



NOTICE OF A RISK AND ASSURANCE COMMITTEE MEETING

**Opotiki District Council Chambers, 108 St John Street, Opotiki
Monday, 6 May 2024
Commencing at 1.00pm**

ORDER PAPER

APOLOGIES

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

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PUBLIC EXCLUDED BUSINESS

ITEM 08 CONFIRMATION OF IN-COMMITTEE MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 26 FEBRUARY 2024	
ITEM 09 RESOLUTION TO RESTATE RESOLUTIONS AND READMIT THE PUBLIC	

Independent Chairperson: Philip Jones

Members: Councillor Tom Brooks
Councillor Steve Nelson
Councillor Dean Petersen

Ex-Officio: Mayor David Moore

Committee Secretary: Gae Finlay

Quorum: 3

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Councillors are reminded that if you have a pecuniary or non-pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the Council chamber.

Stace Lewer

CHIEF EXECUTIVE OFFICER

Risk and Assurance Committee

Terms of Reference

Purpose

To oversee the effectiveness of Council's risk management, internal control environment, legal responsibilities, statutory compliance and external auditing processes

The primary areas of responsibility of the Committee are:

- A. Review Council's annual financial statements prior to their approval by Council.
- B. Oversee statutory compliance in terms of financial disclosure.
- C. Monitor corporate risk assessment and internal risk mitigation measures

Responsibilities include providing oversight and recommendation to council on the following:

- Council's risk management framework
- Internal control environment
- Legislative and regulatory compliance
- Internal audit and assurance
- Oversee risk identification on significant projects
- Compliance to Treasury Risk Management Policies.
- Review the effectiveness of Council's external accountability reporting (including non-financial performance).
- Draw to the attention of Council any matters that are appropriate
- Investigate and report on any matters referred to the Committee by the Council including but not limited to:
 - Any significant issues arising from the financial management of Council's affairs
 - Any complaints against elected members or breaches of the Council's code of conduct.
 - Any significant issues arising from Audit New Zealand processed
 - Due diligence on strategic asset acquisition or disposal.
 - Setting up of Council Controlled Organisations
 - Development of a Council risk assessment and mitigation strategies

Delegations and authority

- Make recommendations to Council
- All necessary powers to meet its responsibilities.

- The committee is authorised to investigate any activity referred to it by Council resolution. It is authorised to seek any reasonable information it requires from Council staff.
- The Committee is authorised by the Council to obtain legal or other independent professional advice and to arrange for the attendance at meetings of outside parties with relevant experience and expertise if it considers this necessary.

Membership

Chair: Philip Jones (independent member)

Members: Councillor Steve Nelson
Councillor Dean Petersen
Councillor Tom Brooks
Mayor David Moore Ex Officio

Quorum

Two elected members

Meeting Frequency

- Quarterly
- Extraordinary meetings as required



MINUTES OF AN ŌPŌTIKI DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD ON MONDAY, 26 FEBRUARY 2024, IN THE ŌPŌTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, ŌPŌTIKI AT 1.31PM

PRESENT:

Philip Jones (Chairperson)
Mayor David Moore
Councillor Tom Brooks
Councillor Dean Petersen

IN ATTENDANCE:

Stace Lewer (Chief Executive Officer)
Peter Bridgwater (Group Manager Finance and Corporate Services)
Nathan Hughes (Group Manager Engineering and Services)
Billy Kingi (Financial Controller)
Gae Finlay (Executive Assistant and Governance Lead)

GUESTS:

David Walker (Audit New Zealand), via Teams

MEDIA:

Mike Fletcher (Correspondent)

The Chairperson opened the meeting.

APOLOGIES

Nil.

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

Nil.

1. MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 11 DECEMBER 2023 **p5**

RESOLVED

(1) That the minutes of the Risk and Assurance Committee meeting held on 11 December 2023

be confirmed as a true and correct record.

HWTM/Brooks

Carried

2. RISK AND ASSURANCE ACTION SHEET

p14

RESOLVED

(1) That the Risk and Assurance Action Sheet be received.

Jones/Petersen

Carried

3. QUARTERLY REPORT TO 31 DECEMBER 2023

p15

The Financial Controllor noted a typing error at page 20 of the agenda. Expenditure for the Regulation and Safety group should be \$92,000, not \$192,000.

The Chairperson suggested it may be useful to say here is your income and expenditure and also show the Funding Impact Statement so it is clear to Elected Members. You can see how much of the surplus is being used to repay debt, or gone to capital expenditure.

Referring to page 18 of the agenda – Annual Forecast Compared to Budget – the Chairperson recommended adding a column into the table. Delete the comparative and say “this is where we are at.”

