



ORDINARY MEETING

of the

PERFORMANCE, AUDIT & RISK PORTFOLIO COMMITTEE

MEMBERS

Mr Philip Jones (Independent Chair)

Her Worship Monique Croon

Cr KL Day

Cr RS Joyce

Cr G Horler

AGENDA | 2024

Members of the Chatham Islands Council Performance, Audit & Risk Committee.

Notice is hereby given that a meeting of the Chatham Islands Council Performance, Audit & Risk Committee is to be held in Council Chambers, Tuku Road, Waitangi on **Monday 19 February 2024 commencing at 9.00am (8.15am NZ time).**

Paul Eagle
Chief Executive Officer



Agenda

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Interest Register

PARC

MINUTES

PARC

Performance, Audit and Risk

1. Minutes of Meeting 4 December 2023

Date of meeting	19 February 2024
Agenda item number	1.
Author/s	Jo Guise, Executive Assistant

Purpose

To approve the minutes from the Performance, Audit & Risk meeting held on 4 December 2023.

Recommendations

THAT the minutes of the Performance, Audit & Risk meeting held on 4 December 2023 be a true and accurate record.

Chatham Islands Council
PARC 4 December 2023
Date: Monday, 04 Dec 2023
Time: 9.00AM
Location: Council Chambers



Members: Mr Philip Jones (Chair), Mayor Monique Croon, Cr Steve Joyce, Deputy Mayor Keri Day, Cr Greg Horler

Attendance: Mr Philip Jones (Chair), Mayor Monique Croon, Cr Steve Joyce, Deputy Mayor Keri Day, Cr Greg Horler

Guests: Mr Paul Eagle (CE), Ms Colette Peni (Operations Manager), Ms Mereraina Hemara (Financial Lead), Ms Jo Guise (Minutes), Ms Tanya Clifford (ECan)

Apologies: Mr Owen Pickles

Active actions to date:

Title	Participants	Status	Due
1. Paper on the financial challenges	Owen Pickles	Active	01/11/2023

Interest Register

No Actions assigned for this section

APOLOGIES

Apology from Mr Owen Pickles.

No Actions assigned for this section

MINUTES

RESOLVED:

THAT the minutes of the Performance, Audit & Risk Committee meeting held on 6 November 2023 be a true and accurate record.

P JONES / KL DAY / CARRIED

No Actions assigned for this section

FINANCE

2.1 Financial Report

Ms Tanya Clifford advised the LTP content would be completed by year end, and the financials by January / February 2024.

There was more discussion on what financial reporting PARC should be viewing. There would be a workshop in the new year to gain Councillor input.

RESOLVED:

THAT the Performance, Audit & Risk Committee receive the report.

M CROON / RS JOYCE / CARRIED

2.2 Riskpool: Update on Winding Up

Mr Paul Eagle had contacted Charlie Howe (CEO, Civic Financial Services Ltd) for clarification on whether there would be any future liability. Mr Howe could not give that confirmation. Mayor Croon sought a legal document to ensure full and final payment on liabilities.

ACTION: *CE to contact Civic Financial Services Ltd to request a full and final decision on the liabilities.*

RESOLVED:

THAT the Performance, Audit & Risk Committee:

- 1. Receive the information; and**
- 2. Seek clarification as to the final liability from the CEO, Civic Financial Services Ltd.**

P JONES / M CROON / CARRIED

RESOLVED:

THAT the meeting move to Public Excluded.

M CROON / RS JOYCE / CARRIED

The meeting moved to Public Excluded at 9.28am and moved out at 9.29am

There being no further business, the meeting closed at 9.30am

Actions

Title	Participants	Status	Due
Riskpool Liabilities	Owen Pickles	Active	08/01/2024

FINANCE

PARC

Performance, Audit & Risk Committee

2.1 Financial Report

Date of meeting	19 February 2024
Agenda item number	2.1
Author/s	Tanya Clifford, ECan

Purpose

To present to the Performance, Audit & Risk Committee the financial report for January 2024.

Recommendations

That the Performance, Audit & Risk Committee receives the report.

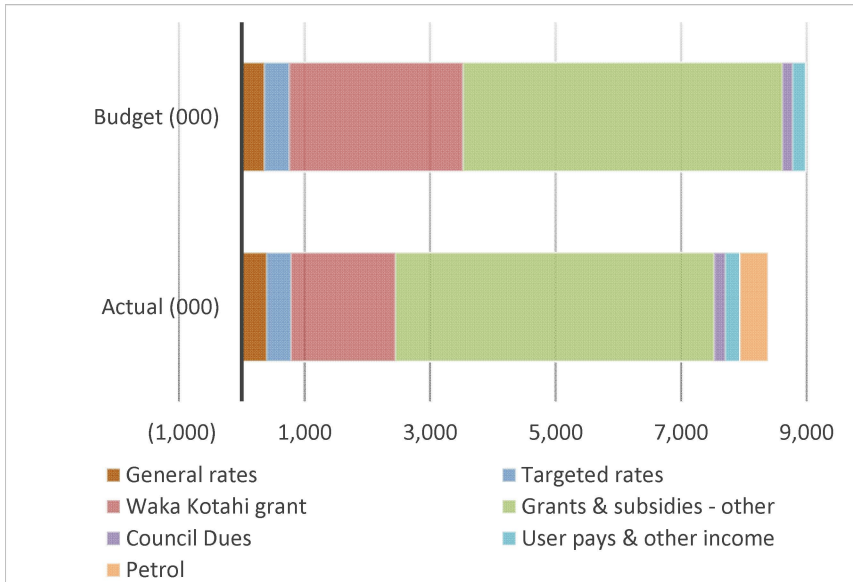
Graphical Financial Information

as at 31 January 2024



chatham islands council

Revenue

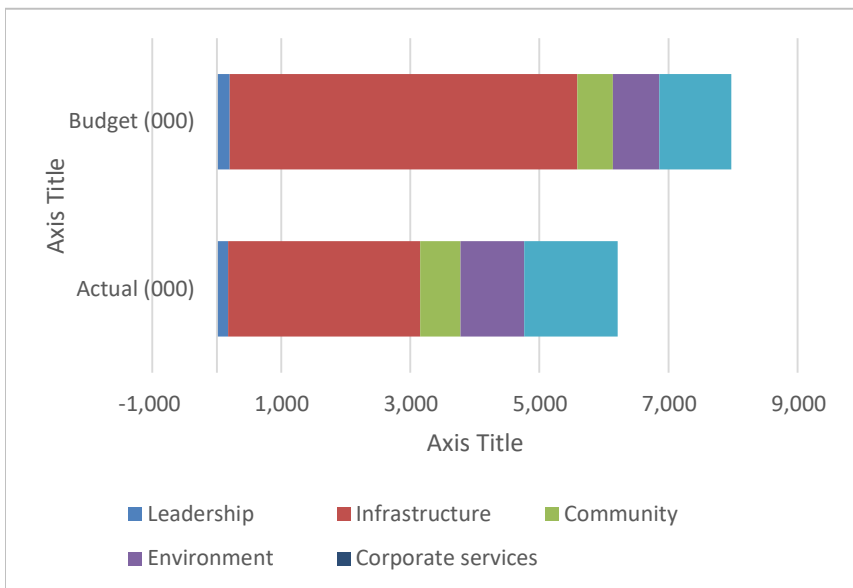


No significant items of concern related to revenue items. However, it is worth noting:

* Waka Kotahi, NZTA subsidy is driven by actual expenditure on roading works. The grant includes capital and operating expenditure.

* Remaining other variances relate to timing differences between actual revenue, which has received a number of large up-front payments early in the year - compared with budget, which assumes a smooth receipt of revenue over the course of the year.

Operating & Capital Expenditure



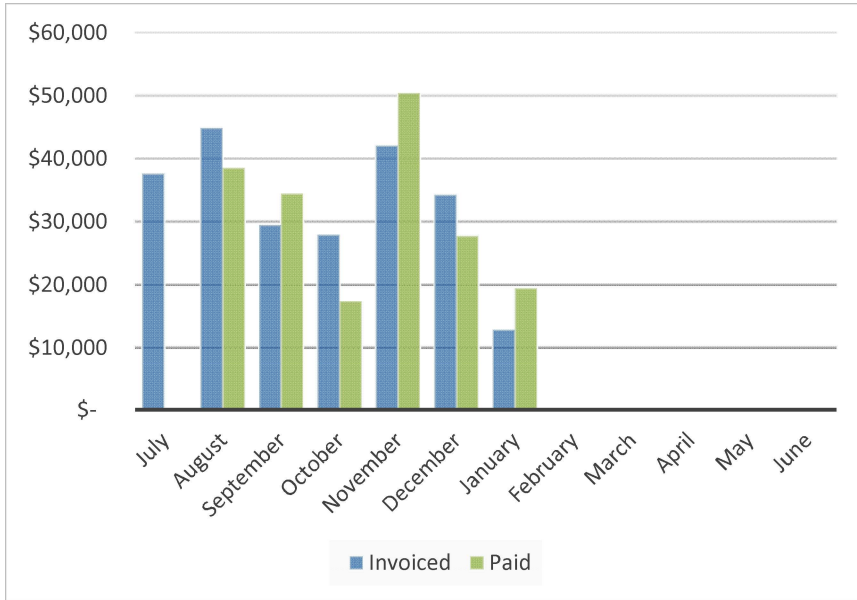
No significant items of variance related to expenditure.

