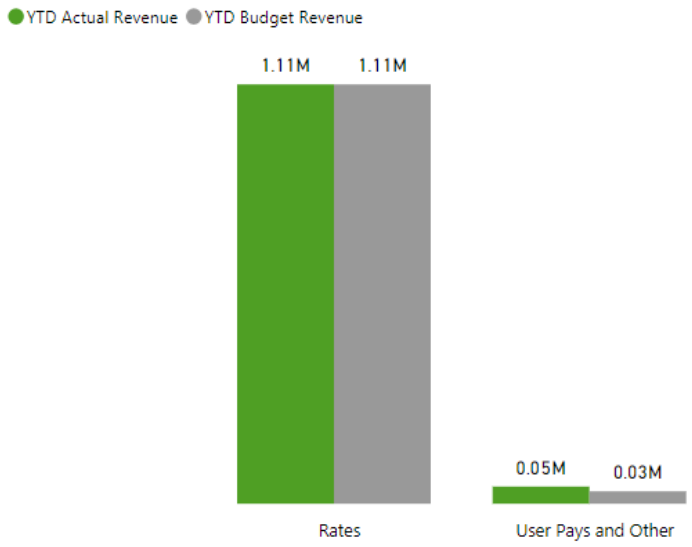
	Revenue	Expenditure	Surplus/Deficit
Actuals	1.16	1.33	-0.17
Budget	1.15	1.31	-0.16
Variance	0.01	0.02	-0.01
%Variance	1.09%	1.87%	

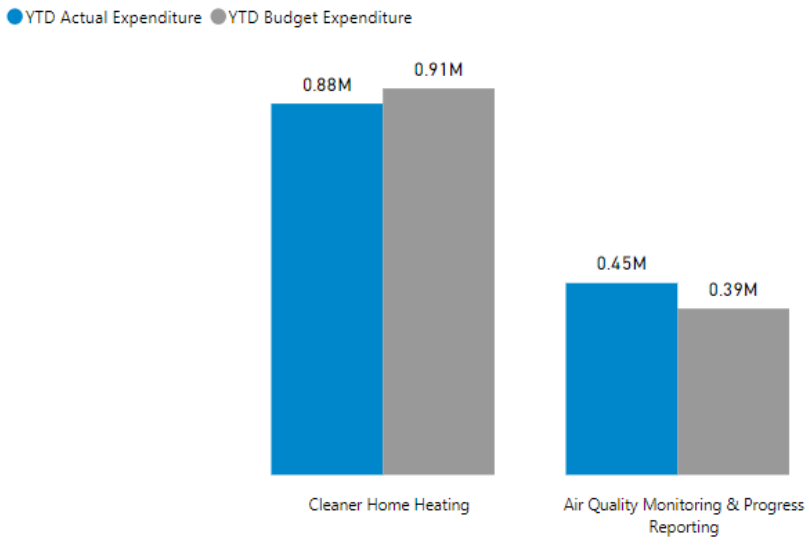
Revenue

Revenue is within budget.

Expenditure

Portfolio is tracking within budget. The 2% variance in expenditure can be attributed to winter program work in South Canterbury (which is now complete) which was carried over from 2017.





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Biodiversity and Biosecurity

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	8	0	0

Status : Levels Of Service Targets

Achieved · May not be achi... · Not Monitored · On track to be ... · Will not be ...

100%

Level of Service

4

Measures

8

Targets

8

Not Measured This Year

0

Comment On Service Delivery

All programmes in the Portfolio are progressing in accordance with seasonal expectations. Immediate steps funding is continuing to be allocated to biodiversity projects across the CWMS zones. Identification of wetlands for inclusion in the Wetlands programme is progressing. Work in the Braided Rivers programme is continuing, particularly on identifying land ownership and management issues on the major alpine braided rivers, beginning with the Rangitata River as a pilot project. The 2018 Biosecurity Operational Plan has been completed. Operational delivery of the Regional Pest Management Plan and the Biosecurity Strategy are on track.

Watchlist

The following target was not achieved in 2017/18:
Objectives in the Regional Pest Management Plan are met.

Emerging Issues

Emerging weather patterns could see high rabbit and Nassella Tussock numbers this year. This could result in increased pest control costs for farmers and elevated risk of spread for these pests in some areas across the region.

Acronyms / Additional Notes / Metrics

CWMS: Canterbury Water Management Strategy
FEP: Farm Environment Plan
GMP: Good Management Practice
LTP: 2018-28 Long Term Plan
RPS: Regional Pest Strategy
TA: Territorial Authority
OTOP: Orari Temuka Opihi Pareora water zone

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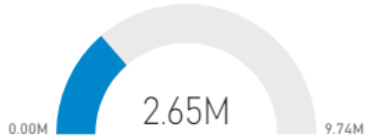
Biodiversity and Biosecurity

YTD Actual Expenditure vs Full Year Budget



27.24%

YTD Actual/Full Year Budget %

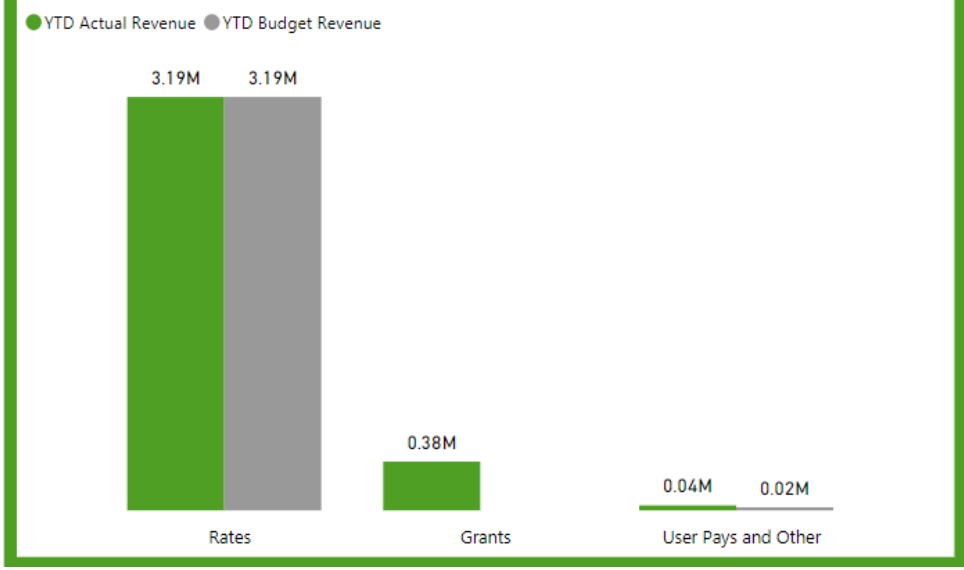
	Revenue	Expenditure	Surplus/Deficit
Actuals	3.61	2.65	0.96
Budget	3.22	3.21	0.01
Variance	0.39	-0.56	0.95
%Variance	12.13%	-17.40%	

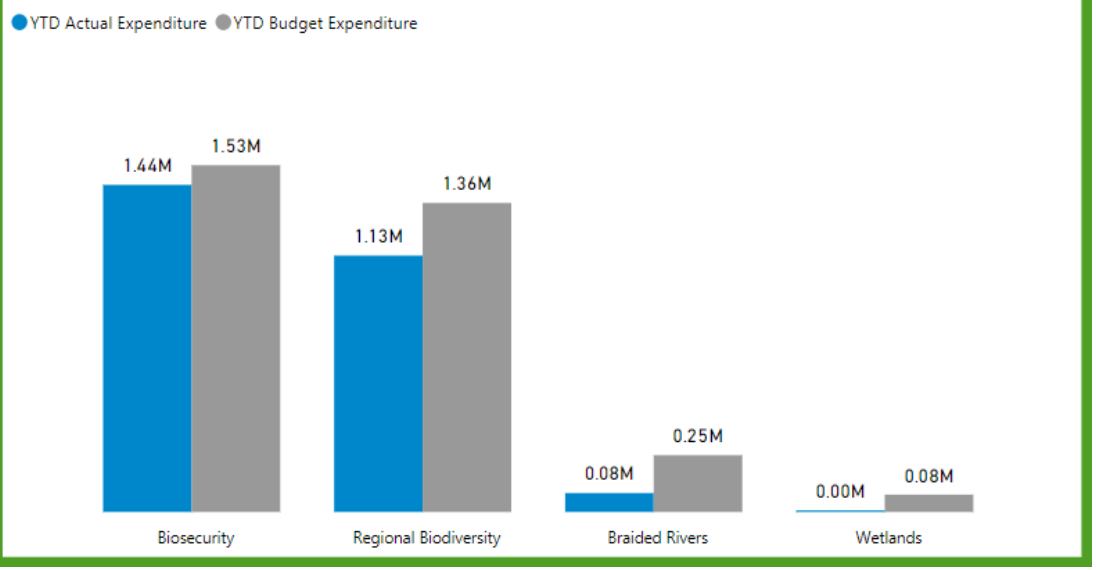
Revenue

Unbudgeted revenue was received from the Ministry for Primary Industries for the Regional Wilding Conifer Programme work. This will offset increased expenditure on the Wilding Conifer Programme. It is expected the project will be within budget parameters by year end.

Expenditure

Much of the on-the-ground biodiversity work, including Immediate Steps grants to external groups, are not finalised or paid this early in the financial year. Other projects are in the early stages of implementation. Many biosecurity projects are also subject to seasonal implementation. Expenditure will increase on these projects in the coming months, and variances are expected to be corrected by the end of the third quarter. The new Braided Rivers and Wetlands Programmes are in planning phase and expenditure is expected to increase as the work programmes are implemented.





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Freshwater Management

Report saved
This report has been saved.

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	13	0	0

Status : Levels Of Service Targets

Achieved | May not be achi... | Not Monitored | On track to be ... | Will not be ...

100%

Level of Service

6

Measures

10

Targets

13

Not Measured This Year

0

Comment On Service Delivery

Refresh of Zone Committees community members is underway and meetings proceeding as scheduled. A key focus has been on progressing the OTOP and Waimakariri draft ZIP addendums through Zone Committees to deliver draft recommendations to Council by calendar year end. Ground and Surface Water monitoring programmes are on track, but busy with dry weather and low flows. Water data monitoring effort is increasing with a focus on alerts on overuse. Contractual negotiations for land monitoring are underway and all activities are on track. The majority of works for Whakaora Te Waihora and Whakaora Te Ahuriri are on track and will be completed by financial year end. Te Mana o Te Wai project is focused on Lake Wainono restoration and is on schedule. Zone Delivery advice and support regarding plan implementation and GMP (consent to farm) across zones continues to be in high demand. Work progresses on the Farm Environment Plan (FEP) Audit programme. Five key projects within Waimakariri, Hurunui, Kaikoura, Selwyn Waihora and Banks Peninsula are underway to deliver water quality, biodiversity and recreational and amenity improvements. In Water Metering; the compliance team is focused on the certification and verification of meters and incoming data for the new irrigation season. Reviews are being undertaken on monitoring programmes in Upper Waitaki, and the adaptive management component of irrigation consents.
Regional Infrastructure Support projects are on track.

Watchlist

The following target was not achieved in 2017/18:
Orari-Temuka-Opihi-Pareora and Waimakariri scheduled for Year 3 LTP (2017/18).

Emerging Issues

As the ZIP addendums for OTOP and Waimakariri are finalised, issues are starting to emerge as to the effects of the recommendations contained within the ZIP addendums on stakeholders within the catchment. The Zone Committees are well placed to respond to these issues and have been working through these issues as they emerge.