Some concern was raised around the amount of arrears Council is carrying. The Group Manager Finance and Corporate Services responded that this comes down to internal resourcing. Long Term Plan matters have had to be prioritised over debt management. There is also a not insignificant number of people who are struggling to pay their rates.

RESOLVED

(1) That the report titled “Quarterly Report to 31 December 2023 be received.

Petersen/Brooks

Carried

His Worship the Mayor left the meeting at 1.50pm.

4. 2024-2034 LONG TERM PLAN – RISK REGISTER

p25

David Walker (Audit NZ) stated the risk faced by Audit is that resources are taken away and there is a backlog at the end of the process.

In response to a query from the Chairperson as to whether any items can be brought forward for audit prior to the end of June, the Group Manager Finance and Corporate Services said he would have to look closely at the work plan. Given the other risks on the register, he was of the opinion that resourcing would be a limiting factor for Council around some items being delivered ahead of schedule.

David Walker said most of the work should be done at the time there is the least possibility of having resources taken away. He is not planning on there being a problem and, ideally, a Plan B would not be needed. A hot review of the Consultation Document should be completed in June which takes away the resource demand at the end of the process.

The Chief Executive Officer advised that a small team is managing the process. Monitoring will continue and there is a good understanding between staff and Elected Members around the risk.

RESOLVED

(1) That the Long Term Plan 2024-2034 Project Risk Register be received.

Jones/Brooks

Carried

David Walker left the meeting at 2.09pm.

5. DRAFT RATES REMISSION AND POSTPONEMENT POLICY

p31

The Chairperson referred to getting rid of postponements and although he did not disagree with the approach, he noted that the only risk with it is that if someone gets into significant arrears, having a Postponement Policy formally postponing the arrears while they are on a payment plan, protects Council from the six year rule.

In response to a query from the Chairperson relating to how uneconomic low balances on rates are dealt with, the Group Manager Finance and Corporate Services advised that the process is not to make a distinction; they are carried over to the next year.

Following the discussion, the Chairperson noted that clause 2 of the recommendation was not required. Recommendations 1 and 3 (which now becomes 2) were put and carried.

RESOLVED

(1) That the report titled "Draft Rates Remission and Postponement Policy" be received.

- (2) That the Committee recommends to Council the adoption of the Rates Remission and Postponement Policy (Appendix 1) for the purpose of public consultation.**

Petersen/Jones

Carried

His Worship the Mayor rejoined the meeting at 2.15pm.

6. DRAFT TREASURY RISK MANAGEMENT POLICY p49

With reference to the Policy Statements at 3.1 on page 55 of the agenda, the Chairperson said he would like to see a monitoring of that going forward. He asked for some minor adjustment to say that if you are outside of the policy, it is report to the Risk and Assurance Committee and to Council, until such times as you are within the policy.

In response to a query around "Financials" in the table on page 69 of the agenda, the Group Manager Finance and Corporate Services stated this has always been listed, however it will be removed.

RECEIVED

- (1) That the report titled "Draft Treasury Risk Management Policy" be received.**
- (2) That the Committee provides feedback on this report, and the draft Treasury Risk Management Policy (Appendix 1) and draft Treasury Risk Management Procedures Manual (Appendix 2).**
- (3) That the Committee recommends to Council the adoption of the draft Treasury Risk Management Policy and the amended draft Treasury Risk Management Procedures Manual (Appendices 1 and 2).**

Brooks/HWTM

Carried

Mike Fletcher left the meeting at 2.41pm.

7. RESOLUTION TO EXCLUDE THE PUBLIC p74

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

- 8. Confirmation of In-Committee Minutes – Risk and Assurance Committee meeting 11 December 2023.**

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	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
8.	Confirmation of In-Committee Minutes – Risk and Assurance Committee meeting 11 December 2023	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	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 or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

8.	Protect the privacy of natural persons Protect information (commercial sensitivity) Protection from improper pressure or harassment Carry out negotiations Prevent disclosure or use of official information Carry out commercial activities	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(f)(ii) Section 7(2)(i) Section 7(2)(j) Section 7(2)(h)
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Petersen/Brooks

Carried

RESOLVED

- (1) That the resolutions made while the public was excluded be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Brooks/Petersen

Carried

RESOLVED

- (1) That the in-committee minutes of the Risk and Assurance Committee meeting held on 11 December 2023 be confirmed as a true and correct record.**

HWTM/Brooks

Carried

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 2.45PM.