* Waka Kotahi/NZTA funded roading projects are slightly behind budget due to issues sourcing material and other operational/weather delays, expenditure is likely to increase as the year progresses and weather conditions improve.

* Community expenditure includes costs are high, due to the purchase and supply of petrol to the island and water tanks installed.

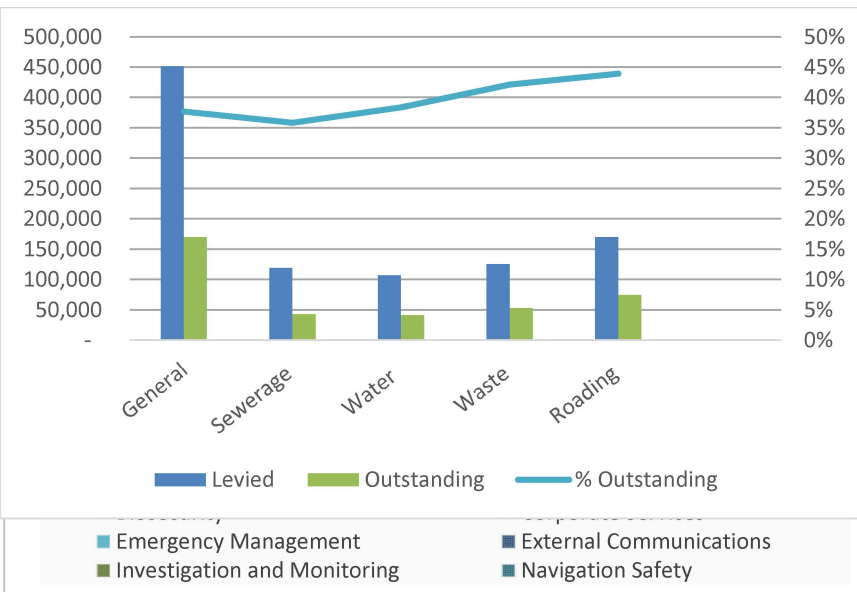
For more information refer to the more detailed report.

Revenue Council dues collectability



Note: The current outstanding Council Dues balance is \$41k. Council dues payments trends have indicated payments are not always on a timely basis. Council officer's have been proactive in following up outstanding dues payments with the applicable organisations. Delays in collecting Council Dues, increases the risk of funds not being collected.

Revenue rates collectability



Council has four rate instalment dates for the 2024 financial year, of which, two have now past meaning two instalments are still outstanding. While the graph indicates that 44% of annual rates are outstanding, if an adjustment was made for the instalment dates, the level of outstanding rates would be around 4% (reflective of some ratepayers paying their rates in full).

There has been a focus on collecting long outstanding rate balances, with some success with the collection approach and further follow up of outstanding balances would be encouraged.

Statement of Comprehensive Revenue and Expense
as at 31 January 2024



	Actual (000) \$000	Budget (000) \$000	Variance	Note Ref
Revenue				
General rates	392	358	34	1
Targeted rates	391	400	(9)	1
Grants & subsidies - Waka Kotahi NZTA	1,663	2,769	(1,106)	2
Grants & subsidies - other	5,082	5,088	(6)	2
Council Dues	175	164	11	
Petrol	446	-	446	3
User pays, fees & charges and other income	237	202	35	4
Total revenue	8,386	8,980	(594)	
Expenditure				
Leadership and community partnerships	177	203	(26)	
Transportation, roading and coastal networks	1,163	2,127	(964)	5
Three waters - water	203	235	(32)	5
Three waters - wastewater & stormwater	89	438	(349)	5
Waste management and minimisation	384	461	(78)	5
Community development & emergency response	986	549	437	6
Environmental management, protection and monitoring	629	722	(93)	
Corporate services	1,447	1,116	332	7
Total expenditure by activity	5,078	5,851	(773)	
Total surplus/(loss)	3,308	3,129	179	

Variance explanations:

- Rates are invoiced based on the Council approved rates strike. A minor difference has occurred, with recognition of penalty payments and repayment of outstanding rates.
- Roading subsidy based on 88% of actual expenditure (operational and capital). The negative variance in revenue is matched against the negative variance with roading capital and operational expenditure. Roading projects tend to accelerate as weather conditions become more favourable and expenditure may reduce if work is delayed.
For the remaining grants there is currently no significant areas of variance, difference relates to timing on when grants expected to be received. Noting also, some grants, particularly, the 3 waters & better off funding grants are based on expenditure recovery after the fact, so grant revenue will increase in later reports as costs are claimed back.
- The Council has recently facilitated the supply of petrol on the island and has been separately disclosed to show greater transparency. This revenue item was unbudgeted and has a contra expenditure increase.
- No significant variances of note or other comments related to other income.
- Infrastructure projects - primarily relate to the Stantec/Fulton Hogan roading, water, wastewater and waste management contracts. Roading works are generally slow to commence, awaiting more favourable weather conditions. Three waters work has been limited with funding restrictions impacting levels of service Council is able to provide. There exists a significant level of uncertainty related to how the affordable water programme will apply to Council.
No other significant areas of variance to note, with contract for services operating within agreed deliverables.
- Community service expenditure includes the cost of the Council supplying petrol for the island (further review to come at a later date). This area also recognises approximately \$100k in expenditure related to the installation of water tanks as part of a resilience project - funded by way of grant.
- No notable areas of variance, rather the difference relates to timing impacts, with insurance costs, audit fees and IT upgrade works incurring large one-off payments early in the year. The budget assumes an allocation that is equally apportioned over the year.

Processing for the month of November has not been complete, and therefore estimation of contract expenses for the month have been made. Depreciation expenditure has not been run for the year and therefore expenditure has been excluded.

Capital expenditure summary	Actual \$000	Budget \$000	Variance	Note Refere
Sources of capital funding				
Subsidies and grants for capital expenditure	626	1,933	(1,308)	a
Total sources of capital funding	626	1,933	(1,308)	
Application of capital funding				
Roading works	711	2,125	(1,413)	a
Other - including community works (funded from TIF)	423	350	73	
Three waters - critical infrastructure*	-	2,799	(2,799)	
Total application of capital funding	1,134	5,273	(4,139)	
Movement in reserves	(509)	(3,340)	2,832	

* Desired projects in the 2023/24 budget, removed due to lack of funding support

Variance explanations:

- a The grant figure relates to the Waka Kotahi budget, which is reflective of 88% of actual costs incurred. Actual expenditure behind expected budgeted levels, with work subject to weather fluctuations.

Note, budget figures are allocated on an equal monthly apportionment

Year to date 'cash' transactions for six months	Revenue	Expenditure	Net surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	21,569	(21,569)	-	(21,569)
Transportation, roading & coastal networks	1,647,742	1,073,254	574,488	711,046	(136,558)
Roading	1,590,765	1,014,493	576,272	711,046	(134,774)
Coasts	56,977	58,761	(1,784)	-	(1,784)
Three waters supply & treatment - potable water	469,541	202,690	266,851	-	266,851
Three waters supply & treatment - wastewater	101,903	89,364	12,539	-	12,539
Waste management & minimisation	201,345	383,289	(181,944)	155	(182,098)
Community development & emergency response	670,543	786,645	(116,102)	155,760	(271,862)
Community services	225,889	217,481	8,408	155,760	(147,353)
Petrol	409,776	399,157	10,619	-	10,619
Emergency services	34,878	170,006	(135,129)	-	(135,129)
Environmental protection, compliance & planning	143,867	585,017	(441,150)	-	(441,150)
Biosecurity and animal control	100,454	382,968	(282,514)	-	(282,514)
Resource management and regulatory	43,413	202,048	(158,636)	-	(158,636)
Corporate services and other overheads	4,913,435	1,583,609	3,329,826	201,527	3,128,299
Corporate services	710,435	1,583,609	(873,174)	201,527	(1,074,701)
Annual appropriation	4,203,000	-	4,203,000	-	4,203,000
Totals	8,148,375	4,725,437	3,422,938	1,068,488	2,354,451

Remaining 'cash' difference to budget for six months	Revenue	Expenditure	Net Surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	326,911	(326,911)	-	(326,911)
Transportation, roading & coastal networks	3,247,842	568,122	2,679,720	2,930,954	(251,234)
Roading	3,284,889	573,991	2,710,898	2,930,954	(220,056)
Coasts	-	-	-	-	-
Three waters supply & treatment - potable water	-	126,171	(126,171)	-	(126,171)
Three waters supply & treatment - wastewater	-	581,985	(581,985)	-	(581,985)
Waste management & minimisation	-	261,674	(261,674)	-	(261,674)
Community development & emergency response	140,954	71,770	69,184	444,240	(375,056)
Community services	575,322	470,762	104,560	444,240	(339,679)
Petrol	-	-	-	-	-
Emergency services	-	166	(166)	-	(166)
Environmental protection, compliance & planning	-	652,103	(652,103)	-	(652,103)
Biosecurity and animal control	-	312,320	(312,320)	-	(312,320)
Resource management and regulatory	2,432	339,784	(337,351)	-	(337,351)
Corporate services and other overheads	121,139	232,353	(111,214)	-	(111,214)
Corporate services	121,139	232,353	(111,214)	-	(111,214)
Annual appropriation	-	-	-	-	-
Totals	3,509,936	2,821,089	688,847	3,375,194	- 2,686,348
Expected annual transactions	11,658,311	7,546,526	4,111,785	4,443,682	(331,897)
Annual Plan/Budget	11,369,107	7,546,526	3,822,581	4,242,000	(419,419)