Acronyms / Additional Notes / Metrics

CWMS: Canterbury Water Management Strategy
FEP: Farm Environment Plan
GMP - Good Management Practice
OTOP - Orari Temuka Opihi Pareora water zone

ZIP - Zone Implementation Programme Plan

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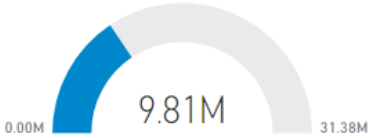
Freshwater Management

YTD Actual Expenditure vs Full Year Budget



31.26%
YTD Actual/Full Year Budget %

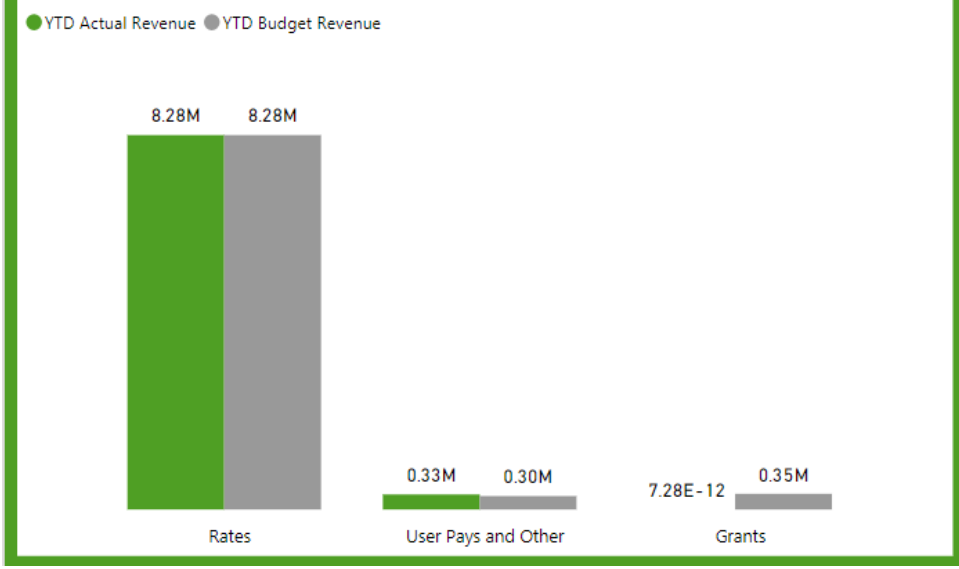
	Revenue	Expenditure	Surplus/Deficit
Actuals	8.61	9.81	-1.20
Budget	8.92	9.28	-0.35
Variance	-0.31	0.53	-0.84
%Variance	-3.48%	5.72%	

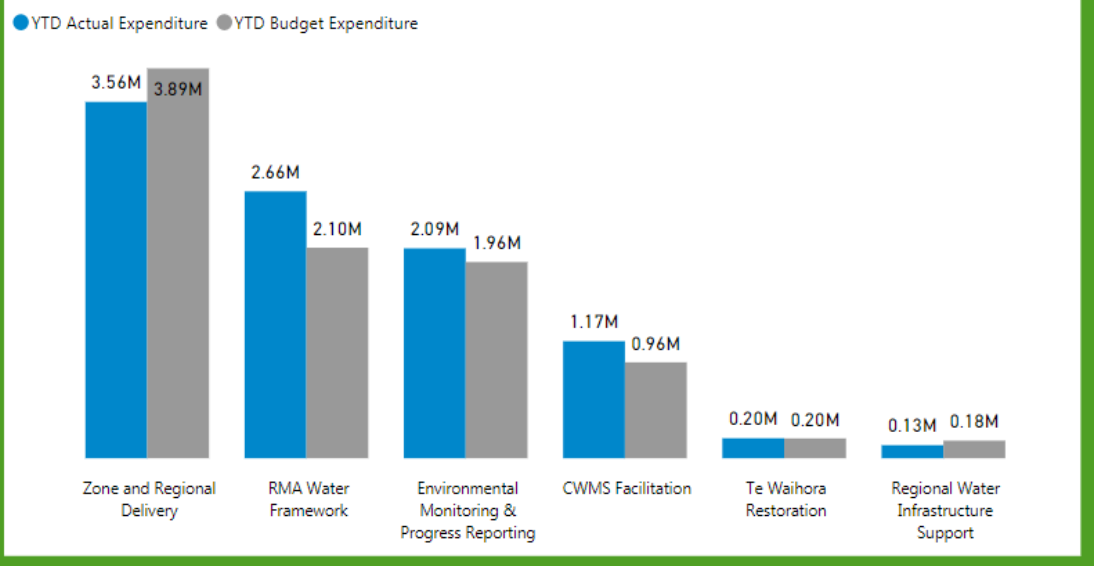
Revenue

A variance has occurred in Grants because the Ministry for the Environment Freshwater Improvement Fund secured contributions are received every quarter. This variance will be corrected in the budget phasing in the 4 + 8 forecast and revenue will balance over the financial year.

Expenditure

Zone and Regional Delivery variance has occurred as science budgets are underspent given the additional workload and focus on science provision to support the finalising Waimakariri and OTOP ZIP addendums. Additional expenditure has occurred in RMA Water Framework due to additional investment in planning expertise required to deliver the OTOP and Waimakariri ZIP addendums, and to support initial work on the Omnibus Plan Change. In addition, Bridge Project technical work has been funded in this financial year following delays which occurred in 2017/18 financial year. An increase in expenditure has occurred in CWMS Facilitation as a result of the CWMS Fit for the Future project.





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Hazards, Risk and Resilience

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	20	0	0

Status : Levels Of Service Targets

Achieved · May not be achi... · Not Monitored · On track to be ... · Will not be ...

100%

Level of Service

13

Measures

20

Targets

20

Not Measured This Year

0

Comment On Service Delivery

The Waimakariri Flood Protection Project is on track for completion in May 2019 and we are planning a celebration programme to mark the end of this significant project. The Ashley "closing the gap" capital project will be completed by December 2018. This work will be the completion of the Ashley River secondary stopbank system, which provides significant benefit to Rangiora and the wider Waimakariri district. Exercise Pandora was conducted in our top-notch Emergency Operations Centre in the Justice and Emergency Services Precinct. The workshop focussed on likely response tasks for the three days following a major Alpine fault earthquake. With the warmer weather and the boating season underway, our recreational boating programme has kicked off with a focus on building community relationships and ensuring that our waterways are safe for all users.

Watchlist

All targets were achieved in 2017/18.

Emerging Issues

No emerging issues.

Acronyms / Additional Notes / Metrics

Environment Canterbury Regional Council
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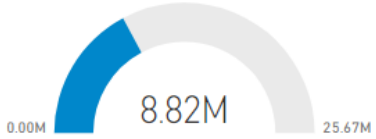
Hazards, Risk and Resilience

YTD Actual Expenditure vs Full Year Budget



34.36%

YTD Actual/Full Year Budget %

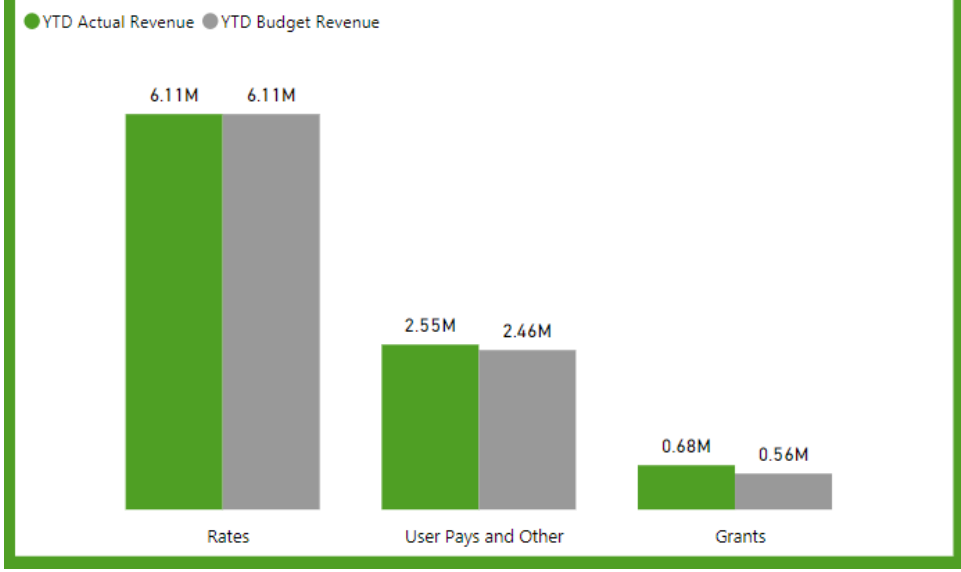
	Revenue	Expenditure	Surplus/Deficit
Actuals	9.34	8.82	0.52
Budget	9.12	8.71	0.41
Variance	0.21	0.11	0.11
%Variance	2.35%	1.25%	

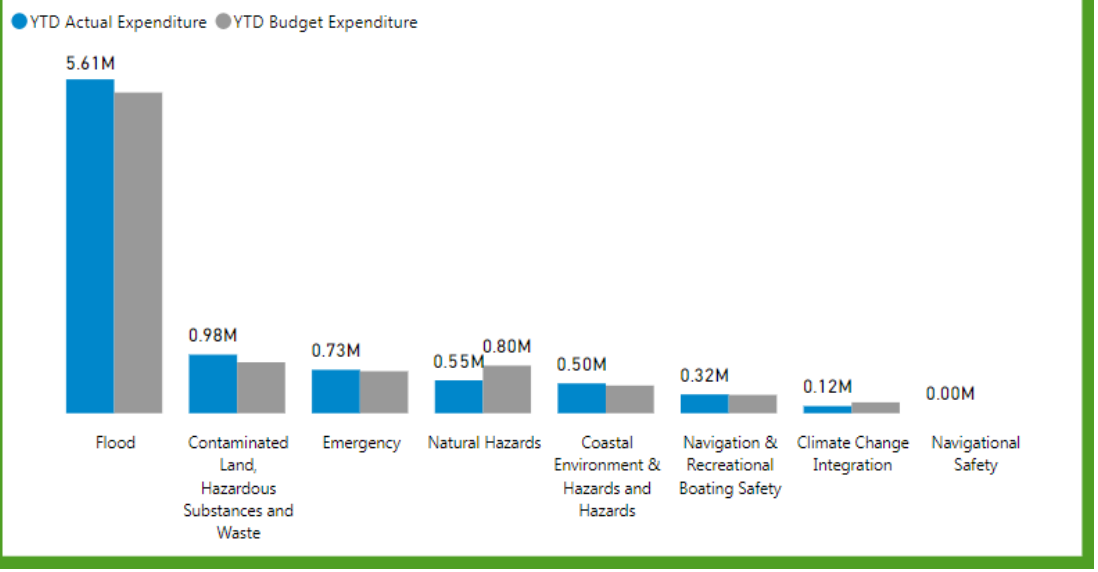
Revenue

On track at portfolio level.

Expenditure

The overspend in Flood Protection and Control Works is due to remedial work from flood events over the past 18-month. The Natural Hazards programme underspend is primarily due to delays in flood forecasting work, coupled with costs associated with geological hazard and risk investigations work now expected to be incurred in the second half of the year. The Contaminated Land, Hazardous Substances and Waste Programme is overspent due to delayed work in the Kaikoura Earthquake Recovery Waste project; this will be offset by funding from Ministry for the Environment.





Environment Canterbury Regional Council
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Regional Leadership

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	16	0	0

Status : Levels Of Service Targets

Achieved | May not be achi... | Not Monitored | On track to be ... | Will not be ...

100%

Level of Service

8

Measures

14

Targets

16

Not Measured This Year

0

Comment On Service Delivery

Work is progressing well on the development of the 2019/20 Annual Plan and the 2017/18 Annual Report was adopted by Council within statutory requirements. LAWA continues to take priority as staff complete work for the LAWA Water module annual data refresh. Work on LAWA "Can I Swim Here?" is on-going including staff having quality assured LAWA mapping of swimming sites for this season's reporting and associated data feeds. Work on Councils "Reporting Back" web pages also took priority as staff worked with Communications Group to complete data compilation and interpretation for reporting our Water Quality Index. Groundwater science staff continue to work on our environmental reporting story map for CWMS zones with a focus on developing a way to report groundwater quality in relation to CL&WRPlan areas and limits for nitrate concentrations in groundwater. Strategic programme management focus has been on Biodiversity Strategy plan development and implementation, support to implementation of Regional Pest Management Plan, organisational preparedness for Alpine Fault 8 and prioritising an approach to natural hazards science investigations.