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A
TRUE AND CORRECT RECORD AT A SUBSEQUENT
MEETING OF THE RISK AND ASSURANCE COMMITTEE
HELD ON 6 MAY 2024**

**PHILIP JONES
CHAIRPERSON**

Risk and Assurance Action Sheet

Date raised	Issue	Recommendation	Source	Total Assurance	To be completed by	Done	Assigned To	Status	Next update expected	Priority	Comments
71	Contract Management Policy and Guidance	Recommend Council develop a contract management policy and guidance, to include procedures and templates for consistency	Audit NZ Management Report	Portfolio/ Programme/ Project Office	30/06/23	<input type="checkbox"/>	Nathan Hughes	In Progress	31/12/24	Medium	A Project and Contract Management Framework has been prepared. A project manager has been employed to project manage the WWTP New Consent project and will seek to implement the Management Frameworks on that project and provide recommendations for changes to the Framework where deemed necessary leading to wider adoption and implementation. Update for 30 June 2024: Additionally, E&S GM is engaging external support to support staff in the development and implementation of procurement processes to help improve the front end stages of project delivery.
72	Project Management	Recommend a documented approach and methodology, planned approach to undertake post implementation reviews, have independent quality assurance reviews	Audit NZ Management Report	Portfolio/ Programme/ Project Office	30/06/23	<input type="checkbox"/>	Nathan Hughes	In Progress	31/03/24	Medium	This is included in Refer Item 71 - the development of the Project and Contract Management Framework.
74	Asset Management	Develop and implement an asset capitalisation policy that states the minimum amount of assets that will be capitalised as well as guidance for the type of expenditure to be capitalised.	Audit NZ Management Report	Internal Audit		<input type="checkbox"/>	Peter Bridgewater	In Progress	01/12/24	High	Refer to item 110. Is being included in our policy review cycle
75	RRCs	Recommendation that Council improves the controls regarding revenue at the RRCs.	Audit NZ Management Report	Risk Management	01/04/23	<input type="checkbox"/>	Nathan Hughes	In Progress	31/12/24	Medium	Refer agenda report May 2019. A full review has been completed an options recommended. Update: After additional occurrences at the RRC another report has been brought to A&R (9 Sept) and recommendations presented. The recommendation to go cashless at the RRCs has been implemented. Update for 30 June 2024: Next step is to improve the controls around correct charging and receiving payment. Council is in the process of adopting the revised payment method for the Opotiki township RRC which will utilize new weighbridge system for determining and collecting fees. Plans are to implemented this from 1 Jul 2024 subject to the adoption of the 2024-25 Fees and Charges Schedule. It is expected management will be empowered with improved insights from data collected through this system which will continue to inform improvements.
80	Contract Management	Implement appropriate processes and procedures for contract management	Audit NZ Management Report	Probity Assurance	30/06/23	<input type="checkbox"/>	Nathan Hughes		31/03/24	Medium	Refer item 71.
81	Contact Centre Module	Review processes to ensure that the time recorded in the Contact Centre Module is based on time taken for matter to be resolved	Audit NZ Management Report	Quality Assurance/ Quality Standards & Compliance	30/06/23	<input type="checkbox"/>	Nathan Hughes	Complete	31/03/24	Low	The new CRM is assisting with monitoring this and suggest this item can be closed unless any further concerns are raised - it can distinguish between time a service request was raised, logged for work and resolved. Previous Commentary Was: This process has been reviewed and will require a fundamental change to maintenance contracts and data collection methods. This has been an Asset Management goal for a number of years but requires various pre-requisite steps be undertaken first. The issue arises where requests for service control or practically should not be resolved immediately. An example of this would be footpath repairs which are scheduled within the footpath repair contract which is carried out over the course of several months. The result is effectively a back log of unresolved service requests which would all require manual review and resolution as much as a year later. The interim solution has been for assessing engineers to log requests as resolved when they have confirmed that work has been programmed for completion. Exceptions to this are those requests that relate to critical services monitored by Council KPIs. All of these requests are recorded as resolved upon completion. This action will take some time to implement but is being worked toward and will be included in the IT systems and operation processes within the asset management policy. Update: With the completion of the E&S department structure review, technical positions have been given this responsibility, we need only fill these roles.