Notes:

Leadership & community partnerships
Transportation, roading & coastal networks
Three waters supply & treatment - potable water
Three waters supply & treatment - wastewater
Waste management & minimisation
Community development & emergency response
Environmental protection, compliance & planning
Corporate services and other overheads

To come

Ratio or measure of sustainability	Achieved?	Target	Actual
<i>Cash management:</i>			
Bank overdraft	Yes	> -\$300k	2,097,940
Working capital ratio (ability to pay our bills)	Yes	> 1	31.96
<i>Operating cash performance:</i>			
Net cash movement for period (2023/24)	Yes	> \$0	1,966,826
Operating performance (cash flow) ratio	Yes	> 10%	35%
Adjusted balanced budget (cash) ratio	Yes	> 100%	240%
<i>Asset replacement:</i>			
Asset sustainability ratio	Yes	> 85%	86%

Notes:

To come

2. Finance

2.2 LTP Part D: Funding, and other financial management policies

Date of meeting	19 February 2024
Agenda item number	2.2
Author/s	Tanya Clifford, Corporate Reporting Accountant, Environment Canterbury

Purpose

For Council to review the reasonableness of rating charges, considering other benchmarked Council contributions.

Recommendations

THAT the Council:

1. Confirms the Council is satisfied with the level of rates collected (including council dues), when compared to benchmarked Councils

Or

1. Provides direction on any changes to rates
2. Notes any changes to the rates or other feedback arising from these discussions may be incorporated into the draft policies. Furthermore, all supporting information is awaiting audit, and may be subject to further change to version initially provided to Council for review. These policies will be finalised as part of the Consultation Document (including “supporting information”) approval process.

Background

The Local Government Act 2002 requires justification for why rates are charged. For most Councils, rates are used to cover expenditure after all other sources are utilised. Chatham Islands Council is unique, in that most of its funding comes from central government and therefore rates are more token in nature.

Council’s approach to rating therefore is to take the prior year’s rating amounts and apply an increase based on the expected cost increases.

As part of the 2021 Long-Term Plan process, it was noted Council had historically not considered whether the base rate is reasonable. Based on a benchmarking exercise the following changes were proposed to rates:

Council has recently reviewed the rates currently set against other councils, and recommended the following changes:

- **Increase in targeted roading rates:**
The approach to setting roading targeted rates has not changed, despite the Waka Kotahi NZ Transport Agency grant for road works reducing from 91% to 88% in recent years. To partially offset the reduction in grant revenue, it is proposed to increase the

targeted roading rate by \$150, phased over three years. This will increase the roading revenue by \$24,000.

- **Increase in targeted waste management rates:**

The approach to setting waste management rates has not changed, despite the installation of a new waste management facility. It is proposed to set a targeted rate on all rateable units, set at \$150 for rural and residential properties, and \$250 for other properties (infrastructure, industrial or commercial units). A differential rate has been applied as it is considered that certain properties are likely to create additional waste directed to landfill, and Council wishes to allocate charges more heavily towards rating units expected to create the waste. Waste management targeted rate revenue is expected to increase by \$26,000.

- **No change to targeted water or wastewater rates:**

Due to the uncertainties associated with the Three Waters Reform, it is not proposed to change the potable water or wastewater targeted rates until the review is completed.

With these exceptions, Council proposes to increase all other rates by the expected rate of inflation (2.45%).

A separate paper (attachment (a)) has been prepared comparing expected rates (including council dues) on a per rating unit basis, with other benchmarked Councils.

Councils to benchmark against were selected based on having a small population size, with one being a unitary authority and the remainder being small regional or territorial Councils. It is noted that some of these benchmarked Councils may have other funding sources/financial challenges not relevant to the Chatham Islands and therefore rating requirements for each area should be evaluated with this in mind. In addition, the comparative data was taken from the 2023/24 Annual Plan, where possible additional 'weather related' event charges have been removed.

Council is to consider whether the amount Chatham Islands ratepayers contribute to general and targeted rates and council dues is reasonable considering levels of service Council is able to provide and compared with that offered by similar benchmarked Councils.

Council may also wish to review the allocation between general and targeted rates, along with charges within targeted rates.

Observations

- The funding agreement between CIC and the DIA aims/desires ratepayers to contribute a comparable amount to the cost of running the Council (including Council dues) with other small/rural mainland Councils.
- Overall, on a rating unit basis (when including Council dues), it would appear CIC contributes a higher portion to the running of Council than other comparative Councils – with the exception of Kawerau DC.

- **However**, the confirmed level of DIA funding is insufficient to cover Council’s current operational costs and therefore, it might be prudent to increase some of the ratepayer contributions to assist with the ongoing financial viability of the Council.
- Water and wastewater contributions are higher than other Councils, primarily due to the small number of connections. The 2021 feedback indicated Council were not inclined to adjust this targeted rate, due to the uncertainty related to the three waters reform. It is recommended a similar approach be taken for 2024, with focus directed towards CIC investigating and instigating a metered water charge – directing costs towards the primary consumer of these services as opposed to those connected to the service. Council may need to consider who the high-water users are. For example, if farmers are utilising water connections to irrigate their land, this approach may create a heavy burden on them.
- The roading targeted rate seems low when compared to other Councils. In the last LTP, Council doubled this rate over three years. Council may wish to look at increasing the rate again. There are approximately 530 rating units on the Chatham Islands, a \$30k increase in roading rates, would increase the targeted rate by \$56, or go from \$275.64 to \$331.72.
- If we removed council dues from the comparison, and considered only general and UAGC charges, CIC’s contribution looks low. From a financial sustainability point of view, Council may wish to consider increasing this contribution separately, maybe by an extra \$60k every year for the next three years. It is suggested that a prudent move would be to increase general rates (excluding council dues) to average around \$1,000 per rating unit.

Attachments

- a. Rates comparison benchmarking information

Rates comparison benchmarking information

Revenue and financing policy extract:

To determine whether our rating amount remains reasonable, compared to similar councils of a small or isolated nature, Council will review every three years the rating and estimated council dues amounts expected to be set and compare these with other benchmarked councils, ensuring our rates charged remain reasonable for the service provided. If Council considers these to be appropriate, it will remain reasonable to increase levels by a consistent inflationary adjustment as applied to expenditure until the next review, unless determined otherwise by Council.

	Chatham Islands Council		Gisborne DC		Kaikoura DC		Kawerau DC		Mackenzie DC		Waimate DC	
	Total	Per unit	Total	Per unit	Total	Per unit	Total	Per unit	Total	Per unit	Total	Per unit
No. rating units		680		22,788		3,015		2,987		5,425		4,419
General rate:												
General	424,239	623.88	8,295,255	364	2,684,093	890	9,628,007	3,223	7,009,905	1,292	2,376,779	538
UAGC	-	-	19,584,695	859	1,941,596	644	2,538,338	850	813,750	150	-	-
Council dues	309,450	455.07	-	-	-	-	-	-	-	-	-	-
		1,078.95		1,223		1,534		4,073		1,442		538
Targeted rate:												
Roading *	147,466	275.64	11,228,883	492.76	1,486,126	492.91	-	-	1,897,170	349.71	3,268,539	739.66
Water	125,237	894.55	8,150,281	357.66	1,229,182	407.69	260,522	87.22	2,088,289	384.94	3,825,270	865.64
Wastewater	120,880	929.85	13,514,989	593.08	839,081	278.30	499,031	167.07	1,139,888	210.12	880,807	199.32
Waste management	200,610	545.14	2,219,746	97.41	336,794	111.71	621,930	208.21	1,052,150	193.94	1,264,826	286.22
Environmental services			5,570,841	244.47	812,967	269.64						
Land, rivers & coasts			1,046,925	45.94	119,665	39.69			1,687,276	311.02	210,157	47.56
Liveable communities			15,053,096	660.58	712,186	236.21			880,977	162.39	4,483,300	1,014.55
Regional leadership			559,989	24.57								
		2,645.17		1,540.91		1,290.61		462.50		1,138.71		2,090.84
Total		3,724.12		2,764.37		2,824.83		4,535.60		2,580.86		2,628.70

* Excludes flood damage, emergency reinstatement costs and earthquake levies

Selection based on the second smallest unitary authority and four smallest Council's based on population size (after CIC)

Rating figures from comparative councils collated from 2023/24 Annual Plan

FULL GL CODE	MASTER DESCRIPTION	SUB DESCRIPTION	GL DESCRIPTION	AMOUNT
00200.0110.0073	Roading Inc	Roading Income	Rates Inc - Separate Rate	128,231
00250.1710.0072	Sewerage Inc	Sewerage Waitangi Inc	Rates Inc - General Rates	105,113
00260.0320.0072	Sanitation Inc	Refuse Charges Income	Rates Inc - General Rates	174,443
00270.1740.0072	Water Inc	Water Waitangi Inc	Rates Inc - General Rates	92,566
00270.1960.0072	Water Inc	Water - Kaingaroa Income	Rates Inc - General Rates	16,335
00600.0900.0072	General Revenue	General Rates Received Income	Rates Inc - General Rates	368,904
				885,593