Watchlist

The following targets were not achieved in 2017/18:

Target dates for statutory plan public notification are met.
A reduction in the number of resource consent applications where further information is required (s92 requests) is achieved through pre-application meetings.
A median of 24 days or less of total elapsed time is achieved.

Emerging Issues

Work is progressing on assessments as to whether 2019/20 Annual Plan consultation will be triggered with proposed changes. Briefings on potential key changes will occur with Council during November.

Acronyms / Additional Notes / Metrics

CWMS: Canterbury Water Management Strategy
LAWA: Land Air Water Aotearoa
MBIE: Ministry of Business, Innovation and Employment
CREDS: Canterbury Regional Economic Development Strategy

Environment Canterbury Regional Council
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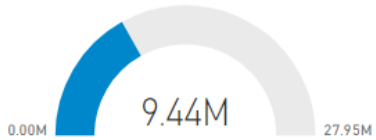
Regional Leadership

YTD Actual Expenditure vs Full Year Budget



33.77%
YTD Actual/Full Year Budget %

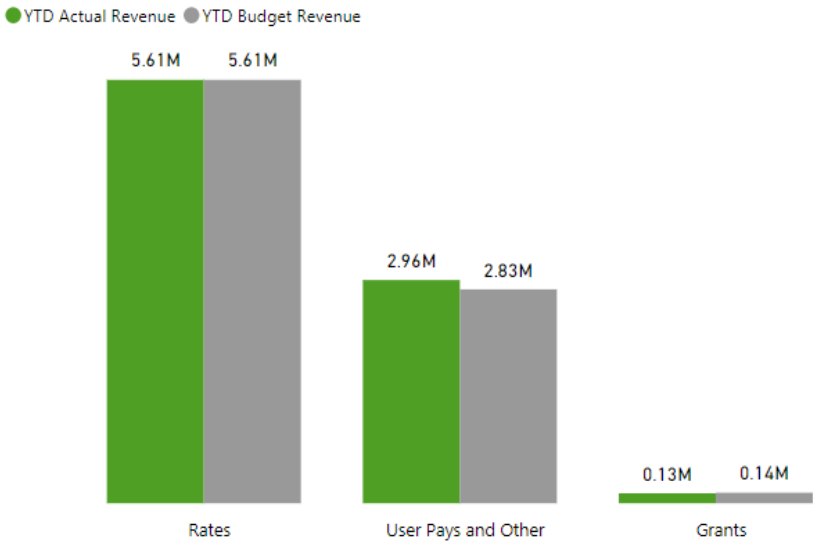
	Revenue	Expenditure	Surplus/Deficit
Actuals	8.70	9.44	-0.74
Budget	8.58	9.31	-0.72
Variance	0.12	0.13	-0.02
%Variance	1.35%	1.42%	

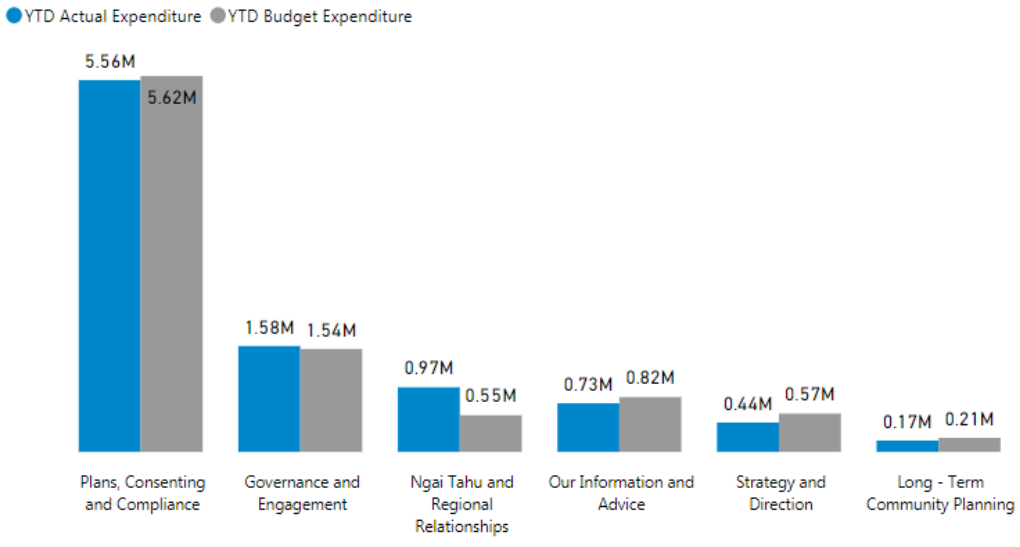
Revenue

On track at portfolio level.

Expenditure

Additional expenditure in the Ngai Tahu & Regional Relationships Programme are costs associated with CREDS projects that are offset by external funding received from MBIE.





Environment Canterbury Regional Council
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Transport and Urban Development

Levels Of Service Targets

Achieved	On Track	Not On Track	Won't Achieve
0	9	0	1

Status : Levels Of Service Targets

Achieved | May not be achi... | Not Monitored | On track to be ... | Will not be ...

90% | 10%

Level of Service

4

Measures

9

Targets

10

Not Measured This Year

0

Comment On Service Delivery

Public Transport Patronage sits at 3.2% growth year to date which is excellent. Fiscal Year to date patronage has increased across all four service categories There was a strong level of engagement from the community with the draft Regional Public Transport Plan consultation with over 700 formal submission and just under 9,000 face to face polls completed reflecting a greater level of interest and engagement from the community on Public Transport. The delivery of the Long Term Plan route changes was completed without issue following strong collaboration between stakeholders. The Greater Christchurch Partnership, of which Environment Canterbury is a member, will also commence consultation on the draft Our Space 2018-2048: Greater Christchurch Settlement Pattern Update document on 1 November, providing an opportunity for stakeholders and the community to feedback on the proposed strategic directions for housing and business growth in Greater Christchurch. Delays to this Partnership project means it will not be possible to insert housing targets into the Canterbury Regional Policy Statement by December 2018 (refer to Level of Service Target 25.2a of the Long Term Plan).

Watchlist

All targets were achieved in 2017/18.

Emerging Issues

Fuel price increases and road user charge changes will influence NZTA indexing which will negatively affect the financial position going forward. While farebox contribution improved in October from last year, the gains made from patronage increases were off-set by increases in the NZTA Index resulting in farebox ratio remaining unchanged year to date.

Acronyms / Additional Notes / Metrics

GCPC: Greater Christchurch Partnership Committee
HBDCA: Housing and Business Development Capacity Assessment
NPS-UDC: National Policy Statement on Urban Development Capacity
RLTP: Regional Land Transport Plan
RPTP: Regional Public Transport
PlanRTC: Regional Transport Committee

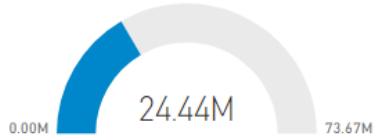
Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

Reporting Period

7/1/2018 | 10/31/2018

Transport and Urban Development

YTD Actual Expenditure vs Full Year Budget



33.17%
YTD Actual/Full Year Budget %

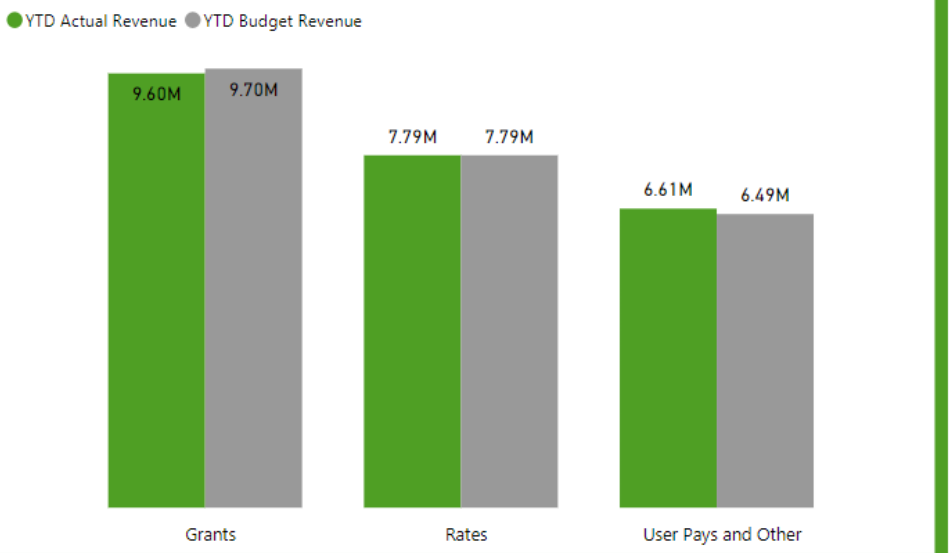
	Revenue	Expenditure	Surplus/Deficit
Actuals	23.99	24.44	-0.45
Budget	23.98	24.19	-0.21
Variance	0.02	0.25	-0.23
%Variance	0.07%	1.03%	

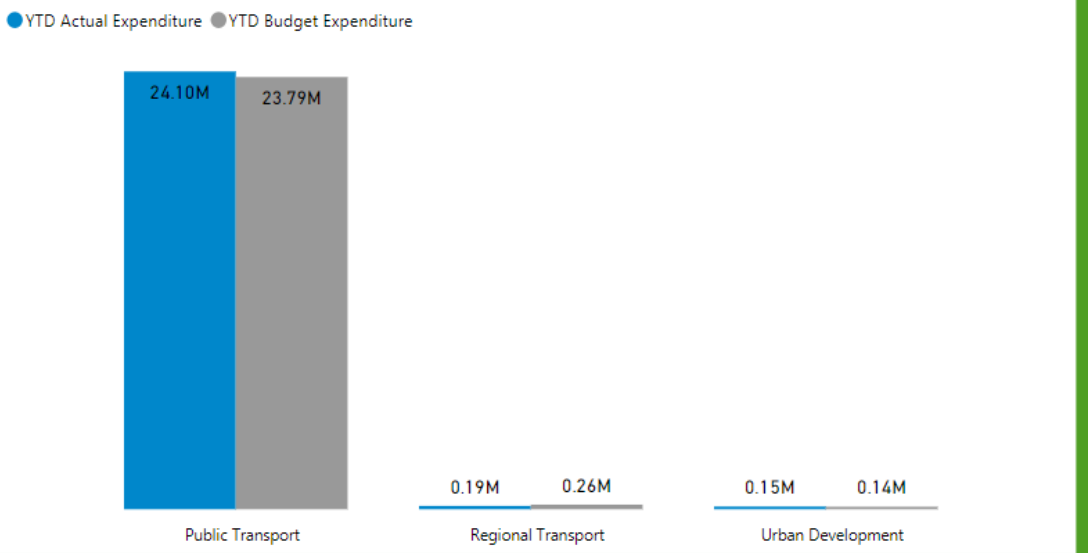
Revenue

Public Transport Revenue remains with budget thresholds however, there are some specific variances at a cost centre level worth noting. Grants for Teritorial Authority infrastructure is $250k under budget due to fewer claims to date than budgeted. This will balance out as the year progresses and claims are received for planed infrastructure delivery. Bus Contract funding is over budget by $400k reflecting increased claims as a result of indexing changes and on-going route costs ahead of Long Term plan route changes. Total Mobility funding is $82k above budget supporting the increase usage of this service and Vehicle Trust grant timing.