85	Financial Strategy in LTP	Recommends Council review financial strategy and consider impacts of proposed debt levels beyond the 10 year period	Audit NZ Management Report	External Audit	30/06/21	<input type="checkbox"/>	Peter Bridgewater	In Progress	01/12/23	Medium	The Financial Strategy is currently being updated for the 2024-34 Long Term Plan. We have had the first workshop on the Financial Strategy with Councillors, and will include further forecasts of proposed debt levels.
90	Procurement Procedures	Recommends Council revise its procurement policy and/or contracts so that they are consistent on submission deadlines.	NZTA Investment Audit Report	Probity Assurance		<input type="checkbox"/>	Peter Bridgewater	In Progress	01/06/24	Medium	This will be done as part of updating procurement strategy and the procurement policy
92	Procurement Procedures	Suggests expanding policy to include conflict of interest declarations to include staff involved in ongoing management as well as procurement.	NZTA Investment Audit Report	Probity Assurance		<input type="checkbox"/>	Peter Bridgewater	In Progress	01/06/24	Medium	This will be considered as part of updating procurement strategy and the procurement policy
93	Procurement Procedures	Suggests outdated references in procurement strategy be updated.	NZTA Investment Audit Report	Probity Assurance		<input type="checkbox"/>	Peter Bridgewater	In Progress	01/06/24	Low	This will be done as part of updating procurement strategy and the procurement policy
98	Capital Works Delays	Audit recommend that Council formally consider the risk posed by continued under delivery of capital works. Mitigations and actions should be developed and implemented to reduce those risks where feasible	Audit NZ Management Report	Portfolio/ Programme/ Project Office		<input type="checkbox"/>	Nathan Hughes	Complete	31/03/24	High	As part of the 2024 LTP process staff will be presenting to elected members proposed work programmes with historic delivery and stretch (with existing resources) limits overlaid so elected members can see what type of programme could be managed with existing resources and what programme would require additional resource to deliver. Additionally, complex projects have been spread across multiple financial years for the design, consent and construction phases to provide more time for projects to mature and avoid the risk of trying to design, consent and construct within the same financial year. Consideration of the impact of additional grants also needs to be considered.
100	Useful Lives of Assets	Audit recommend that Council perform a review of the non-revalued asset classes to ensure appropriate useful lives are being allocated	Audit NZ Management Report	Quality Assurance/ Quality Standards & Compliance	30/06/23	<input type="checkbox"/>	Nathan Hughes	Complete	31/03/24	Low	This has been completed for Three Waters and Transport Assets.
101	Sensitive Expenditure	Audit recommend that Council ensures that sensitive expenditure policies are complied with, including one up approval for all such expenditure	Audit NZ Management Report	Internal Audit		<input type="checkbox"/>	Peter Bridgewater	In Progress	20/12/24	High	The sensitive expenditure policy has been updated. We are working to ensure effective monitoring of expenditure is in place. This is an on-going process and we continue to work to improve our monitoring controls in this area.
103	Annual Plan Compliance	Audit recommend a review of the Annual Plan for compliance with regulations	Audit NZ Management Report	Legislative Compliance		<input type="checkbox"/>	Peter Bridgewater	In Progress	30/09/24	Medium	Issue still identified as outstanding in the 2022/23 annual report audit. Will require closer review in setting of rates for 2024.
108	Refuse Recovery Centre	Improve controls around revenue at the RRCs, ensuring all revenue is captured, staff also need to provide detailed explanations for variances	Audit NZ Management Report	Internal Audit	30/06/21	<input type="checkbox"/>	Anthony Kirikir	In Progress	01/06/23		A change from an older manual till to an android based till system across all 3 RRCs has allowed for an improved catchment & consistency of transactions by only allowing pre determined amounts/prices programmed into the till. Past variances were caused by user error, inconsistent estimation of customer loads and old falling till hardware. The larger variances could be as simple as not inputting a decimal point during a transaction on the older till systems. EF-TPOS and the removal of cash has improved these processes
110	Capitalisation policy	Implement an asset capitalisation policy on the minimum value of assets that will be capitalised, with guidance for the type of expenditure to capitalise	Audit NZ Management Report	Portfolio/ Programme/ Project Office	30/06/21	<input type="checkbox"/>	Peter Bridgewater	In Progress	01/06/24	Medium	In progress and will be developed between Finance and Asset branches. Policy documents have been obtained from other local authorities and will be used to develop the new policy. Resources are being planned for this work to be complete in the 2023 calendar year