Amount + GST
147,466
120,880
200,610
106,451
18,786
424,239

2023/24	Inflation rate	3.15%	2024/25
Land Use	Rate (GST inclusive)	Total Collected	Rate (GST inclusive) Total Collected
Infrastructure		0.0032652 20,564	0.00336805 \$21,212
Industrial		0.00675 59,636	0.00696263 \$61,515
Commercial		0.00275374 45,241	0.00284048 \$46,666
Rural Residential		0.0018396 285,843	0.00189755 \$294,846
		411,284	\$424,239
GST Exclusive		357,638	\$368,904
Water		GST Inclusive	
The estimated rates for the year are:			
	867.23 per Waitangi connection, which will collect	84,988	894.55 106,451
	867.23 per Kaingaroa connection, which will collect	18,212	894.55 18,786
GST Exclusive		89,739	108,901
Wastewater		GST Inclusive	
The estimated rates for the year are:			
	901.45 per pan, which will collect	117,188	929.85 120,880
GST Exclusive		101,903	105,113
Solid Waste		GST Inclusive	
The estimated rates for the year are:			
	279.14 per rural or residential unit, which will collect	87,929	287.93 90,699
	351.43 per Infrastructure, Industrial or Commercial unit, which will collect	18,626	362.5 109,911
GST Exclusive		92,656	174,443
Roading		GST Inclusive	
The estimated rates for the year are:			
	267.22 per unit, which will collect	142,965	275.64 147,466
GST Exclusive		124,317	128,231

NB next revaluation to be complete September 2024 for 2025/26 financial year
 May need to update assumptions/disclosures to state process - ensuring policy application for general rates applies

Disclosures:					Movement in total rates from 2023/24 compared with 2024/25
Sample property	District Capital Value of Property (\$)	2024/25 general rate (\$)	2024/25 targeted rate (\$)	2024/25 total rate (\$)	
Infrastructure	1,470,000	4,951.04	638.14	5,589.18	170.69
Industrial	220,000	1,531.78	2,462.53	3,994.31	121.99
Commercial	140,000	397.67	638.14	1,035.81	31.64
Rural Residential	385,000	730.56	2,387.96	3,118.52	95.23
		2023/24 general rate (\$)	2023/24 targeted rate (\$)	2023/24 total rate (\$)	
Infrastructure	1,470,000	4,799.84	618.65	5,418.49	
Industrial	220,000	1,485.00	2,387.32	3,872.32	
Commercial	140,000	385.52	618.65	1,004.17	
Rural Residential	385,000	708.25	2,315.04	3,023.29	

Activity for setting a targeted rate	Category for setting targeted rate	Calculation factor	Factor used	Revenue sought (including GST) 2024/25
Roading	The provision or availability of a roading service.	A per rating unit charge for roading activities.	275.64 Fixed amount per unit	147,466
Potable water supply	The provision or availability of a public water supply service.	The number of connections for water supply activities – for both Kaingaroa and Waitangi connections.	Fixed amount per connection 894.55	125,237
Wastewater	The provision or availability of a sewage disposal service.	A per pan rate for sewage disposal activities.	929.85 Fixed amount per pan	120,880
Waste management	The provision or availability of a waste management service.	A per rating unit charge for waste management activities.	287.93 Fixed amount per rural or residential unit 362.5 Fixed amount per Infrastructure, Industrial or Commercial unit	90,699 109,911 594,192

3. AMENDMENTS TO THE DELEGATIONS REGISTER

PARC

Performance, Audit & Risk Committee

3. Amendment to Delegations Register

Date of meeting	19 February 2024
Agenda item number	3.
Author/s	Colette Peni, Operations Manager

Purpose

For PARC.to consider amendments to the Delegations Register.

Recommendations

That the Performance, Audit & Risk Committee proposes the Delegations Register amendments to the Council.

Background

Amendments have been proposed to the delegations register for PARC to consider prior to Council.

Attached is the Delegations Register with proposed changes highlighted.



Chatham Islands Council

Delegation Register

Part One - General

Purpose

The purpose of the Delegation Register is to set out the Chatham Islands Council's ('the Council') policies, procedures and delegations relating to decision making when giving effect to its statutory duties, responsibilities and powers. The Delegations Register incorporates terms of reference for committees.

Where decisions or actions under a policy of Council are delegated to a Committee or other decision-making body that has since been disestablished, that delegation will be exercised by Council.

Structure

The Delegations Register is structured in four parts:

Part One - General

This part summarises the overall purpose and structure of the Delegation Register; defines delegations, their duration and the legal basis upon which they are given.

Part Two - Governance

This part sets out the responsibilities and powers of the Council's elected members; describes the structure and appointments to Council's Committees, Subcommittees, Hearing panels, Community Boards and Joint Committees.

The terms of reference for Council's Committees, Community Boards, Subcommittees, Hearing Panels and Joint Committees, including scope, financial, policy and legislative delegations are set out in Part Two.

Part Three - Management

This part sets out responsibilities and powers held by the Chief Executive and Operations Manager to ensure the proper and efficient functioning of the Council as a local authority business.

Part Four - Statutory Delegations to Staff

Statutory delegations to staff may be made where:

- the responsibilities are expressly provided for in legislation; or
- the council holds the power and delegates this responsibility to the Chief Executive
- delegations to staff, if required by any enactment, are made through the Chief Executive by virtue of inclusion in this register.

Statutory appointments occur where, by virtue of being an office holder, staff have duties and powers which are additional to any delegation. In those cases, staff are acting under appointment rather than delegation.

Definition of Delegation

Delegation is the transfer of a duty or power to act on behalf of another, including the authority that the person or body making the decision would themselves have had in carrying out that duty or exercising that power.

For the purposes of administrative efficiency and expediency in the conducting of its day-to-day business, the Council delegates certain statutory duties, responsibilities and powers to its standing committees, committees, subcommittees, joint committees, elected members and staff and in some cases other persons such as Hearing Commissioners.

Likewise, the Chief Executive delegates certain duties and responsibilities to a subordinate level. These delegations promote effective and expeditious decision-making.

Delegations avoid administrative delays and inefficiencies that might otherwise occur if all matters had to be referred to Council or the Chief Executive every time a decision needed to be made.

The Legal Basis

Council's authority to delegate to its standing committees, committees, subcommittees, elected members or staff is principally derived from Schedule 7, Clause 32 of the Local Government Act 2002 (LGA).

Schedule 7 Clause 32 of the LGA states that:

“Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of the local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except:

- a) The power to make a rate; or*
- b) The power to make a bylaw; or*
- c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan; or*
- d) The power to adopt a Long-Term Plan, Annual Plan, or Annual Report; or*
- e) The power to appoint a Chief Executive; or*
- f) The power to adopt policies required to be adopted and consulted on under this Act in association with the Long-Term Plan or developed for the purpose of the local governance statement; or*
- g) (Repealed)*
- ~~*h) The power to adopt a remuneration and employment policy.*~~

Other statutes also confer or limit the ability for the Council to delegate decision-making powers and duties.

Term of Delegation

Unless any delegation is expressed to be for a defined period it will continue until revoked by the Council, the Chief Executive or withdrawn by operation of law. The Delegations Register is a 'living' document and as such will be reviewed and amended from time to time. The delegation is normally

to the position, not to the individual. The delegation survives any change in the occupier of any position.

General Provisions

In the exercise of any delegation, the delegate (i.e. the person given the delegation) must comply with the requirements in this document. The laws relating to local government generally recognise that a delegation properly exercised binds Council and unless the law or the delegation expressly provides for a review / appeal then no remedy exists other than removing the delegation.

If a delegate considers it is inappropriate for them to exercise a delegation in relation to a specific matter they may refer the decision back to the delegator.

Delegations must be unambiguous and made in writing in order to protect both the Council and the delegate.

In the exercise of any delegation, the delegate will ensure they act in accordance with:

1. Any binding statutory authority (in relation to each delegation, relevant sections of the Act will be identified); and
2. Any relevant Council policy or procedural documents (including reporting and recording requirements).

In relation to delegations to officer level, every delegation will be to a stated office or position and will be exercised in relation to other duties of their position or when an officer has been appointed in an acting capacity.

Where the terms of the delegation require, decisions made under delegated authority will be reported to the Council or a relevant Committee.

Where financial delegations have been given to Committees, Subcommittees, other decision-making bodies or staff, these delegations should be exercised within budgets; adhere to Council's policies; follow a duty of care and fiscal responsibility.

For the avoidance of doubt, delegators and supervisors of subordinate staff shall have the same powers as the delegate, unless the exercise of such delegation requires, by law, a particular qualification or registration.

A delegation once made cannot be further sub delegated other than by the Chief Executive in the case of delegations to staff. The power of sub delegation can be restricted or excluded where, for example, through the operation of legislative authority; the delegation is given directly to an appointed officer.

The Council may, at any time, revoke, suspend for a period, or amend the terms and conditions of relation to any delegation it has made except in relation to decisions already taken. Where this occurs, it will be recorded by resolution of Council.