Expenditure

The portfolio remains within budget thresholds year to date. Labour costs are slightly ahead of budget driven primarily by resourcing ahead of a process change in Total Mobility. NZTA Indexing is expected to have an impact on PT financials going forward and this will be closely monitored.





ALL PORTFOLIO LEVELS OF SERVICE

Operational Performance Report

31 October 2018

Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

Freshwater Management

LOS 1: In partnership with the Canterbury region's district and city councils and Ngai Tahu, facilitate the CWMS zone and regional committees to provide ongoing and improved community input to water management decisions.				
1.1	Facilitating opportunities for community engagement to progress delivery towards the ten target areas in all Catchment Zones.	1.1	At least 100 community Zone and Regional opportunities for engagement per year are held and will be reported yearly for each Zone and made available on our website.	On track to be achieved
LOS 2: Gather and make available information on water quantity, water quality, ecosystem health, soils, and progress towards the CWMS target.				
2.1	We collect and report on the following relevant detailed data including: rainfall, river flows, river/stream water quality, lake water quality, marine water quality, estuary water quality, ecosystem health, groundwater levels, groundwater quality, land, Matauranga Maori (joint programme from year 2), recreational swimming, water use.	2.1	Collection and reporting of the data is described in the detailed table below. This table includes: number of sites, frequency of measure, availability of information.	On track to be achieved
2.2	A two yearly report is provided on the CWMS target areas. Data and narrative will be included in the report commenting on progress towards these targets.	2.2	A report is produced every two years; next report will be for the year ended 30 June 2019.	On track to be achieved
LOS 3: In partnership with other parties, implement the recommendations in the zone implementation and regional programmes.				
3.1	Work is undertaken according to annual work programmes that have been agreed by Zone and Regional Committees.	3.1	Publish an annual report with the Zone and regional Committees and publish an on the annual progress report towards the ten CWMS targets which will be made available on our website.	On track to be achieved
3.2	Agree joint work programmes in partnership with other parties to implement the recommendations in the zone implementation and regional programmes.	3.2a	An agreed annual work programme is in place with Canterbury District Health Boards, Irrigation New Zealand, the Canterbury dairy industry, Fish & Game (North Canterbury and Central South Island).	On track to be achieved
		3.2b	Publish two reports per year on the progress towards implementation of the joint work programmes which will be made available on our website.	On track to be achieved
3.3	Annual report on progress on the implementation of Good Management Practice across primary industries.	3.3	Publish annual report on the level of adoption of Good Management Practice (including guidelines regarding appropriate nutrient limits) to set good nutrient limits which will be made available on our website.	On track to be achieved
LOS 4: Work with the zone committees to lead a community process to collaboratively establish environmental limits for water quality and water quantity in Canterbury.				
4.1	A schedule of RMA plans or variations is notified that reflects the community recommendations for environmental limits.	4.1a	Orari-Temuka-Opihi-Pareora - 2018/19.	On track to be achieved
		4.1b	Hurunui- Waiau-2018/19.	On track to be achieved
		4.1c	Waimakariri - 2018/19.	On track to be achieved
LOS 5: Facilitate an integrated approach to development of water infrastructure in Canterbury that delivers on all the CWMS targets.				
5.1	An annual work programme that supports the integrated approach to irrigation development in the region, is agreed with the CWMS Regional Committee.	5.1	Publish quarterly progress report on the regional infrastructure work programme which will be made available on our website.	On track to be achieved
LOS 6: Environment Canterbury will work in partnership to implement a joint programme to progress the vision to restore and rejuvenate the mauri and ecosystem health of Te Waihora (Lake Ellesmere) and its catchment.				
6.1	Deliver on joint work programme progress towards restoration actions for Te Waihora and its catchment.	6.1	An annual progress report on the agreed Whakaora Te Waihora annual work programme which will be made available on our website.	On track to be achieved
6.2	Deliver the Whakaora Te Ahuriri wetland restoration project.	6.2	An annual progress report on the agreed Whakaora Te Ahuriri work programme which will be made available on our website.	On track to be achieved

ALL PORTFOLIO LEVELS OF SERVICE

Operational Performance Report

31 October 2018

Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

Biodiversity and Biosecurity

LOS 7: Environment Canterbury works with Ngai Tahu, communities, territorial authorities, Department of Conservation, willing land owners and other recreational, environmental and industry parties to protect and restore Canterbury's indigenous biodiversity.				
7.1	We collect relevant data to support effective decision-making for biodiversity outcomes.	7.1a	A regional prioritisation process is completed by 30 June 2019.	On track to be achieved
7.2	Technical or other support is provided to Territorial Authorities to give effect to biodiversity policy and strategies.	7.2	Where Environment Canterbury has provided support to a territorial authority, the quality and relevance of that support is measured and reported through an annual survey of the territorial authorities.	On track to be achieved
7.3	Work with partners on on-the-ground projects to protect and restore indigenous biodiversity.	7.3	Publish an annual report on the effectiveness of projects contributing to protecting and restoring Canterbury's indigenous biodiversity which will be available on the website.	On track to be achieved
LOS 8: Environment Canterbury administers and implements a Regional Pest Management Plan and provides incursion response and pathway management to prevent the establishment and spread of pests in the region to support economic production, biodiversity and mahinga kai.				
8.1	Implementation of a Regional Pest Management Plan that meets the requirements of the Biosecurity Act 1993 and the National Policy Direction for Pest Management.	8.1	Publish an annual report on progress towards the objectives in the RPMP which will be available on the website.	On track to be achieved
8.2	Development and implementation of pathway management initiatives.	8.2	Work with others to develop and document pathway management initiatives indicating timeframes and milestones and publish annually on the website.	On track to be achieved
8.3	Maintain effective incursion response capability.	8.3	Response capability as agreed under the National Biosecurity Capability Network will be available.	On track to be achieved
LOS 9: Environment Canterbury works in partnership with other management agencies, Ngai Tahu, willing landowners and local communities to maintain the natural character and mahinga kai of Canterbury's braided rivers.				
9.2	Environment Canterbury land is managed in a way that maintains the natural character of braided rivers.	9.2	Lead the Braided River Action Group (BRAG) project to establish the ownership of land within and on the margins of the large alpine-fed braided rivers by 30 June 2019.	On track to be achieved
LOS 10: Environment Canterbury works in partnership with Ngai Tahu, willing landowners and local communities to support the maintenance of biodiversity and maghinga kai, in Canterbury's wetlands.				
10.1	Work with willing landowners on protection and maintenance of natural wetlands.	10.1	At least five new wetland action plans are developed annually with willing landowners.	On track to be achieved

Hazards, Risk and Resilience

LOS 11: Delivering information and advice to communities and decision makers about natural hazards.				
11.1	To provide transparency all peer-reviewed technical reports will be available on Environment Canterbury website.	11.1	Peer-reviewed technical reports and advice tabled at Council meetings are available on our website three days before the meeting date.	On track to be achieved
LOS 12: Providing flood alerts and warnings when agreed trigger levels are exceeded.				
12.1	Agreed trigger levels determine when flood alerts and warnings are required.	12.1	All flood warning events that exceed trigger levels are notified on Environment Canterbury's website when notified.	On track to be achieved
12.2	Flood warning procedures will be reviewed after each significant flood event to continuously improve responses.	12.2	Procedural review undertaken within 6 months of each significant flood event.	On track to be achieved
LOS 13: Enabling safe navigation for ships and other commercial vessels in ports, harbours and coastal areas.				
13.1	Risk assessment regime and Safety Management System consistent with the New Zealand Port and Harbour Marine Safety Code.	13.1	External review of the Safety Management System is undertaken when required by the Port & Harbour Safety Code working group.	On track to be achieved
13.2	Level of customer focus, quality management and continual improvement in the safety management system, compliant with ISO 9001: 2015 certification.	13.2	ISO 9001:2015 certification is maintained.	On track to be achieved
13.3	Availability of operational and emergency response function, and qualified, experienced and independent harbourmaster.	13.3	Advice and information from a harbourmaster is available to shipping operators, port companies and emergency response organisations during working hours weekdays and on-call 24 hours / 365 days per year.	On track to be achieved

LOS 14: Enabling safe navigation for recreational vessel users of the coast, harbours and inland waterways.				
14.1	Communities, user groups and organisations receive guidance on the safe navigation of vessels within the region.	14.1	A Navigation Safety Officer is available to provide advice and information to the community during working hours weekdays and on-call 24 hours / 365 days per year for complaints and emergency issues.	On track to be achieved
LOS 15: Flood protection and drainage infrastructure is maintained to agreed levels of service defined in Asset Management Plans and in consultation with rating district committees.				
15.1	Construction and maintenance of flood and drainage infrastructure will be completed in accordance with Asset Management Plans.	15.1	Consult annually with rating district committees to agree budgets and capital expenditure programmes that will be recommended to Council.	On track to be achieved
15.2	Mana whenua values are recognised in Annual Work Programmes.	15.2	Environment Canterbury's Annual Work Programmes for flood protection and drainage infrastructure are informed by annual engagement with mana whenua.	On track to be achieved
LOS 16: Environment Canterbury 30-year Infrastructure Strategy outlines a schedule of river and drainage schemes to be reviewed in order to deliver community outcomes.				
16.1	Scheme reviews are carried out in the priority order set out in the LTP.(starting page 95).	16.1	All scheme reviews undertaken as per table.	On track to be achieved
16.2	All completed scheme reviews resulting in 'small' works commence within two years after review, 'medium' two-to-four years after review, and 'large' two-to-ten years after review.	16.2	100% of the time.	On track to be achieved
LOS 17: The extraction of the fluvial gravel resource is sustainably managed for flood and erosion control purposes while protecting and where possible enhancing cultural and environmental values.				
17.1	Percentage of permissions for gravel extraction are assessed for availability of gravel at the time of application.	17.1	100% of the applications.	On track to be achieved
LOS 18: Maintain and continue to develop Regional Parks and 3,000 ha of pine forest, to deliver a mix of services including biodiversity, recreation, protection of rating district assets and revenue.				
18.1	Maintain and develop regional parks in accordance with Park Management Plans.	18.1a	2018/19 Commence development and open the Willows section of the Waimakariri River Regional Park.	On track to be achieved
LOS 19: Provide information on coastal hazards so our communities and partners can make informed decisions.				
19.1	Work in partnership with NIWA to collect coastal data.	19.1	Produce annual survey of coastal profile monitoring sites, and collect and report on wave and sea level data on our website.	On track to be achieved
LOS 20: Monitor coastal water quality and ecosystem health.				
20.1	Collect data and report on recreational swimming monitoring sites and ecosystem health.	20.1	Produce report on recreational swimming monitoring sites during summer months, and on ecosystem health annually.	On track to be achieved
20.2	Maintain a regional marine oil spill response capability.	20.2	Response plan and capability, as approved by Maritime NZ, will be available 24 hours / 365 days a year.	On track to be achieved
LOS 21: Active partnership of the Canterbury Civil Defence Emergency Management Group and provides for the support, information, and administration needs of the group office and Emergency Coordination Centre.				
21.1	Compliance with meeting the Service Level Agreement between the CDEM Group and Environment Canterbury.	21.1	Full compliance with agreement, including providing 55 suitably trained staff.	On track to be achieved
LOS 22: Identify and monitor contaminated land.				
22.1	Annual project to identify potentially high risk contaminated sites in a Canterbury district, in partnership with the Territorial Authority and local Runanga.	22.1a	Year one: Completion of one district.	On track to be achieved
LOS 23: Support our communities to become more risk literate and resilient to climate change.				
23.1	Number of climate change-related information and education activities delivered by Environment Canterbury each year.	23.1	Year 1: Promote activities via website; report total number; and set targets for years 2 and 3.	On track to be achieved
23.2	Develop a process to ensure that climate change is robustly factored in to relevant Council decisions across portfolios.	23.2	Year 1: Process is documented and put into place.	On track to be achieved