RISK AND ASSURANCE REPORT

Date : 17 April 2024
To : Risk and Assurance Committee Meeting, 6 May 2024
From : Financial Controllor, Billy Kingi
Subject : **QUARTERLY REPORT TO 31 MARCH 2024**
File ID : A1221719

EXECUTIVE SUMMARY

This report for the quarter ended 31 March 2024 provides the Risk and Assurance Committee of Council with an understanding of progress against the 2023-2024 Annual Plan.

RECOMMENDATION

1. That the report titled "Quarterly Report to 31 March 2024" be received.

PURPOSE

The purpose of this report is to present the quarterly financial report to 31 March 2024 to the Risk and Assurance Committee of Council.

STRATEGIC ALIGNMENT

The matters detailed in this report relate to the following priorities from Opotiki District Council's Long-Term Plan 2021-2031:

- Development and protection of the natural environment.
- Services and facilities meet our needs.
- Fair and efficient leadership.
- A strong and effective community spirit.
- Purposeful work and learning opportunities.
- Development supports the community.
- Culture and history are treasured.

TOTAL ASSURANCE

Ōpōtiki District Council recognises that there are many factors that contribute to assurance. The matters contained in this report relate closely to the following factors of assurance.



Elements of Assurance			
Business Continuity Management	Internal Audit	Quality Assurance/ Quality Standards & Compliance	Portfolio/ Programme/ Project office
Other Independent audit/ review	External Audit	IT Assurance	Investigation
Legislative Compliance	Large Project Assurance	Probity Assurance	Risk Management

BACKGROUND

This report is for the quarter ending 31 March 2024 and is designed to provide the Council with an understanding of the progress against the Annual Plan.

The report provides a concise but comprehensive overview of the Council’s financial position as at 31 March 2024. The report is structured as follows:

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Financial Overview

1. Financial Overview

This report summarises the key financial highlights for the nine months ended 31 March 2024. Please note that variances stated without brackets are favourable, whereas variances stated with brackets are unfavourable.

Please note that the compilation of financial information was undertaken prior to the 20th April payment run of the April, and, as such, some late contract and PO invoicing may not be included in the financial results.

1.1 Income Statement
OPOTIKI DISTRICT COUNCIL
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Period Ended 31 March 2024

	Actual 3rd Qtr 2022-23 YTD 000's	Actual 3rd Qtr 2023-24 YTD 000's	Budget 3rd Qtr 2023-24 YTD 000's	Variance to Budget 2023-24 YTD 000's	Budget Full Year 2023-24 000's
Income Statement (summary)					
Operating income	17,490	18,141	19,180	(1,038)	25,670
Operating expenditure	14,841	17,821	16,469	(1,352)	21,596
Net Surplus/(deficit)	2,649	320	2,711	(2,391)	4,074
Income Statement (detailed)					
Income					
Rates	9,446	10,982	11,056	(73)	14,741
Subsidies & Grants	6,166	5,670	6,162	(492)	8,254
Fees and Charges	1,335	1,271	1,698	(427)	2,250
Interest revenue	47	87	35	53	46
Other revenue	496	130	230	(99)	379
	17,490	18,141	19,180	(1,038)	25,670
Expenditure					
Other Expenses	7,084	8,461	7,959	(503)	10,129
Depreciation & Amortisation*	3,157	4,139	2,981	(1,159)	3,974
Personnel Costs	4,369	4,841	5,369	528	7,279
Finance Costs	231	380	161	(219)	214
	14,841	17,821	16,469	(1,352)	21,596
Net Surplus/(Deficit)	2,649	320	2,711	(2,391)	4,074

1.2. Significant Variances

Revenue

Subsidies and Grants are unfavourable (\$492k). This is largely due to budgeted funding for Cycleway, Coastal Reserves Tourism Infrastructure and Hukutaia Growth projects which have not occurred due to their unsuccessful securing of external funding.

Included in this unfavourable variance is funding for a number of externally funded projects not budgeted for in the Annual Plan, including PGF, MTFJ/Workforce development, three waters transition (3WT), MfE and Freedom Camping.

Fees and charges revenue are less than budget (\$427k). This occurs mostly in building control (\$106k), solid waste management (95k) and resource management (\$148k).

Please refer to section 1.3 for explanation of key variances by activity.

Expenditure

Depreciation and amortization is currently an estimate, based on the 2022-23 actual results. There is the likelihood that actual depreciation and amortization will come in higher than budgeted and this has been reflected here.

Personnel costs are underspent to date \$528k due to a number of staff vacancies and unfilled positions over the nine months of the year, however this is offset by the use of contractors to fill roles while we recruit.

Finance costs are higher than budget (\$219k) due to the increases in loan interest rates higher than originally forecast.

Although other expenditure is overspent (\$503k), included in this is \$803k of externally funded Opex funded by MTFJ, MBIE, 3WT and freedom camping. Variances across each activity are explained below.

1.3. Explanation of Key Variances by Activity

Leadership

Approximately \$255k of MTFJ/Workforce Development activity has been externally funded this year. Audit fees for the annual report are an estimate but are likely to go over budget by year-end.

Community Development / Strategic Planning

Other expenses are favourable \$162k. This is largely due to a combination of the timing of a number of projects currently in progress (climate change risk assessment/futurefit, places and spaces strategy), as well as some initiatives from the 2021-31 LTP not progressed (social development, Regional kapahaka). Audit costs relating to the 2024-34 LTP are yet to be fully realised, and this variance is expected to reduce by year-end.

Economic Development

Favourable isite events income is favourable \$33k is offset by expenditure ahead of budget to date (\$34k). While other revenue is less than budget (\$9k), there are savings in personnel costs of \$15k. Required contributions for Toi-EDA are higher than what has been budgeted (\$46k), while project

management towards the harbour development project (\$222k) is externally funded (MBIE).