The Chief Executive may revoke or suspend for a period, or amend the terms and conditions in relation to any delegation to subordinates that they have made.

Staff will not exercise delegated authority in cases of uncertainty or where it would be preferable that policy direction be given. There are also circumstances where staff should seek peer review prior to exercising delegated authority.

Where a delegation exists to make a decision on behalf of Council, the delegate has all the necessary powers of Council to affect that decision, including any related transitional powers prescribed by statute.

The delegations to staff, if required by an enactment, are also made through the Chief Executive Officer by virtue of inclusion in this Register.

Part Two - Governance

1.0 Mayoral Delegations

The Mayor holds certain statutory powers and the list below is only delegations.

- 1.1 The Mayor is authorised to:
 - 1.1.1 permit the attendance of **Councillors at conferences and training opportunities**, with leave of absence and appropriate expenses paid, provided budget is available.
 - 1.1.2 Appoint the **Council's presiding delegate** to the meetings of Local Government New Zealand on those occasions when they cannot attend the meeting in person.
- 1.2 Where the **Common Seal of Council** is affixed to any document it shall be attested by:
 - 1.2.1 the Mayor, or in his / her absence, the Deputy Mayor; and
 - 1.2.2 the Chief Executive, or in his / her absence, the Acting Chief Executive. *See the Chief Executive's delegations for further details about use of the Common Seal.*
- 1.3 In relation to executing any Deed, the authority to apply the Common Seal of the Council is delegated to the *Mayor or in his/her absence Deputy Mayor, and any one Councillor* by virtue of section 9 of the Property law Act 2007 (two signatures required).
- 1.4 The mayor, in relation to the Chief Executive's employment contract, has delegated authority to manage routine employment matters on behalf of the employer such as leave provisions.
- 1.5 The Mayor is authorised to decide on the type and size of payments to be made from the Mayor's Discretionary Fund, within the yearly budget provision.
- 1.6 The Mayor can declare a State of Emergency
In their absence the Mayor can delegate the above to the Deputy Mayor (in the first instance). If the Deputy Mayor is unavailable this can then be delegated to any Councillor

2.0 Councillor's Delegations

2.21 Deputy Mayor

The Deputy Mayor is appointed by the Mayor or, if the Mayor declines to use the powers to appoint, the Deputy Mayor shall then be elected by the Members of Council. This must occur at the first meeting of the Council.

The Deputy Mayor exercises the same role as any other members. If the Mayor is on a leave of absence or incapacitated, the Deputy Mayor must perform all of the responsibilities and duties of the Mayor, and may exercise the powers of the Mayor (Schedule 7, Clause 17 of the LGA 2002).

2.2 All Councillors are authorised to be a Hearings Commissioner for the purpose of hearing and considering submissions to the **Resource Management Plan** or a change to the Plan under Schedule 1 Clauses 8B and 10 and to make recommendations to the Environment and Planning Committee provided they hold a **current accreditation certificate**.

2.3 Each **accredited** member has the power to hear and determine objections lodged under Section 357 of the **RMA** in respect of staff exercising delegated authority.

3.0 Committee Structure and Appointments

The Committee Structure was established, and the appointments made, following the 2022 local government triennial elections. Any changes since the triennial elections are also recorded here. The power of Council to establish committees, subcommittees, other subordinate decision-making bodies and joint committees is outlined in section 30, Schedule 7 of the Local Government Act 2002. Under section 41A of the Act, the Mayor may exercise their power to establish committees of the Council and Chairpersons for those committees.

CHATHAM ISLANDS COUNCIL	
MAYOR	Monique Croon
DEPUTY MAYOR	Keri Lea Day
COUNCIL COMMITTEES	
Performance, Audit and Risk Committee	Grants sub committee
Independent Chair, Mr P Jones ¹ Mayor M Croon Cr KL Day ² Cr G Horler Cr RS Joyce	Mayor, M Croon Cr G Hoare Cr C Gregory-Hunt Cr A Seymour Cr J Kamo
CDEM Group	Chief Executive Recruitment Committee³
Council	Mayor, M Croon Cr KL Day Cr A Seymour Cr C Gregory-Hunt
REPRESENTATIVES AND APPOINTMENTS	
CIHPT	Tourism Chathams
Cr KL Day	Cr G Horler
Community Fisheries Forum	Port Liaison Group
Cr A Seymour	Cr S Joyce
CI Stakeholders Forum	Manaaki Whanau o Wharekauri Trust
Mayor Cr KL Day Chief Executive	Mayor Cr KL Day

¹Amended by resolution 10 November 2022

²Amended by resolution 10 November 2022

³Established and approved at Council meeting 15 December 2022

Operations Manager	
Pitt Island	District Licensing Committee
Cr C Gregory-Hunt	Cr N Ryan

Standing Committee

3.1 PARC Performance Audit and Risk Committee

3.1.1 Purpose and Areas of Responsibility

The Performance Audit and Risk Committee has the core function for the formulation and monitoring of performance audit and risk frameworks, and the development and review of funding and financial policies and Council's performance monitoring.

The Performance Audit and Risk Committee also has responsibility to act and advise Council on matters related to the employment of the Chief Executive.

3.1.2 Delegated function

- To develop and review Council's funding and financial policies and frameworks.
- To develop and review the Council's performance monitoring framework.
- To approve and review Council's audit and risk policies and frameworks.
- To review the Chief Executives contract, performance and remuneration annually.

3.1.3 Membership

The Mayor, Deputy Mayor, two Councillors and one independent member as Chair.

3.1.4 Term of Committee

For the period of the 2022-2025 Triennium unless discharged earlier by the full Council.

3.1.5 Specific Responsibilities and Delegated Authority

The Performance Audit and Risk Committee is delegated the power of authority to:

1. develop and review Council's funding and financial policies and frameworks and make recommendations to Council;
2. develop and review Council's performance monitoring framework (financial and non-financial) and make recommendations to Council;
3. review Council's draft Annual Report prior to Council's adoption;
4. receive and review external audit letters and management reports;
5. approve and review the internal audit plan and review the annual programme report;
6. approve, review and monitor Council's risk framework and policy
7. review the risk register;

8. review the Chief Executive contract, performance and remuneration at least annually.

Note:

The Performance Audit and Risk Committee reports directly to the full Council.

The Performance Audit and Risk Committee is not delegated the power of authority to:

- *Develop, approve or review strategic policy and strategy*
- *Develop, approve or review non-financial operational policies and plans*
- *Approve funding and financial policies.*

3.2 Chief Executive Recruitment Committee

3.2.1 Purpose and Areas of Responsibility

To promote efficiency and effectiveness in the conduct of Council's business by acting for, and advising, the Council on matters which relate to the recruitment of Council's Chief Executive.

3.2.2 Membership

The Mayor, Deputy Mayor, two Councillors

3.2.3 Term of Committee

For the period of the 2022-2025 Triennium unless discharged earlier by the full Council.

3.2.4 Specific Responsibilities and Delegated Authority

3.2.4.1 Duties and Responsibilities

The Committee will:

- a. following consultation with Council, undertake such precedent tasks, as are necessary and appropriate in the circumstances, to enable Council to exercise to its power to appoint the Chief Executive. This includes, but is not limited to:
 - i. developing and presenting to Council, for Council's ultimate approval, a process for the recruitment and appointment of a Chief Executive;
 - ii. carrying out or implementing any such process relating to the recruitment and appointment of the Chief Executive;
 - iii. providing recommendations to Council, as the Committee sees fit, in accordance with clause 3.2.5.3 of these Terms of Reference;
- b. develop and carry out the process for the Chief Executive's term expiry following consultation with Council;

- c. if and when appropriate, engage a consultant to assist the Committee at any time;
and
- d. do all other things necessary to effect the matters set out in this clause.

3.2.4.2 **Delegations from Council to the Committee**

- a. Council will consider matters not within the delegation of the Committee.
- b. Council may, from time to time, revoke or modify a delegation to a Council committee or joint committee, including this Committee. Such revocations or modifications may be permanent, or for a specified period of time, and/or be for the purpose of addressing a specific matter, if there is good reason to do so.
- c. The powers delegated to the Committee by Council will be, at all times, subject to the current policies and principles or directions given by Council, from time to time.

3.2.4.3 **Power to Make Recommendations**

- a. The Committee may, as it deems appropriate, make recommendations to Council and/or any standing committee.
- b. The Committee Chair may refer to Council any urgent matters, which would ordinarily be considered by the Committee.

3.2.4.4 **Power to Act**

- a. the Committee is required to review these Terms of Reference at least once every five years or at such a time that the current (for the time being) Chief Executive resigns from that role, whichever is sooner, and, if the Committee considers it appropriate or necessary, make recommendations to Council regarding any changes or amendments to them.
- b. The general delegations to the Committee exclude any specific decision-making powers that are delegated to another Committee of Council or Joint Committee.
- c. The Committee's power to act under these Terms of Reference is subject to an overriding duty to comply with the Act, and where these Terms of Reference are inconsistent with the Act, the Act shall prevail.