Transport and Urban Development

LOS 24: Facilitate and support prioritised investment in Canterbury's transport network by local and central government.				
24.2	The Regional Land Transport Plan 2018-2028 is monitored to allow the Regional Transport Committee to assess implementation of the plan.	24.2	Quarterly reporting to Regional Transport Committee to track progress against the regional transport indicators set out in the Regional Land Transport Plan 2018-28.	On track to be achieved
24.3	The opportunities for, and barriers to, freight mode shift optimisation are identified so they can be used to inform future regional transport planning and investment decisions.	24.3	A report which outlines the opportunity for shifting road freight to rail or coastal shipping, is submitted to Regional Transport Committee prior to finalising the Regional Land Transport Plan 2021-2031.	On track to be achieved
LOS 25: Integrate land use, transport and hazards planning into the identification of land to provide for residential and business growth.				
25.1	Monitoring required by the National Policy Statement on Urban Development Capacity provides information on urban development indicators for Greater Christchurch.	25.1	Quarterly indicator reports are produced and published on the Greater Christchurch Partnership website each quarter, beginning September 2018.	On track to be achieved
25.2	The Canterbury Regional Policy Statement responds to the requirements of the National Policy Statement on Urban Development Capacity, including setting minimum targets for development capacity in Greater Christchurch.	25.2a	The Canterbury Regional Policy Statement is amended to include targets by December 2018, informed by an urban development capacity assessment that is undertaken in accordance with the National Policy Statement on Urban Development Capacity.	May not be achieved
		25.2b	The Canterbury Regional Policy Statement is amended, if required, every three years thereafter to respond to further assessments required by the National Policy Statement on Urban Development Capacity.	On track to be achieved
LOS 26: Assist strategic partners in the development, amendment or implementation of regeneration plans in line with the Greater Christchurch Regeneration Act 2016.				
26.1	Regeneration plans meet the requirements of the Canterbury Regional Policy Statement and other relevant regional plans, including avoiding or mitigating natural and other hazards.	26.1	Environment Canterbury provides submission of views to proponents on whether proposals meet the requirements of the Canterbury Regional Policy Statement and other relevant regional plans.	On track to be achieved
26.2	The Canterbury Regional Policy Statement and other relevant regional plans are amended, as required, to enable a regeneration plan.	26.2	The Canterbury Regional Policy Statement and other relevant regional plans are changed to align with ministerial direction(s).	On track to be achieved
LOS 27: Deliver quality, cost effective public transport service that meets the needs of the community and results in increased patronage.				
27.1	Provide quality public transport services for customers.	27.1	95% of passengers are satisfied or better with the overall service.	On track to be achieved
27.5	Provide Total Mobility scheme for transport disadvantaged people.	27.5	95% of registered customers are satisfied or better with the service they receive when they engage with a Total Mobility provider.	On track to be achieved
27.6	Number of communities who receive support from Environment Canterbury to establish Community Vehicle Trusts where conventional public transport services are not feasible.	27.6	100% of all communities who approach Environment Canterbury regarding vehicle trusts and meet relevant criteria are offered support.	On track to be achieved

Air Quality

LOS 28: Our airshed monitoring and investigations inform our work programmes.				
28.1	Air quality is monitored in gazetted airsheds and reported regularly.	28.1	Airshed monitoring and reporting is completed to the National Environmental Standard for Air Quality requirements.	On track to be achieved
28.2	Air quality investigations are undertaken to provide further information on air quality.	28.2	Environment Canterbury has the information it needs to inform work programmes.	On track to be achieved
LOS 29: In Clean Air Zones, where home heating is the biggest contributor to winter air pollution, we work with groups, agencies, homeowners and the wood burner industry to reduce PM10 emissions from home heating.				
29.1	Better burning information is made available and accessed.	29.1	Website visit numbers are included in our annual report. Smoky chimney intervention material includes better burning information.	On track to be achieved
29.2	Assistance is available for households to upgrade their home heating.	29.2	Numbers of households receiving assistance is included in the annual report (subsidies are only years 1, 2 & 3, but Healthier Homes Canterbury Loan Scheme will run over 10 years, if approved).	On track to be achieved

29.3	The wood burner manufacturing/supply industry is encouraged to continue to develop cleaner burning technology and relevant information is accessible to the public.	29.3	Environment Canterbury's wood burner authorisation process is clear, up to date, and available on the website. Details of authorised burners are published on the website for our customers and local authorities to view.	On track to be achieved
Regional Leadership				
LOS 31: Our citizens are engaged and enabled to play an active part in shaping our region's future.				
31.1	Community understanding of the work of Environment Canterbury as well as related regional issues is increased.	31.1a	Conduct a benchmarking exercise to gauge the level of community understanding and report back to Council (2018/19).	On track to be achieved
31.2	A wide cross-section of the community's views will be heard by Council.	31.2a	Analyse demographic data and identify which sectors of the community are not well represented in engagement with Council (2018/19).	On track to be achieved
LOS 32: Environment Canterbury has clearly articulated a strategic direction and priorities for the organisation.				
32.2	Percentage of Levels of Service targets achieved across all portfolios.	32.2	At least 95% or more of the Levels of Service targets included in the 2018-28 LTP achieved each year.	On track to be achieved
LOS 33: Environment Canterbury's work and regional leadership is grounded in enduring relationships and collaborative agreements.				
33.1	Environment Canterbury - Ngai Tahu governance and working group forums are held regularly to advance an agreed Tuia work programme.	33.1	Governance meetings are held quarterly, and working group forums are held every two-months. Work plans are in place and reviewed annually.	On track to be achieved
33.2	Protocols, including Te Waihora co-governance protocols, are established.	33.2	Two Tuia Operational Protocols are in place (2018/19), with others in development.	On track to be achieved
33.3	Relationships with key stakeholders are managed and maintained to achieve strategic objectives/community outcomes.	33.3a	Systems for stakeholder relationship management are reviewed and key relationships mapped (2018/19).	On track to be achieved
33.4	Regional forums are supported by Environment Canterbury and enabled to achieve their agreed objectives.	33.4	Environment Canterbury provides secretariat support for the five regional forums.	On track to be achieved
LOS 34: Our Long-Term Plan, Annual Plans and Annual Reports provide evidence of sound business planning.				
34.1	Our Long-Term Plan, Annual Plans and Annual Reports are completed within statutory time frames.	34.1a	All Local Government Act statutory planning requirements and financial reporting standards are met.	On track to be achieved
		34.1b	Unmodified independent audit report for Long-Term Plan, including any significant changes in subsequent years, and Annual Reports.	On track to be achieved
LOS 35: Environment Canterbury works collaboratively with the region's district and city councils in the review of their district plans.				
35.1	District and City plans are supported by Environment Canterbury so that these plans give effect to regional policies.	35.1	Planning support is provided by Environment Canterbury for each of the ten Canterbury Territorial Authorities every year.	On track to be achieved
LOS 36: Environment Canterbury delivers customer-centric regulatory services to our community.				
36.1	Pre-application advice results in improved quality of resource consent applications lodged, thereby reducing the need to return applications as incomplete under s88 of the RMA.	36.1	For each year, for similar types of application, the proportion which require more information under s88 of the RMA is lower where pre-application advice has been provided.	On track to be achieved
36.2	Compliance monitoring work programmes are implemented to deliver on national, regional and zone priorities.	36.2	Publish an annual report of compliance monitoring, incident response and enforcement activity on our website.	On track to be achieved
LOS 37: Communities and decision-makers have easy access to relevant, timely, and accurate data and information.				
37.1	State of the Environment reporting information is updated and published throughout the year on four environmental domains: air, coastal, biodiversity/ecosystem health, and water.	37.1a	Data and information which report on the state of Canterbury's environment is accessible through the Environment Canterbury website Reporting Back section.	On track to be achieved
		37.1b	State of the Environment reporting is published in accordance with Ministry for the Environment frameworks.	On track to be achieved
37.2	Council has established a process for reporting matauranga Maori alongside state of the environment reporting.	37.2a	Agree tools and methodology with Papatipu Runanga and conduct pilot monitoring (2018/19).	On track to be achieved

LOS 38: The Environment Canterbury Customer Services team provide access to data, information and advice.				
38.1	Customer Service interactions provide the right information, first time to our customers.	38.1	95% or more of sampled customer service interactions, on average over each year, meet our service standards.	On track to be achieved
Civil Defence Emergency Management Group				
LOS 39: Meeting the objectives of the 2014 Canterbury CDEM Group Plan.				
39.1	The objectives of the current CDEM Group plan are met.	39.1	90% of objectives are met at any one time.	On track to be achieved
LOS 40: Providing a co-ordinated response capability to enable the community to respond effectively to emergencies.				
40.1	The CDEM Group is able to respond to emergencies.	40.1	100%	On track to be achieved
LOS 41: Providing facilities for co-ordinating emergency response and recovery work.				
41.1	The Group Emergency Co-ordination Centre (ECC), alternate ECC, and emergency communications network are available and maintained.	41.1	100%	On track to be achieved

5.4. Financial Health Report Oct 2018

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday 22 November 2018
Author	Wendy Gainford, Team Leader Corporate Reporting
Endorsed by	Katherine Harbrow, CFO

Purpose

1. To report on the financial results for the period ended 31 October 2018.

Recommendations

That the Performance, Audit and Risk Committee:

1. **receives the monthly Financial Health report for the period ended 31 October 2018.**

Background

2. Monthly financial results are reported to the Performance, Audit and Risk Committee as part of our prudent financial management responsibilities.

3. The financial results for the period ended 31 October 2018 have been prepared and are now presented to the Performance, Audit and Risk Committee for review.

Financial Performance

Surplus/Deficit

4. As at 31 October 2018, we had an operating deficit of $1.08 million compared to a budgeted deficit of $1.03 million, a variance of $0.05 million.

5. The variance is a result of spending $0.49 million more than budget and receiving 0.44 million more revenue than budget.

Revenue

6. Rates revenue is in line with budget. User pays and Other revenue is $0.4 million over budget mainly due to CREDS revenue which is offset in goods and services expenditure.

Expenditure

7. Goods and services is over budget by $0.5 million, which is offset with CREDS revenue as discussed above.

8. Labour is $0.6 million under budget due to staff changes and vacancies.

Cashflow, Debtors and Debt

Treasury Performance

9. Total cash at bank (including investments) was $13.56 million as at 31 October 2018 and includes a balance on Metrocards of $2.54 million. Environment Canterbury's cash balance is therefore $11.02 million compared to a policy of $12.2 million.

Debtors and Debt

10. $5.48 million of our outstanding debtors of $6.2 million (excluding rates) relate to the current month, the 90+ days balance is $0.3 million.

Capital Expenditure

11. All capital works are 1.5% above budget for the year to date, this is due to the catchment expenditure being undertaken earlier than anticipated in the budget.

Reserves

12. Current year reserve balances will be reported at the completion of the annual report process; the year end rollover is not actioned until the audit is complete.