Community Facilities

In library services, over expenditure occurs in contractors and agency staff (\$26k), small tools and equipment (\$13k), and rates (\$10). These are offset by savings in personnel costs \$88k due to unfilled staff vacancies.

In property services, less lease rental revenue has been received to date (\$17k) mostly due to the timing of the leasing out of 103 Church Street.

Although harbour development modelling/options costs have been incurred here (\$45k), this is budgeted within the overall Marine Precinct and Wharf Redevelopment (capital) project.

Public toilets are tracking higher than budget (\$42k) due mostly to cleaning and waste, and contracting costs.

Parks and Reserves is unfavourable (\$63k) due to maintenance and contract costs (including higher contract rates for mowing along the stop banks than had been budgeted), small tools and equipment, and fleet costs due largely to a major repair undertaken on a mowing tractor earlier in the year. Freedom camping costs also \$94k are externally funded.

Regulation and Safety

Regulatory services net operations are unfavourable (\$210k) comprised of the variances below.

Revenue is less than budget (\$198k) which is due mostly to the larger, more complex consents as a result of the district's growth not materialising to the extent envisaged to date.

Other smaller variances occur in animal control (\$27k) and liquor licensing (\$16k). Environmental health revenue \$13k has been helped by accreditation being obtained with Council now being able to undertake national programs (additional fee revenue) which was not previously possible. Council continues to undertake work in relation to liquor licensing and environmental health for Kawerau District Council. From April, the Council has also commenced contracting work for Whakatane District Council. Fees and charges for some consent and regulatory work are scheduled to be increased from 1 July 2024.

Expenditure for the group is ahead of budget (\$13k), which is net of personnel costs being favourable

\$247k. This unfavourable variance is largely within the building control function due to: short term additional resources needed to comply with the requirements of the IANZ audit (June 2022); costs and compliance associated with the follow-up audit (November 2023), and upgrades to software to maintain accreditation of \$50k. This unfavourable variance within building control is expected to reduce by the end of the year.

Solid Waste Management

Net operations are unfavourable (167k). RRC operating revenues are less than budget (\$95k) which was increased from the prior year when fees were increased to recover additional costs. Subsidies and grants are favourable \$480k due to Better Off and MfE funding received towards construction of the new weighbridge and other waste minimisation projects.

Operations costs continue to track ahead of budget (\$165k). This is due to an increase in waste quantities, and personnel (\$120k) which has been subject to increased activity and changes to award rates.

Support Services

In Engineering services, contractors and agency staff are ahead of budget (\$91k), partially offset by other income and professional fee recoveries \$45k, as some cost recovery is sought. Consultancy costs (\$293k) are externally funded by 3 waters transition funding.

Corporate insurance costs are also ahead of budget (\$116k). This includes the Riskpool call FY2023 contribution of (\$35k) as authorized at the Ordinary Council meeting held in February. Information support services software license fees are also overspent to date (\$80k) due to the increases in software license costs across the organisation.

Any new rate remissions on multiple owned Maori land are now processed during the year. As the amendments to the Local Government (Rating) Act 2002 became effective 1 July 2021, the resulting one-off adjustment (capturing of remissions) has been evident over the year, when comparing year-on-year rates revenue.

1.4 Cash and Cash Investment Balance

	2022-23 Actual Full Year 000s	2023-24 3rd Qtr Actual YTD 000s	2023-24* Budget Full Year 000s	2023-24 Var to Budget 000s
Cash and Short Term Investments	3,091	2,577	4,160	(1,583)
Term Investments	0	0	0	0
Total	3,091	2,577	4,160	(1,583)

The third quarter cash position reflects the use of available funds towards projects yet to be completed. Available cash is used as much as possible before further loan drawdowns are made.

Any excess cash is held on call or term deposits until needed.

1.5 Balance Interest and Debt Level

	2022-23 Actual Full Year 000s	2023-24 3rd Qtr Actual YTD 000s	2023-24* Budget Full Year 000s	2023-24 Var to Budget 000s
Finance Costs	330	380	214	(166)
Term Loans	9,500	11,500	6,106	(5,394)

New debt of \$2m was drawn down in August 2023. Borrowing continues to track as per expectations. The budget model has assumed external funding has already been received towards externally funded projects (thereby reducing debt); this is not the case. Further debt funding will be secured as further progress on debt-funded capital projects is made.