3.2.4.5 **Limitations on Committee Powers**

- a. Pursuant to Clause 32(1) of Schedule 7 of the Act, the following matters are prohibited from being delegated to the Committee by Council:
 - (i) the power to make a rate; and
 - (ii) the power to make a bylaw; and
 - (iii) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; and
 - (iv) the power to adopt a long-term plan, annual plan, or annual report; and
 - (v) the power to appoint a chief executive;

(vi) and the power to adopt policies required to be adopted and consulted on under the Act in association with the long-term plan or developed for the purpose of the local governance statement; and

~~(vii) — the power to adopt a remuneration and employment policy.~~

- b. Therefore, and for the avoidance of doubt, the Committee does not have the delegated authority to decide the following matters in relation to the Chief Executive:
- (i) the Chief Executive’s job description and associated job specifications; or
 - (ii) the appointment process for the role of the Chief Executive; or
 - (iii) the appointment and remuneration package of the preferred candidate for the position of Chief Executive.
- c. The Committee may make recommendations to Council regarding the matters referred to at subclause 3.2.4.5.b, above, in accordance with clause 3.2.4.3 above, however, the ultimate decision on these matters remain with Council.

Sub-committee’s

3.3 Grants Sub-committee

The Grants Sub-committee has a core function to consider and approve applications for grant funding.

3.3.1 Membership

- Mayor and three Councilors.

3.3.2 Term of the Committee

- For the period of the 2022-2025 triennium unless discharged earlier by the full Council.

3.3.3 Specific Responsibilities and Delegated Authority

The Grants Subcommittee is delegated the power of authority to consider and approve applications for grant funding from, but not limited to, Creative Communities NZ, NZ Rural Travel Fund, Council Community Grant Fund, and any other grant funding opportunities that may arise.

3.4 District Licensing Committee (DLC)

The District Licensing Committee operates under the **Sale and Supply of Alcohol Act 2012 (SSAA)**. Each territorial authority must appoint one or more licensing committees as, in its opinion, are required to deal with licensing matters for its district (s.186 SSAA).

3.4.1 **Responsibilities and Powers**

- a. Consider and determine applications for licences and manager's certificates.
- b. Consider and determine applications for renewal of licences and manager's certificates.
- c. Consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136.
- d. Consider and determine applications for the variation, suspension, or cancellation of special licences.
- e. Consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280.
- f. Refer applications to the licensing authority with the leave of the chairperson for the licensing authority.
- g. Conduct inquiries and to make reports as may be required.
- h. Carry out any other functions conferred on licensing committees by or under the SSAA or any other enactment. (s.187).

3.4.2 **Administration**

- a. In the absence of the Chairperson, the Deputy Chairperson will preside.
- b. A quorum comprises 3 members except when the Chairperson is sitting alone.
- c. Meets as required.
- d. The provisions of the Local Government Official Information and Meetings Act 1987 apply other than Part 7 and section 200 of SSAA applies.
- e. Where appropriate, an Independent Commissioner will be appointed.

Chatham Islands Civil Defence Emergency Management Group (CDEM)

3.5 **Chatham Islands Civil Defence Emergency Management Group**

The "Chatham Islands Civil Defence Emergency Management Group" (CDEM Group) is a function of the Chatham Island Council.

3.5.1 **Status of Committee**

The CDEM Group is a committee of Council under the Local Government Act 2002. The CDEM Group has autonomous decision-making responsibilities specified by the Civil Defence Emergency Management Act 2002 and direction from National Emergency Management Agency NEMA.

3.5.2 **Goals**

- (1) To, where possible, reduce or mitigate the risks from natural or man-made hazards and to increase the level of public awareness.
- (2) To minimize the adverse effects of hazards upon life, the social and economic fabric of the islands, the infrastructure, property and the natural environment.
- (3) To provide cost effective and efficient emergency management on the islands through partnerships with the emergency services and other agencies.

3.5.3 Objectives

- (1) In relation to the hazards and risks to:
 - identify, assess and manage those hazards and risks
 - consult and communicate to the community about risks
 - identify and implement where possible cost-effective risk reduction.
- (2) To take all steps necessary on an ongoing basis to maintain and provide an effective Civil Defence Emergency Management organisation for the islands including the provision of training, appointment of suitable persons and an appropriate organisational structure.
- (3) To take all steps necessary to provide the materials, services, information and other resources necessary for effective Civil Defence Emergency Management for the islands including partnerships with relevant agencies.
- (4) To respond to and manage the adverse effects of emergencies within the islands.
- (5) To carry out recovery measures as required after the impact of any emergency.
- (6) To promote and raise public awareness of and compliance with the CDEM Act 2002 and the legislative provisions in accordance with Section 3, Purpose of the CDEM Act 2002.
- (7) To promote Civil Defence Emergency Management consistent with the purpose of the CDEM Act 2002.
- (8) To establish a Coordinating Executive Group (CEG) as required under Section 20 of the Act.
- (9) To oversee the implementation, development, maintenance, monitoring and evaluation of the Chatham Islands CDEM Plan.

3.5.4 Delegations

Any delegated authority will be assigned as appropriate by the full Chatham Islands Council.

3.5.5 Membership

The CDEM Group consists of all elected members of Council with the Mayor as Chair, with the CEG Chair and Emergency Management Manager/Officer in attendance. A representative of the Ministry of Civil Defence and Emergency Management may also attend (ex officio).

The CEG will comprise:

- The Chief Executive, Chatham Islands Council as Chair
- The Chief Fire Officer (Appointee of the National Commander)

- The Senior Police Officer stationed on the Islands (Appointee of Commissioner of Police)
- The Medical Officer in charge of the hospital
- The Chief Executive Officer, Chatham Islands Enterprise Trust
- The Area Manager, Department of Conservation
- The Emergency Management Manager/Officer (ex officio)
- A representative from Hokotehi Moriori Trust and Ngati Mutunga o Wharekauri Iwi Trust
- A representative from the Ministry of Primary Industries
- St John
- CDEM Area Coordinators and appointed Controllers
- Representative Ministry of Civil Defence and Emergency Management (ex officio)

3.5.6 Meetings

- (1) The CDEM Group will meet as agreed by the Chairperson and Council.
- (2) Meetings will be publicly notified and open to the public except where there are grounds to exclude the public in terms with the Local Government Official Information and meetings Act 1987.

3.5.7 Standing orders

The Chatham Islands CDEM Group will follow the NZ Standard for standing orders (NZS: 9202: 2001) or any NZ standard substituted and adopted by the Council.

3.5.8 Reporting

The CDEM Group is an autonomous body constituted under Section 18 (1) of the Act, but is expected to keep the full Council and its stakeholders informed of its activities.

3.5.9 Funding

All administrative costs will be borne by the Chatham Islands Council. Any costs incurred by members of the CEG will be met by the organization which they represent.

3.5.10 Life of CDEM Group

The CDEM Group is a requirement of Section 12 of the Civil Defence Management Act 2002.

Part Three - Management

1.0 Chief Executive's Delegations

1.1 General

- 1.1.1 The Chief Executive will report the exercise of these delegations to the Council when the delegation requires and as they deem necessary.
- 1.1.2 The Chief Executive is authorised to amend the delegations register to reflect changes in the organisation's structure.

1.2 Acting Chief Executive

- 1.2.1 The Chief Executive may request the Operations Manager to act as Chief Executive during temporary periods of absence from duties together with such of the Chief Executive's powers as he or she considers appropriate.

1.3 Employment of Staff

- 1.3.1 Pursuant to section 42(2) of the Local Government Act 2002, the Chief Executive is responsible, on behalf of the Council, for ensuring the effective and efficient management of the Council, employing staff and negotiating the terms of employment of staff.
- 1.3.2 The Chief Executive has control over all employment-related matters concerning staff, and retains authority to approve the employment of all staff.

1.4 Common Seal

- 1.4.1 The Common Seal of the Council will be held by the Chief Executive who will be responsible for its use.
- 1.4.2 A Council resolution is required for the Seal to be affixed to a document.
- 1.4.3 Where the affixing of the Seal is required on documents where the matter is:
 - of a routine nature; or
 - urgent

A resolution of Council under clause 1.4.2 can be made retrospectively at the next Council meeting.

1.4.4 Where the Common Seal of the Council is affixed to any document it will be attested by:

- the Mayor, or in their absence, the Deputy mayor; and
- the Chief Executive, or in their absence, the Acting Chief Executive.

1.4.5 The Common Seal will be affixed to any document that is required to be executed under the Seal, including:

- 1.4.5.1 Warrants to enter private land on behalf of the council made under the Resource Management Act, the Biosecurity Act, the Building Act, Local Government Act 1974 or the Local Government Act 2002;
- 1.4.5.2 Memorandum of Transfer pursuant to section 80 of the Local Government (Rating) Act 2002;
- 1.4.5.3 Regional policy statements and regional and district plans prepared under the Resource Management Act;
- 1.4.5.4 Bylaws prepared under the Local Government Act 2002 or other relevant statutes;
- 1.4.5.5 Any documents (e.g. covenants, caveats, or consent notices) which otherwise require the use of the Council's Common Seal with the exception of 'Deeds'.

1.4.6 In relation to executing any Deed, the authority to apply the Common Seal of the Council is delegated to the Mayor or in his absence Deputy Mayor, and any one councillor by virtue of section 9 of the Property Law Act 2007 (two signatures required.)

1.5 Official Information

1.5.1 The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to the Chief Executive.

1.5.2 The ability to refuse to release information under Part 1, s.6 or s.7 (conclusive reasons for withholding information); or Part 2, s.17 (refusal of requests) of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive.