Attachments

1. Financial Health **[5.4.1]**

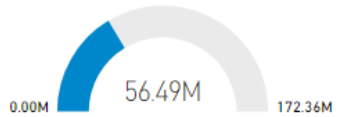
File reference	[SharePoint link for this paper]
Peer reviewers	Mark Smith, TL Business Partnership Tanya Clifford, Corporate Reporting Accountant / Internal Audit

Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

7/1/2018 10/31/2018

FINANCIAL HEALTH REPORT

YTD Actual Expenditure Tracking Against Full Year Budget



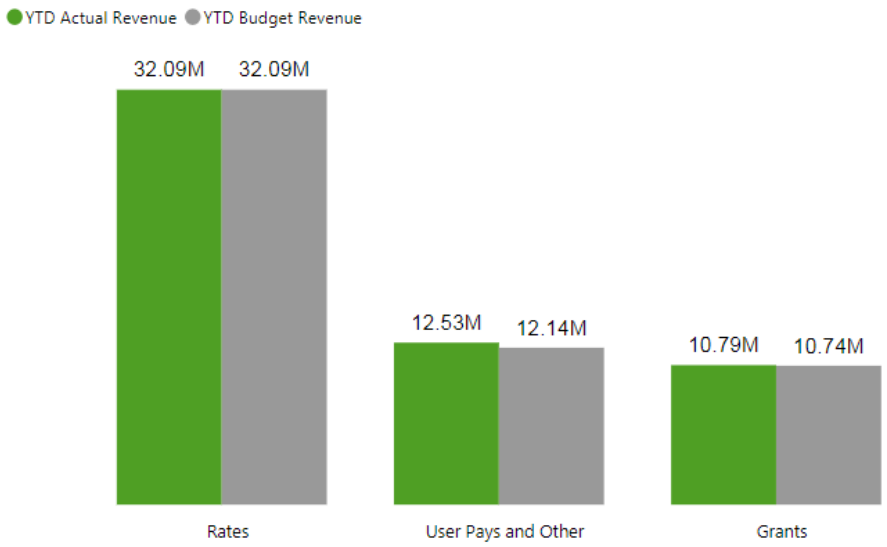
	Revenue	Expenditure	Surplus/Deficit
Actuals	55.41	56.49	-1.08
Budget	54.97	56.00	-1.03
Variance	0.44	0.49	-0.05
%Variance	0.80%	0.87%	

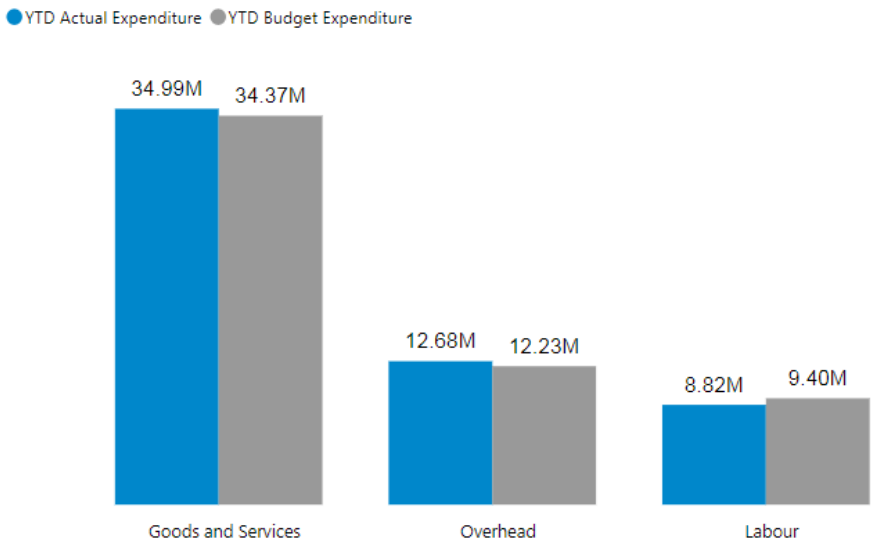
Revenue

Overall revenue is within 1% of budget with a variance of $0.4M. The additional revenue is almost entirely attributable to Other Income where the largest variance relates to funding for CREDS.

Expenditure

Labour is under budget by 6.1%, other expenditure categories are slightly over budget, but within 5%.





Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

Cash and Bank

as at 10/31/2018

13.56M

Cash

0.25M

Metrocard

2.54M

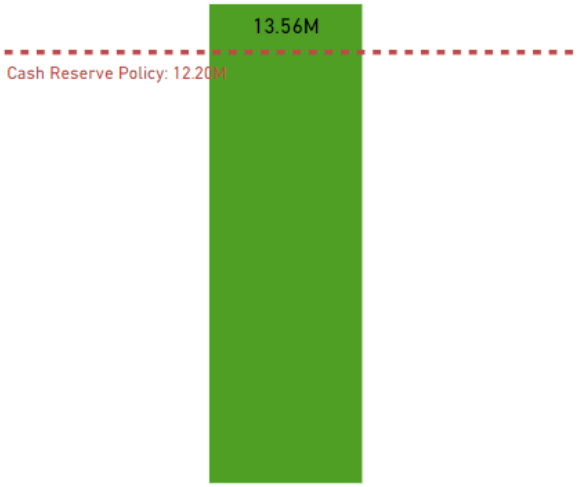
Investment

10.77M

Investment Details ($000)

$	Maturity	Days	Rate
1300	1/02/2019	270	3.65%
1200	30/05/2019	365	3.70%
900	7/06/2019	270	3.44%
1000	23/08/2019	365	3.56%
600	17/09/2019	365	3.56%

Total Actual Cash & Bank

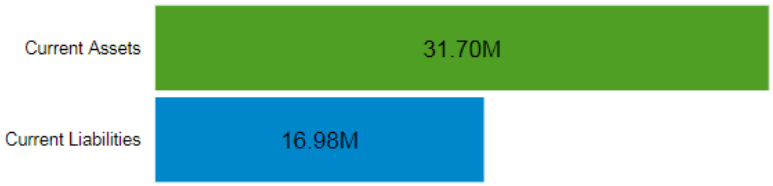


Financial Position

Cash and Bank	14M
Other Current Asset	18M
Non Current Asset	920M
Current Liabilities	-17M
Non Current Liabilities	-31M
Net Assets	904M
Equity	-907M

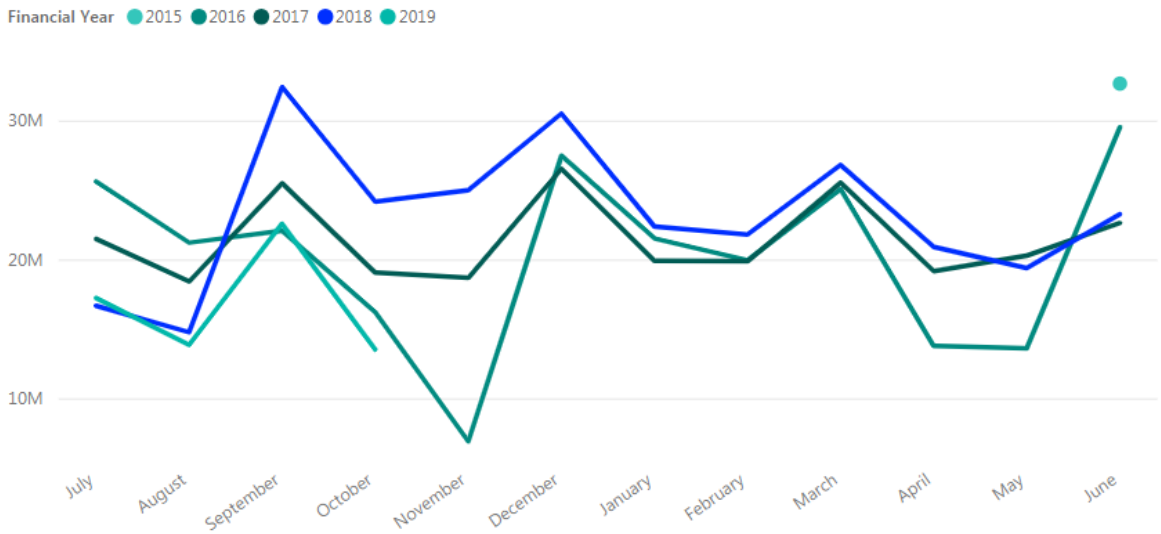
Working Capital

14.72M



Positive working capital indicates that an organisation is able to meet its short-term payables and obligations as they fall due.

Cash and Bank Balance Tracking Against Previous Years



Total Outstanding Debts (Excluding Rates)

Period Ending : 10/31/2018

$6,217,178

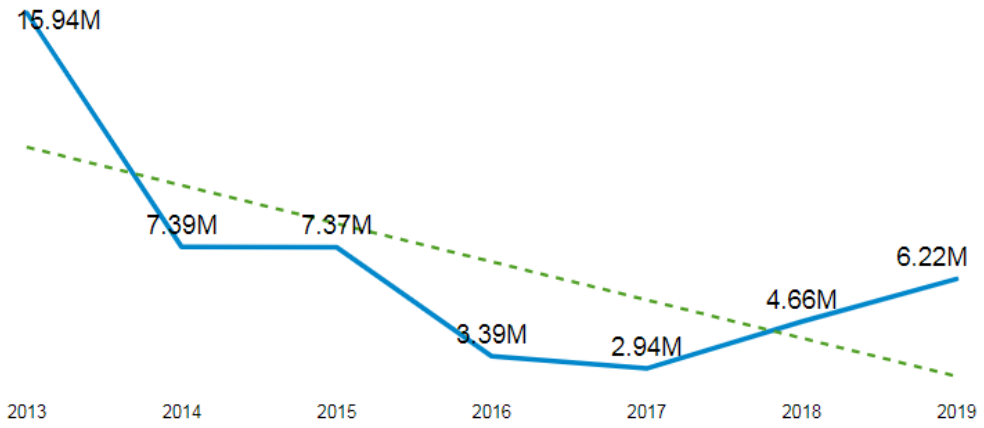
Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

OVER 90 DAYS DEBT MANAGEMENT

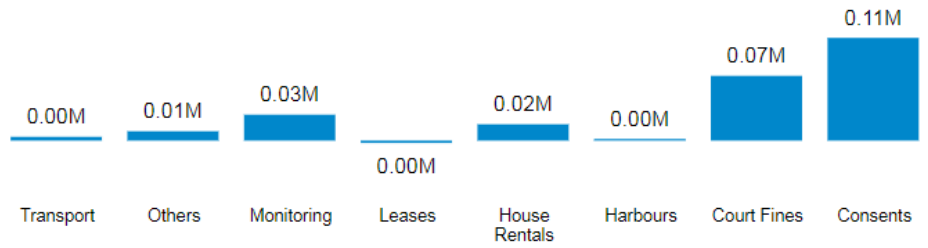
Reminder	Payment Arrangement	Objection/ Query	Collection Agency	Others*
0.04M	0.03M	0.04M	0.10M	0.13M

*Others includes Debt recovery, Liens, Court Action/Infringements

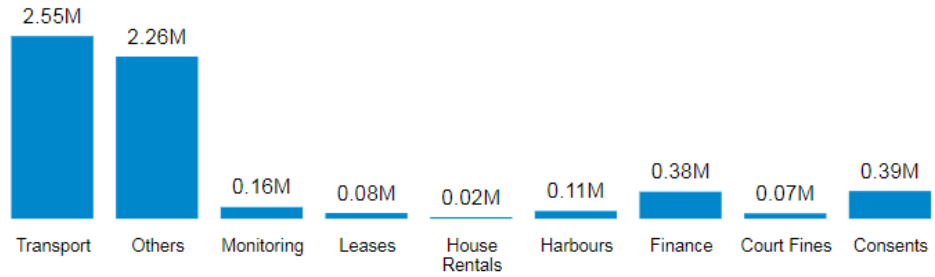
Amount by Year (Excluding Rates)



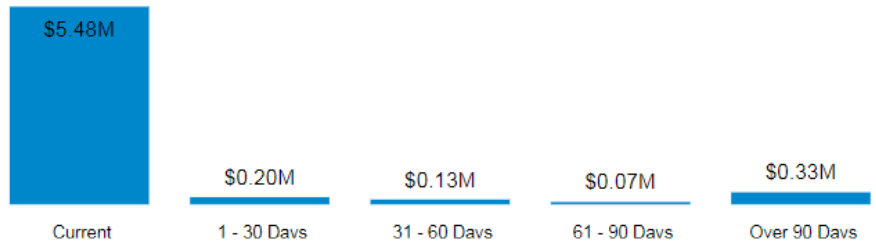
Over 90 Days Debts by Category (Excluding Rates)



Total Debts by Category (Excluding Rates)



Amount by Aging (Excluding Rates)



Notes

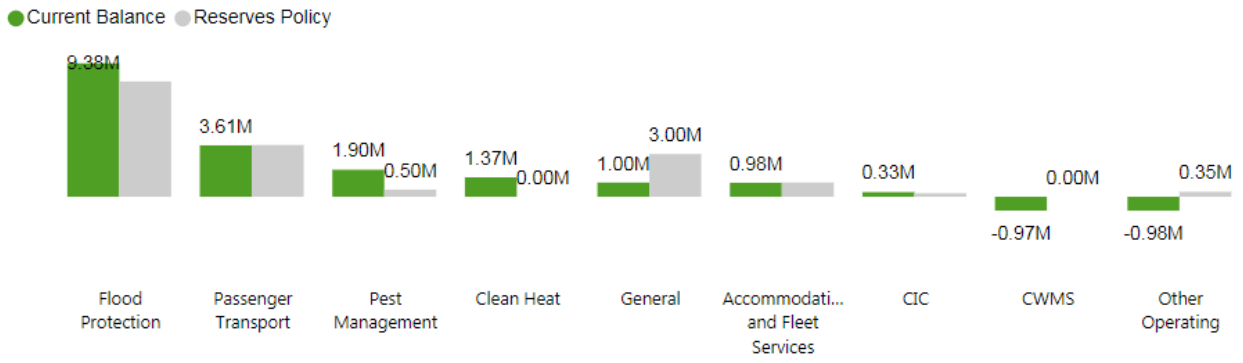
$5.48M of the $6.22M debt is current. Only $0.33M is over 90 days, which is at different stages of debt management as show above.