Capital Expenditure

2. Capital Expenditure

	2023-24 AP Total Budget 000s	Revised Budget (incl C'FWDs)	2023-24 3rd Qtr Actual YTD 000s	2023-24 Var to Budget 000s
Community Development	-	-	-	-
Economic Development	11	61	41	20
Community Facilities	3,116	12,096	1,031	11,065
Land Transport	2,640	4,607	1,469	3,138
Solid Waste Management	80	222	343	(121)
Regulation & Safety	-	3	85	(82)
Support Service	256	316	108	207
Stormwater	1,422	3,387	83	3,305
Water Supplies	300	998	122	877
Wastewater	1,923	2,822	579	2,243
TOTALS	9,747	24,512	3,861	20,651

Total capital expenditure for the nine months ending March is \$3,861,000. The majority of this relates to the following:

- Various roading, including pavement rehabilitation, minor improvements, unsealed road metaling, footpath renewals and emergency reinstatement works;
- wastewater treatment plant inlet works, Secondary Treatment upgrade, treatment and reticulation renewals;
- Water treatment renewals;
- Work in progress on the CBD Development and Veranda Enhancement works in Elliott Street /Potts Ave intersection around the Cenotaph;
- Installation of weighbridge, recondition of baler, 3 large bins, at Opotiki RRC;
- Work in progress with Community Access to Harbour entrance, and
- Vehicle fleet replacements

A number of projects have been deferred or are subject to timing delays. These include:

- Wastewater: Hukutaia Growth (on hold) \$1.8m
- Stormwater: Hukutaia Growth (on hold) \$1.1m; Tarawa Creek pump station (timing) \$1.3m
- Water supply: Te Kaha treatment plant relocation (\$250k) – dependent on new water source being completed;
- Subsidised roading: Harbour access road (1.2m); tender awarded April
- Property: Marine Precinct and Wharf Development (\$5.1m); will progress into FY2024-25
- Cycleway/Coastal Reserves Tourism Infrastructure (on hold) (\$2.3m); a large portion of this is subject to external funding

Treasury Report

3. Treasury Report

3.1. Debt Position

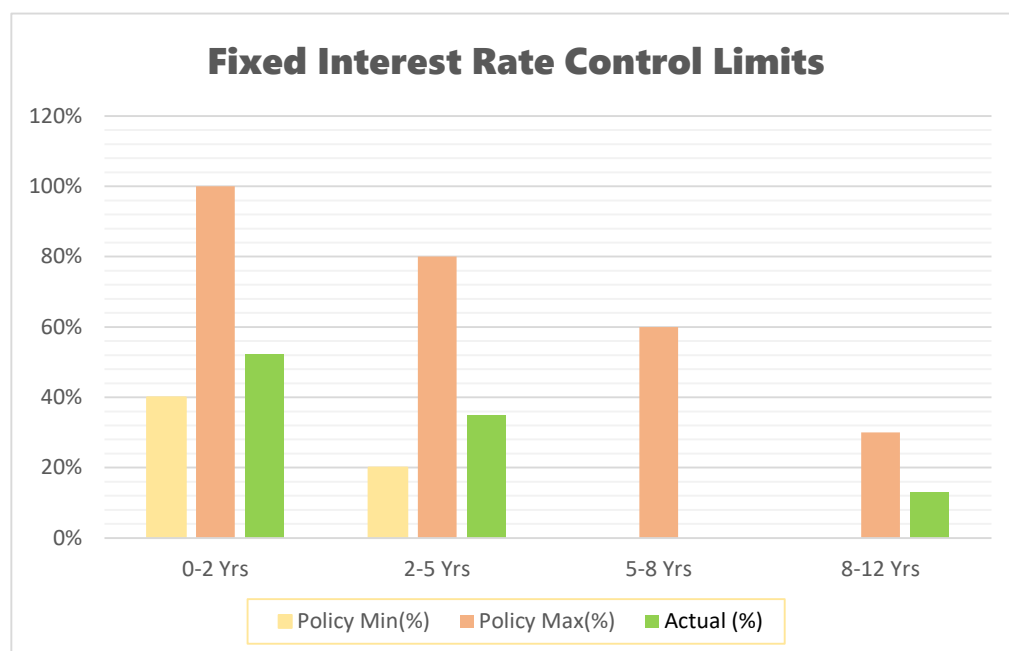
	Actual 2022-23 000s	YTD Actual 2023-24 000s	Budget 2023-24 000s
Secured loans less than 12 months (current liabilities)	0	2,000	2,000
Secured loans more than 12 months (non- current liabilities)	9,500	9,500	6,106
TOTALS	9,500	11,500	8,106

Council's debt position has remained at \$11.5m since the September quarter. As at the date of this report (post 31 March), further financing of \$1m was drawn down as anticipated.

3.2. Funding maturity

The chart below illustrates the funding maturity profile of the Council's term debt as at 31 March. Maturity dates are between 1 year and 9 years. All are at a fixed rate between 2.19% and 6.15%.

The graph below illustrates Council's debt maturities against its Treasury Risk Management policy. These limits would apply once council reached \$7,500,000 in total debt.



Compliance with Liability Management Policy

The specific requirements of the Liability Management Policy are detailed below.