1.6 Privacy Act Requests

1.6.1 The Chief Executive is delegated the authority to determine in respect of any request for personal information under Part V of the Privacy Act 1993:

- 1.6.1.1 Whether the request can be granted in whole or in part; or
- 1.6.1.2 Where a request has been granted, whether any information should be withheld; or
- 1.6.1.3 Whether a request for personal information to be corrected should be granted; or
- 1.6.1.4 Compliance with all related administrative requirements.

1.7 News Media, Public Notices, Advertisements and Websites

- 1.7.1 The Chief Executive is authorised to make statements to the news media relating to Council's business.
- 1.7.2 ~~Delegations are to be exercised in accordance with Council's Media and Advertising policies.~~
- 1.7.3 The Chief Executive is authorised to place public notices and advertisements in relevant newspapers or other publications.

1.8 Disposal of Council Records

~~The Chief Executive is authorised to dispose of any Council records after receiving confirmation from the relevant Officers or, where required, to make application to another authority for disposal, so far as the exercise of this delegation is not contrary to legislative authority or Council policy.~~

1.9 Financial Management

- 1.9.1 The Chief Executive is authorised to enter into specified contracts for services within his or her authorised expenditure limit.
- 1.9.2 The Chief Executive may award tenders for:
 - 1.9.2.1 contracts up to \$300,000; or
 - 1.9.2.2 contracts up to \$500,000 procured using the qualified panel of suppliers established in accordance with Chatham Islands Council.
- 1.9.3 The Chief Executive is authorised to:
 - 1.9.3.1 approve operating expenditure within approved budgets, up to a **maximum of \$1,000,000** (exclusive of GST) per single item / transaction;
 - 1.9.3.2 commit up to **\$50,000** (exclusive of GST) of capital expenditure that has not been authorised by approved budgets, subject to subsequent reporting to Council as soon as is practicable;

- 1.9.3.3 approve **contract progress payments** for the supply of goods and services that have been approved by Council, appropriate Committee, or the Tenders Panel;
- 1.9.3.4 **re-allocate funding** between budgets provided:
- it is necessary to achieve committed outputs; and
 - the overall end-of-year budgeted surplus or deficit will be achieved;
 - any likely exceedance is reported to Council or the relevant Committee;
 - it does not breach the Revenue and Financing Policy.
- 1.9.3.5 approve **contingency expenditure for an emergency** including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak, subject to:
- a maximum of \$100,000 (exclusive of GST) for any one event; and
 - the expenditure being reported to the Council as soon as practicable.
- 1.9.3.6 take appropriate action within Council policy to **recover debts**, including but not limited to Court (excluding High Court), Tribunal proceedings and debt collection agencies.
- 1.9.3.7 write off or compromise bad and doubtful debts of up to \$5,000 following discussion with the PARC committee.
- 1.9.3.8 consider and approve **elected members' remuneration** and expense claims in accordance with the determinations of the **Remuneration Policy Authority** and Council policy.
- 1.9.3.9 amend **Solid Waste Charges** and **Commercial Activity Charges** at any stage during the year, and advise the public of any price changes by public notification at least one month prior to the changes taking effect.

1.10 Bank, Invest, Operation of Council's Bank Accounts

- 1.10.1 The Chief Executive is authorised to:
- bank, transfer, and invest funds held by the Council
 - sign and countersign bills of exchange, promissory notes and other negotiable instruments, withdrawal notices or authorise electronic payments on behalf of Council;
 - approve payroll payments and all payroll related matters; and
 - approve all tax payments and tax related matters.

- 1.10.2 Documentation must be counter-signed by another member of staff with the appropriate delegation.

1.11 Unbudgeted Capital Expenditure

Unbudgeted capital expenditure may be needed when, a project was not included in an Annual Plan or Long-Term Plan, the scope of a project has changed and / or costs for a project have exceeded estimates and contingencies.

- 1.11.1 Unbudgeted capital expenditure may be authorised by the Chief Executive where that expenditure:

- does not exceed the greater of 10% of the project budget or \$50,000; and
- can be met within the annual capital budget for the activity without compromising delivery of other planned capital works.

- 1.11.2 The unbudgeted expenditure must be reported via the next financial reforecast report to Council.

- 1.11.3 Approval must be sought at the next available meeting of Council for all other unbudgeted capital expenditure i.e. projects that exceed the greater of 10% of the project budget or \$50,000.

Such approval shall be obtained in advance except:

- In an emergency; or
- When it would be imprudent, contrary to sound business practice, inefficient or ineffective to delay the project while approval is sought.

For the purpose of the above section an activity is as set out in the annual Activity Balance report. It is not the broader activity as described in the Long-Term Plan Annual Plan or Annual Report. Finance have a full list of activities.

1.12 Credit Card Expenditure

- 1.12.1 All credit card expenditure is reported to and signed off by PARC.

1.13 Functional Delegations

- 1.13.1 The Chief Executive may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

1.13.1.1 the valuation wasn't received; or

1.13.1.2 for any other good reason.

- 1.13.2 The Chief Executive is authorised to receive and/or administer external grants or funding on behalf of the Council, including entering into a contract for the receipt of those grants or funds.

1.14 Council Property, Leases, and Licenses

The Chief Executive is authorised to:

- 1.14.1 approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land
- 1.14.2 enter into contracts for the maintenance, management and development of any council property
- 1.14.3 enter into binding agreements for the sale and purchase of property that are necessary to implement any project or work approved by Council, in accordance with the Long-Term Plan, Annual Plan or Council resolution with schedules listing such sales or purchases being submitted to the relevant Standing Committee on a regular basis
- 1.14.4 grant and administer stall site licences including licences for the occupation of legal road (including termination thereof where required for non-payment of rental or other good reason)
- 1.14.5 sign any client authority and instruction for registration by E-dealing.

1.15 Use of Council Property, Assets and Staff

The Chief Executive is authorised to:

- 1.15.1 approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines
- 1.15.2 dispose (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement
- 1.15.3 dispose (whether by tender or otherwise), and the terms thereof, of any other surplus Council asset up to a book value of \$10,000 (exclusive of GST) per item (see footnote below); and
- 1.15.4 hire out any Council asset and staff to an outside organisation.

1.16 Legal Advice and Proceedings

The Chief Executive is authorised to:

- 1.16.1 obtain legal advice on Council's behalf
- 1.16.2 sign on Council's behalf any routine legal administrative document
- 1.16.3 release or alter loans, mortgages and to impose or remove statutory land charges, subject to confirmation, for Council's financial security, or that all monies owing to the Council have been repaid.
- 1.16.4 Commence court proceedings, where:
 - there are exceptional circumstances; and

- time does not permit consideration by Council; and
 - where such action is necessary to protect or further Council's interests; and
 - subject to prior discussion with the Mayor.
- In all other instances, the ability to commence court proceedings is confined to the Council.

- 1.16.5 File in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal.
- 1.16.6 Settle claims against Council up to a limit of \$10,000 (exclusive of GST) (consistent with Council's insurance excess) or in accordance with a recommendation from Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee.
- 1.16.7 Initiate proceedings to have Court costs awarded; and initiate legal proceedings to collect Court costs awarded.
- 1.16.8 Issue a trespass warning, whether orally or by notice, on Council's behalf.
- 1.16.9 Vote on behalf of Council, where a resolution of Council is not a prerequisite.

2.0 Operations Manager Delegations

The Operations Manager must not act outside of Council policy or outside of decisions made by resolution of Council or a Committee.

2.1 Employment

The Chief Executive Officer has authorised the Operations Manager, in relation to their area of responsibility and in accordance with relevant Council policy, to:

- 2.1.1 determine staff hours of attendance that best suits the Council's needs;
- 2.1.2 approve the temporary reallocation of duties provided they do not require an amendment to the Position Description;
- 2.1.3 approve overtime, including granting time off in lieu of overtime.
- 2.1.4 Approve time-in-lieu and all types of leave, except:
 - 2.1.4.1 leave identified as being at the sole discretion of the Chief Executive; and
 - 2.1.4.2 leave without pay for periods in excess of two weeks.
- 2.1.5 Approve the attendance of staff at conferences, courses or seminars.

2.2 Submissions

2.2.1 The Operations Manager is authorised to make a submission on matters of general Council interest or concern where it is not possible within the available time to refer the matter to the Council or relevant standing committee.

2.2.2 Such submissions shall be reported to the Council or the relevant committee at the next available meeting.

2.3 Official Information

2.3.1 The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to Senior Managers.

2.3.2 The ability to refuse to release information under Part 1, s.6 or s.7 (conclusive reasons for withholding information); or Part 2, s.17 (refusal of requests) of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive Officer or delegated Officer.

2.3.3 The Council Executive Assistant is delegated to manage official information requests and will require the Officers to respond to requests as they relate. The Operations Manager is authorised to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act).

2.4 News Media, Public Notices, Advertisements and Websites

2.4.1 The Mayor and Chief Executive Officer or Delegated Officer are authorised to make statements to the news media relating to Council's business. Exercise of these delegations are to be in accordance with the Council's Media and Advertising Policies.