Overall, debt has been steadily reducing year on year since 2012/13.

Environment Canterbury Regional Council
Kaunihera Taiao ki Waitaha

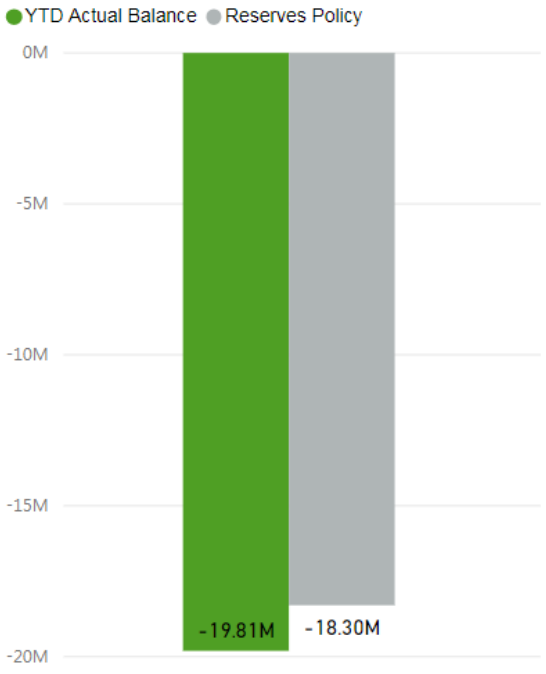
as at 10/31/2018

Major Reserve Balances

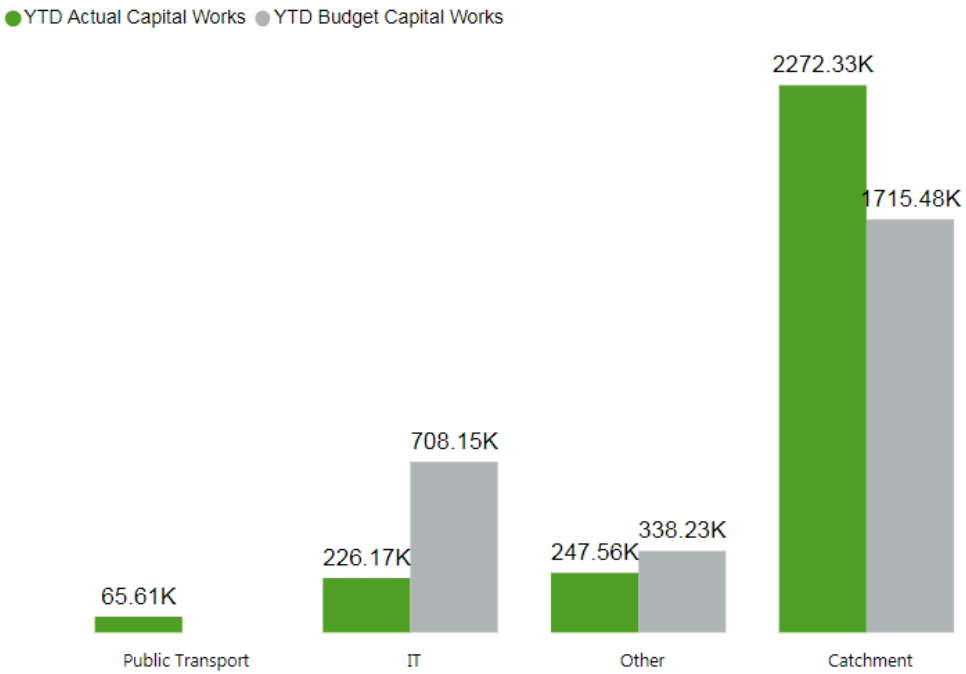


Note:

Waimakariri River Reserve Balance (Debt Funded)



Capital Works



2.81M
Goal: 2.76M (+1.8%)

Note:

Capital expenditure is $0.05M higher than budget due to catchment expenditure happening earlier than anticipated.

Expenditure on Business Information systems is lower than budgeted but expected to catch up as the year progresses.

6. Audit

6.1. Internal audit standing paper

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday 22nd November 2018
Author	Tanya Clifford
Endorsed by	Miles McConway, Director Finance & Corporate Services

Purpose

1. This report is a standing item to update the Committee on Environment Canterbury's internal audit programme and provide a forum for the Committee to raise concerns, meriting internal audit attention.

2. The report also considers potential areas of focus for the unnamed audit, along with the preferred audit for the Committee's consideration and direction.

Recommendations

That the Performance, Audit and Risk Committee:

1. **Note the progress of the internal audit programme.**

2. **Approves a final internal audit and**

3. **Advise staff either:**
    a. **that there are no items meriting internal audit attention for this month or**
    b. **identify the items meriting internal audit attention for consideration.**

Background

1. This paper updates the Committee on the 2018/19 internal audit programme. The programme of works for the year was approved by the Committee at the meeting held 23 March 2018.

2. The areas of focus for the year were identified at the internal auditor's discretion, based on consultation with the Chief Executive and the Performance, Audit and Risk Committee. Three audits have been agreed up-front, with the Council expressing an interest that the unnamed audit be focused on compliance.

3. The internal audit plan for 2018/19 considered the concerns identified in the risk register, and these items were raised with Audit New Zealand to ensure there was no unnecessary audit duplication.

4. The Internal Audit function has an allocation within the Regional Leadership Portfolio. The working expectation is that an annual programme of four internal audits will be delivered within a $100,000 goods and services budget.

Internal audit progress

The table below summarises the progress to date:

Area of audit	Reason for consideration	Status
Provision and support of Passenger Transport IT systems	This audit will focus on the requirements and adequacy of the IT support structure for passenger transport requirements. Specifically, the services passenger transport delivers and the IT requirements/capabilities of these services and associated risks and mitigations. Strategic risk addressed: operations, data management, compliance	**Commenced:** Work scoped and services procured, field work underway. Final report expected early 2019.
Contract efficiencies – attaining value for money (*Procurement is expected to be the 2018/19 External Audit Theme from AOG)*	Managing performance and demonstrating good value for money for the ratepayer is vital in public sector organisations. Review to focus on: (a) the adequacy of managing contracts, (b) the cost to the organisation and whether the result was reflective of the costs incurred? (c) the extent to which programs, operations or activities of an entity have been effective. **Strategic risk addressed: Operations, data management, compliance.**	**Commenced:** Work scoped and contract agreed, fieldwork underway. Final report expected late 2018.
Legislative compliance framework	There is a vast array of Local Government regulation that changes frequently. It is important to confirm there are appropriate processes in place to ensure staff are aware of any legislative changes. **Strategic risk addressed: Operations, compliance.**	Awaiting completion of the previous internal audits. It was expected the Canterbury Local Government Finance Managers group might cover this area in the internal audit programme for 2018/19. However, this has not been the case. Service provider to sourced and scope to be written.
Unnamed audit	Placeholder - to be determined	Discussed below.
Review of completed internal audits	A summary of all completed internal audits confirmed the recommendations within these reports were addressed or steps were taken to address them.	The findings of this report were discussed with Directors. An executive summary of the review is provided below for PARC information.

Considering the 4th audit in 2018/19

5. A list of potential internal audits for the unnamed project are considered below, based on discussions with Directors and previous projects suggested but not included in the 2018/19 internal audit programme. The recommendation from the Executive Leadership Team is for the 4th audit to be "**metro internal processes**":

Proposed area of audit	Reason for consideration
Metro internal processes ***Preferred option***	The process assessment is intended to be wide ranging and incorporate all Metro Info current processes with a view to automate and streamline these processes. Such a review may also result in further efficiencies and increased capacity by identifying other process improvements. Capacity improvements will enable staff members to be resourced on priority 'value add' areas as opposed to data analysis. **Strategic risk addressed: Operations, data management**
Review of the Te Waihora programme	The Te Waihora programme was audited at its inception. Therefore, it would be beneficial to build on this review. It also has an annual audit to confirm compliance with the grant conditions. Any review would need to be a collaborative review incorporating feedback from Te Rūnanga o Ngāi Tahu, the Te Waihora Joint Officials Group. **Strategic risk addressed: Operations**
Administration efficiencies of the immediate steps programme	The immediate steps programme and the funding split of Zone to Regional biodiversity projects is currently under review. Consequently, it is recommended any internal audit be delayed (for consideration as part of the 2019/20 audit programme), pending the completion of this review and ratification of the recommendations and outcomes from Council. **Strategic risk addressed: Operations**
Infrastructure/Engineering	Audit considering efficiencies within engineering. **Strategic risk addressed: Operations**
Suspicious Transactions Analysis	High level, desktop review using computer software (computer aided techniques (CATs)), to undertake a suspicious transactions analysis and test payment transactions to profile transactions, in high-risk business functions such as payroll, accounts payable and expenses, for indicators of fraud. **Strategic risk addressed: Data management.**
People management/staff retention	The audit to evaluate the adequacy of controls and processes for staff recruitment, retention and succession planning, and the extent to which controls have been applied, with a view to providing an opinion on the extent to which risks in this area are managed. **Strategic risk addressed: People.**
Managing conflicts of interest with public engaging programmes	This audit would examine of the adequacy and effectiveness of the controls over the management and handling of conflict of interest with those programmes that engage with the public. Specific areas to examine include: the assignment of roles and responsibilities with respect

Proposed area of audit	Reason for consideration
	to the conflict of interest management framework; governance, monitoring and reporting of the conflict of interest; assessment of operational risks related to conflict of interest; communication/training/sign-off processes in place to remind employees of their obligation; and, the process in place to address and follow up on potential conflicts of interest as they are identified. **Strategic risk addressed: Operations, people, data management, policy, compliance.**
Public interaction – emergency event response	The audit to focus on how public and stakeholder communication/media responses are managed, particularly in an emergency or time pressured event. Canterbury has responded to several emergency situations recently. Key learnings from these earthquake, fire and flood events should be reflected on and reviewed to ensure there are robust policies and procedures established; particularly related to capturing situational or financial elements and the appropriateness of risk management and escalation processes. This audit was an area proposed in the 2017/18 year, not completed due to other areas of focus prioritised in the plan. **Strategic risk addressed: People, operations, data management, compliance.**
Revenue/Rates Proposed area of focus for 2019/20	The Local Government Act 2002 and Local Government (Rating) Act 2002 places several obligations on Council in relation to setting and striking rates. Several Councils have had to make rating non-compliance disclosures and have potentially opened themselves to legal action or rating disputes. The initial review would focus on compliance with Environment Canterbury's rating policy and financial strategy along with legislative requirements. A further extension of such a review could occur, where consideration was given to the effectiveness of the current rating and revenue structure. Such a review would be ideally timed to occur two years before any Long-Term Plan (or the 2019/20 financial year), to allow recommendations to be incorporated into this planning document. **Strategic risk addressed: Policy, compliance.**
Asset management Proposed area of focus for 2019/20	Environment Canterbury has a significant number of assets recognised in the asset register. Reliance is placed on section managers to communicate items that are sold, damaged or lost to finance, enabling records to be updated. To ensure Environment Canterbury's systems and processes are appropriate to capture purchases and future management of these resources, a review is proposed to focus on: Reviewing the framework in place for asset management and testing the information to account for and track assets from time of purchase to disposal. The review will also consider safeguards in place to minimise the possibility of misuse, loss or theft of capital assets. It is expected that such a review will co-inside with an asset verification exercise (probably performed in-house). **Strategic risk addressed: Data management.**

Proposed area of audit	Reason for consideration
Canterbury finance managers joint internal audit	Proposed areas of focus from the forum include: capital expenditure, payroll, monthly financial reports and year-end closedown. Environment Canterbury can elect to join these joint-initiatives.

Review of completed internal audits

Background

6. An assessment has been requested that summarised all internal audits completed, to confirm whether recommendations within these reports have been addressed or explain why it has not occurred, incorporating a summary of steps to rectify the situation (where appropriate).

Scope

7. This summary includes a review of all internal audits completed as part of the annual approved internal audit works programme. The review has summarised all internal audits completed for the 2013/14 financial year to the 2016/17 financial year. The 2017/18 financial year's reports have not been included, as some recommendations are still being considered.

8. The summary also excludes internal reviews completed by sections not part of the internal audit framework (e.g. Health and Safety reviews) and retrospective internal audits responding to specific events.

Overall summary

9. Based on the work performed, most of recommendations have been responded to, with steps taken to either resolve or mitigate the risks identified.

10. Collating these internal audit reports has highlighted a number of key themes being reported as recommendations, which should be reflected on, with a view to responding to these themes:
    a. A number of internal audits have emphasised a lack of staff knowledge in terms of process and policy awareness (legislative compliance, fraud mitigation, procurement etc.), the recommendations being for an update to be communicated to all staff, which has normally occurred by email in response to the specific recommendation. *There is benefit from collating all policies in a central location, with staff provided with training on what these policies are and how they are found, periodically promoted for greater staff awareness.*
    b. Recommendations for management to develop and monitor Key Performance Indicators (KPI's) in relation to internal performance reporting for both organisational service delivery and staff roles have not occurred (for example diversity, fraud awareness, procurement and resource monitoring). *Management to consider expanding the reported KPI's in the operational report based on external levels of service set in the Long-Term Plan to also include internally focused performance deliverables.*

c. A number of recommendations focused on performing reviews to confirm actual practices mirrors policy, specifically in relation to staff leave balances. Currently, it is the responsibility of our people leaders to ensure compliance with policy. Leave information is reported to ELT fortnightly, however the report excludes a statement of policy compliance.

d. No policy or process specifically pertaining to hiring ex-employees as consultants has been created as recommended in the procurement review, although these ex-employees are captured through contractors review and not considered to be of high concern.

Update on Compliance Monitoring and Enforcement audit

11. On 28th June 2018 we provided a progress update in relation to the CME Audit Program. Overall, the audit found that the Council undertakes an appropriate range of compliance activities which are well targeted to consents of the highest risk. The compliance activities are well supported by excellent prioritisation methods, and good documentation and systems. The Council has a culture of continuous improvement, and prior to the commencement of this audit, had a number of initiatives underway or planned to continue to strengthen its Compliance Monitoring & Enforcement (CME) function.

12. The audit provided a number of recommendations, most of which are now complete. Please refer to table below.

Recommendations:	**Response:**
Priorities:	
a. Complete and implement the customised compliance programme project that will assign priority consents to Resource Management Officers.	a. **Complete** – Regionally significant consents now assigned to Zones and Officers.
b. Develop appropriate performance indicators to track and report on completion of the customised compliance programmes.	b. **Complete** – New operational KPI's have been developed to track progress against **Regional** and Zone priority consents. In addition program reporting is now place

Compliance understanding:	
a. The Council should consider publishing a compliance and enforcement policy to clarify how it will use compliance and enforcement tools to achieve its objectives.	a. **On track** – draft Enforcement Policy prepared and peer-reviewed by external CME auditor (see attached to the is paper). Final version to be taken to Council at next opportunity (likely to be early 2019 given current Council schedule)
Enforcement priorities: a. Create a standalone document that identifies the Councils enforcement priorities. b. Review existing process support documents and RMO training to provide better guidance around applying council's enforcement priorities. c. Introduce greater oversight of compliance decision-making to reduce the risk of under reporting non-compliance.	a. **Completed** – The Council supported CME priorities in April (see attached below). Reports to Council on enforcement are in place for: Stock in Waterways; Water Use and Quarries. New approaches for Odour are being trialled as part of the "OOO" project. Enforcement action for Outdoor burning reported within Regional Leadership Investigation Update. b. **Substantially progressed** – Most processes now converted or developed in Pro Map. Schedule of work in place to complete these by January 2019. These procedures will now be used as on-going training resources for field staff and for induction of new field staff. c. **Completed** – Audit / peer review process in place for all non-compliance and targeted audit of fully complying consents.
Zone delivery activities: a. Consider introducing a broader suite of outcome or quality-based performance measures for Zone Teams that promote multidisciplinary approaches to achieving zone objectives and that de-emphasise existing output-based measures. b. Improve information collection and reporting systems over time to enable reporting based around the achievement of zone objectives. c. Investigate using campaigns at a zone scale to co-ordinate functional capability on zone priority issues.	a. **Complete** – New operational KPI's have been developed to track progress against Regional and Zone priority consents, and promote multidisciplinary approaches to achieving zone objectives b. **Complete** – In Zone reporting system / database is now operational. c. **Complete** – Zone level campaigns are now part of In Zone reporting.
Compliance methods: a. Continue to implement the consent prioritisation project to assign customised compliance monitoring programmes to individual officers. b. Improve reporting systems to track where compliance monitoring time and effort is	a. **Complete** – Regionally significant consents and consent holders now assigned to Zones and Officers. Zone Priorities are being allocated on a continuous roll out approach. b. **Substantially progressed** – As above, in

being spent.	relation to the development of new KPI's. Operational dashboards are also in development to track KPI's. These are now operational for follow up on non-compliance, incident response and monitoring hours. This information is reported to Regional Leadership. Dashboards for tracking regionally significant consents and InZone projects will be operational in December.
c. Review existing performance measures and include measures that track the completion of assigned consent monitoring, and the resolution of non-compliance.	c. **Substantially progressed –** As above. New operational KPI's are in place. Resolution of non-compliance tracked on dashboard. Dashboard for assigned consents operational in December.
Prioritisation:	
a. Consider developing opportunities for RMO's to participate at an appropriate level in the setting of compliance and enforcement priorities.	a. **Complete** –Staff now involved in developing Zone priorities and establishing monitoring programs with regionally significant consent holders.
Support:	
a. Complete the creation of Zone Delivery Lead roles within Zones to provide senior specialised compliance supervision and support for staff.	a. **Substantially progressed** – Pilot studies well advanced in Kaikoura, Hurunui/Waiau, Waimakariri, Orari Temuka Opihi Pareora, Lower & Upper Waitaki & Ashburton.
b. Use Zone Delivery Leads to free up Zone Managers from compliance issue management, and to provide staff mentoring, particularly for new or inexperienced staff.	**b.** **Substantially progressed** – On going Zone Lead training program providing support and training. Senior RMO's now involved in training & mentoring field staff and perform audit responsibilities (see above)
c. Broaden the range of key performance indicators used to track compliance monitoring delivery.	c. **Substantially progressed -** As above. New operational KPI's in place to track progress against Regional and Zone priority consents. InZone used to track Zone priorities

Cost, compliance and communication

This report is to update the Performance, Audit and Risk Committee on the internal audit programme for 2018/19. The internal audit function is provided for in the Council's annual budget.

File reference	[SharePoint link for this paper]
Peer reviewers	Katherine Harbrow, CFO

Compliance Monitoring and Enforcement Annual Priorities for 2018/19

Introduction

As a regional council, Environment Canterbury is responsible for facilitating sustainable development in the Canterbury region. One of the ways we are required to do this is by managing water, air, and land resource use under the Resource Management Act 1991 and a range of other statutory instruments.

Environment Canterbury's activities to monitor and enforce the RMA is done within a wider strategic context set out in the Long-Term Plan and other regional plans and strategies, such as the Canterbury Water Management Strategy (CWMS), Zone Implementation Programmes, our Tuia relationships agreement with ngā papatipu rūnanga. Annual compliance monitoring and enforcement priorities are derived from these strategic documents.

Purpose

The purpose of this document is to outline Environment Canterbury's strategic priorities for RMA compliance monitoring and enforcement for 2018/19. The delivery of these priorities tie to key performance indicators for staff and organisational targets, which are reported on in our annual compliance monitoring snapshot reports for the region and for the water zones.

Proposed Strategic Compliance Monitoring Priorities

- Regionally significant consents
- Good Management Practice
- Water use
- Fish screens
- Zone priority projects

Zone Compliance Monitoring Priorities

The priorities for each of the ten water zones will be set at a zone level through agreement by Zone Committees via Zone Managers following agreement of strategic Compliance Monitoring priorities by Council.

Proposed Enforcement Priorities

- Stock in waterways
- Outdoor burning in urban areas
- Water use
- Quarry dust breaching consent conditions or determined to be offensive and objectionable
- Odour
- Significant non-compliance where a moderate to serious environmental adverse effect occurs, e.g. discharges to waterways, riverbed clearance/diversion, in-ground disposal of contaminants

Process for reviewing the priorities and development of a Compliance Monitoring Programme

The priorities document is reviewed annually using the following process to identify upcoming priorities for the development of zone specific monitoring programmes to be delivered over a financial year, July to June.

1. **Regional priorities –** Regional Support present to Council their understanding of Environment Canterbury's strategic priorities. This gives councillors an opportunity to consider their priorities and have input into the upcoming year's priorities.

2. **Zone priorities –** Zone Delivery, with support from Regional Support, articulate the agreed strategic priorities to Zone Committees and identify the zone priority projects with a dependency on the CME programme for delivery.

3. **Zone Specific Monitoring Programme development –** Regional Support develops zone specific monitoring programmes that align to the agreed strategic and zone priorities.

4. **Compliance Monitoring Programme sign-off –** Regional Support and Zone Delivery gain approval of the annual Compliance Monitoring Programme; which include the zone specific monitoring programmes, by Council and Zone Committees.

5. **Allocation and Delivery –** Compliance monitoring inspections are allocated to officers for delivery.

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7. Public Excluded

Performance, Audit and Risk Committee (PARC) Report

Author	Vivienne Ong, Committee Advisor
Endorsed by	Katherine Harbrow, Chief Financial Officer

Meeting with the public excluded

1. That the public be excluded from the following part of the proceedings of this meeting, namely:
   - 1.1 Audit NZ Report to Council for the year ended 30 June 2018
   - 1.2 Risk Report

2. The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1 Audit NZ Report to Council for the year ended 30 June 2018 1.2 Risk Report	That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.	Section 48(1)(a)

This resolution is made in reliance on section 48(1) 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 proceeding of the meeting in public are as follows:

1.1 Prevent disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)

1.2 Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i))

That appropriate officers remain to provide advice to the Committee.

8. Notices of Motion

9. Extraordinary and Urgent Business

10. Questions

11. Next Meeting

12. Closure