2.5 Financial Management

2.5.1 The Operations Manager is authorised to enter into specified contracts for services commensurate with his or her authorised expenditure limit.

2.5.2 The Operations Manager is authorised to:

2.5.2.1 approve operating expenditure within approved budgets, up to a maximum of \$20,000 (exclusive of GST) per item

2.5.2.2 approve contract progress payments for the supply of goods and services as have been approved by Council

2.5.2.3 re-allocate funding for operating expenditure between budgets provided it is:

- necessary to achieve committed outputs; and
- the end-of-year budgeted surplus or deficit will be achieved
- Any likely exceedance or effect on other programmes deliverables is reported to Council or the relevant Committee.

The Council Revenue and Financing Policy is not to be breached.

- 2.5.2.4 Approve contingency expenditure for an emergency including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak is delegated to the Operations manager to a maximum of \$20,000 (exclusive of GST) and must be reported to the Council as soon as practicable.

2.6 To Operate Bank Account and Invest

- 2.6.1 The Operations Manager is authorised to:
 - 2.6.1.1 sign and countersign bills of exchange, promissory notes and other negotiable instruments, withdrawal notices or authorise electronic payments on behalf of Council
 - 2.6.1.2 approve payroll payments and all payroll related matters; and
 - 2.6.1.3 approve all tax payments and tax related matters.
- 2.6.2 Documentation must be counter-signed by another member of staff with the appropriate delegation.
- 2.6.3 Other specific delegated financial authorities are contained within Chatham Islands Council's Treasury and Risk Management Policy.

2.7 Debts

- 2.7.1 The Operations Manager is authorised to take appropriate action within Council policy to **recover debts**, including, but not limited to Court (excluding High Court), Tribunal proceedings and debt collection agencies.
- 2.7.2 The Operations Manager is authorised to **write off or compromise bad debts** of up to \$100 (other than rating debts).

2.8 Receipting and Administering External Funds

The Operations Manager is authorised to receive and/or administer external grants or funding on behalf of the Council, including entering into a contract for the receipt of those grants or funds.

2.9 Council Property, Leases, and Licenses

The Operations Manager is authorised to:

- 2.9.1 approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land subject to affixing of the Council Seal, where appropriate;
- 2.9.2 enter into contracts for the maintenance, management and development of any council property.

2.10 Use of Council Property, Assets and Staff

The Operations Manager is authorised to:

- 2.10.1 approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines;
- 2.10.2 dispose (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement;
- 2.10.3 dispose (whether by tender or otherwise) of any other surplus Council asset (see footnote 14 above) up to a book value of \$10,000 (exclusive of GST) per item; and
- 2.10.4 hire out, and set the terms and conditions thereof, of any Council asset and staff to outside organisations; and
- 2.10.5 sign easement and other documents where the correct legal processes have been followed and where Council has previously agreed to the granting of such easements.

2.11 RMA Requiring Authority

The Operations Manager is authorised to act within their scope of responsibility, as a Requiring Authority under the Resource Management Act, including giving the written consent of the Council for the use of land being subject to a requirement or designation but excluding the powers in Section 168A.

2.12 Council as an Affected Party

The Operations Manager is authorised to provide the written approval of Council (where such approval is required) in its capacity as landowner or occupier for any application or request by any persons to undertake an activity or activities on or adjacent to any Council land.

2.13 Legal Proceedings

The Operations Manager is authorised to:

- 2.13.1 obtain legal advice on Council's behalf;
- 2.13.2 sign on Council's behalf any routine legal administrative document;
- 2.13.3 file in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal;
- 2.13.4 settle claims against Council up to a limit of \$10,000 (consistent with Council's insurance excess) or in accordance with a recommendation from Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee;

- 2.13.5 initiate proceedings to have Court costs awarded; and initiate legal proceedings to collect Court costs awarded;
- 2.13.6 impose or remove statutory land charges;
- 2.13.7 release statutory land charges, subject to confirmation, for Council's financial security, or that all monies owing to the Council have been repaid.

2.14 Disposal of Council Records

~~The Operations Manager is authorised to dispose of any Council records after receiving confirmation from the relevant Officers or, where required, to make application to another authority for disposal, so far as the exercise of this delegation is not contrary to legislative authority or Council policy.~~

2.15 Elected Member Remuneration

The Operations Manager is authorised to consider and approve elected members' remuneration and expense claims in accordance with the determinations of the Remuneration Authority and Council policy.

2.16 Rating Valuations

The Operations Manager may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

- 2.16.1 the valuation wasn't received; or
- 2.16.2 for any other good reason.

2.17 Authorisation to Decide on Rates Remissions

The authority to consider and decide on applications made under the following Rates Policies:

- Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Ratepayer.
- Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster.
- Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes.
- Policy on Remission of Rates for School Wastewater Charges.
- Policy on Remission of Rates for Sporting, Recreation or Community Organisations.
- Policy on Remission of Penalties.
- Policy on Remission of Rates on Low Valued Properties.

In the event of any doubt or dispute arising about the applicable criteria, the application will be referred to Council for a decision.

2.18 Objections to Rating Valuations

The Operations Manager may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

- The valuation wasn't received; or
- For any other good reason.

2.19 Changes to Valuation Rolls

In accordance with sections 14 to 17 of the Valuations Act 1998 the Operations Manager may make alternations to it Rolls to readjust valuations and entries.

3.0 Sub-delegations to staff below Operations Manager Level

These delegations are in addition to those held by the Chief Executive and Operations Manager.

3.1 Privacy Act Requests

The Operations Manager is authorised to determine in respect of any request for personal information under Part V of the Privacy Act 1993:

- 3.1.1 Whether the request can be granted in whole or in part; or
- 3.1.2 Where a request has been granted, whether any information should be withheld; or
- 3.1.3 Whether a request for personal information to be corrected should be granted; or
- 3.1.4 Ensure compliance with all related administrative requirements.

3.2 News Media, Public Notices, Advertisements and Websites

- 3.2.1 The following staff are authorised to make statements to the news media relating to Council's business and in accordance with Council's Media and Advertising Policies:

CHIEF EXECUTIVE
OPERATIONS MANAGER
CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP CONTROLLER (in relation to civil defence matters)

- 3.2.2 The following staff are authorised to place public notices and advertisements in relevant newspapers or other publications:

CHIEF EXECUTIVE
OPERATIONS MANAGER
EXECUTIVE ASSISTANT

3.3 Electoral Staff

3.3.1 Section 12 of the Local Electoral Act 2001 requires all local authorities to have an appointed electoral officer in place at all times to exercise the powers and carry out the duties conferred by this Act.

3.3.2 The electoral officer:

- Cannot be the Council’s Chief Executive;
- Is a statutory officer of Council but is not required to be an employee of the Council;
- Remains in office unless he or she dies, resigns, is dismissed from office or becomes incapable of acting;
- Cannot exercise any powers or duties unless a declaration is made and is current.

3.4 **Emergency Expenditure**

3.4.1 The authority to approve **contingency expenditure for an emergency** including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak is delegated to:

3.4.1 the On-Scene Commander in a Tier II oil Spill; and

3.4.2 the Civil Defence Controller;

To a maximum of \$50,000 for any one event.

3.4.2 Expenditure under this delegation must be reported to the Council as soon practicable.

3.5 **Authorisation to Operate Bank Account and Investments**

3.5.1 The authority to:

3.5.1.1 Bank, transfer, and invest funds held by the Council in accordance with Council policy, subject to the observance of appropriate internal controls;

3.5.1.2 Authorise electronic payments on behalf of Council;

3.5.1.3 Approve payroll payments and all payroll related matters; and

3.5.1.4 Approve all tax payments and tax related matters;

Is delegated to the following staff:

Chief Executive Officer
Operations Manager
Finance Technical Lead

3.5.2 This delegation is subject to two of the delegates signing and counter signing appropriate documentation

3.5.3 The Chief Executive Officer has authority to invest Council funds in accordance to Council approval.

3.6 Authorisation to Recover Bad Debts

The authority to take appropriate action within Council policy to recover debts, via a debt collection agency is delegated to the Operations Manager.

3.7 Elected Member Payments

The authority to consider and approve Elected Members' remuneration and expense claims is delegated to the Operations Manager.

Part Four - Financial Delegations to Staff

4.0 Financial Delegations

Financial Delegations as at January 2023

Position	Level
Chief Executive Officer	500,000
Operations Manager	20,000
Emergency Management Manager	50,000

Schedule of Council Resolutions Relating to Making or Amending Delegations

Date of Resolution	Description of Delegation	Resolution Number
10 November 2022	Additional member to PARC	
10 November 2022	Additional member to PARC	
15 December 2022	Establish CE Recruitment Committee	

Amendments

August 2020

December 2021

March 2023

PUBLIC EXCLUDED

PARC

PARC Public Excluded Agenda

19 February 2024

Chair to Move

I move that the public be excluded from the following part of the proceedings of the meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter 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:

Item No.	Minutes / Report of:	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.	Chief Executive Officer	Minutes of PARC Public Excluded Meeting 4 December 2023	Good reason to withhold exists under Section 7	Section 48(1)(a)

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

Item Nos	
1.	<p>Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. 7(2)(b)(ii)</p> <p>To maintain legal professional privilege. 7(2)(h)</p> <p>To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities. 7(2)(i)</p>