Item	Borrowing Limit	Actual Performance
Net External Debt / Total Revenue*	<150%	47.54%
Net Interest on external debt as a percentage of total revenue	<10%	2.09%
Net Interest on external debt as a percentage of annual rates income*	<20%	3.46%
Net Debt / Council Equity	<10%	3.36%
External term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt.	>115%	126%

* Note the above measures have been annualised where relevant.

Council is within policy for all the measures.

Rates Arrears

4. Report on Rates Arrears

Total rates outstanding (excluding accounts in credit) as at the third quarter is \$3.131m compared with

\$2.876m as at the third quarter FY2022-23. Although this increase is reflective of the financial hardship endured by some in the community over the recent economic climate, staff continue to pursue delinquent ratepayers and use what enforcement avenues that are available.

Annual statute barred rates write-offs processed in March totaled \$168k. For FY2023 this was \$176k.

We continue to progress our work plan to standardise debt management procedures, and continue to review the status of Maori land as per 2021 amendments made to the Local Government (Rating) Act 2002.

Risks

There are no major risks associated with the decisions or matters.

Billy Kingi

FINANCIAL CONTROLLOR

RISK AND ASSURANCE REPORT

Date : 1 May 2024
To : Risk and Assurance Committee Meeting, 6 May 2024
From : Group Manager Planning and Regulatory, Gerard McCormack
Subject : **UPDATE ON IANZ BUILDING CONSENT AUTHORITY ACCREDITATION**
File ID : A1224068

EXECUTIVE SUMMARY

- This report provides an update on the Council's continued accreditation as a Building Control Authority.

RECOMMENDATION

- 1) **That the report titled " Update on IANZ Building Consent Authority Accreditation " be received.**

PURPOSE

The purpose of this report is to present the final report and its finding from International Accreditation New Zealand (IANZ) in relation to the Council's recent Building Consent Authority Accreditation assessment.

STRATEGIC ALIGNMENT

1. The matters detailed in this report relate to the following priorities from Opōtiki District Council's Long Term Plan 2021-2031:
 - Development and protection of the natural environment.
 - Services and facilities meet our needs.
 - Fair and efficient leadership.
 - A strong and effective community spirit.
 - Purposeful work and learning opportunities.
 - Development supports the community.
 - Culture and history are treasured.

TOTAL ASSURANCE

Ōpōtiki District Council recognises that there are many factors that contribute to assurance. The matters contained in this report relate closely to the following factors of assurance.



Elements of Assurance			
Business Continuity Management	Internal Audit	Quality Assurance/Quality Standards & Compliance	Portfolio/ Programme/ Project office
Other Independent audit/ review	External Audit	IT Assurance	Investigation
Legislative Compliance	Large Project Assurance	Probity Assurance	Risk Management

BACKGROUND

The Opotiki District Council Building Control Authority underwent a Routine Reassessment in July 2022. During that assessment 23 non-compliances were identified, with some of these repeated from the 2020 assessment. Clearance of that assessment was delayed, in part by a Civil Defence emergency in the area. However, the delay, coupled with the high number of non-compliances resulted in the need for IANZ to undergo a further assessment to ensure that the BCA had regained compliance with the requirements

for accreditation.

Rather than complete a special assessment followed closely by the required two-yearly full assessment, it was decided to bring the full assessment forward to November 2023. In the intervening period the BCA had worked hard to address the shortcomings in their processes and had appointed a contractor to fill the shortfall in resources until further staff could be appointed.

During this assessment a significant improvement was observed. A new Quality Manager and Building Control Manger had been contracted and the BCA team were seen to be positive and co-operative and were working hard to take on board recent changes to their system. Significant progress had been made to address the previously identified issues although, as the contractor had only been in place for six months, not all required actions were able to be undertaken in the available time.

Eight outstanding non-compliances were identified during the November 2023 assessment. The assessment team were confident that these would be satisfactorily addressed within the allowed timeframe, with the exception of the changes to the GoGet system that might require a longer clearance period.

On 7 April 2024 we received confirmation that all outstanding GNCs had been cleared. As a result of the clearance of the findings from the November 2023 assessment, we received confirmation, that the initial notice of possible revocation of accreditation issued in October 2022 had been removed.

The next full re-assessment will be undertaken in December 2024, and will include consideration of the changes made as part of our move to a newer version of GoGet.

DISCUSSION

This report seeks to bring to members' attention the IANZ assessment report in Appendix 1 for their information.

Financial/budget considerations

Costs associated with the operation requirements of the running the Building Consent Authority have been budgeted for in the 2024-2034 Long Term Plan have been included in the 2023-24 Annual Plan.

Policy and planning implications

The accreditation assessment of the Opotiki District Council Building Consent Authority (BCA) is undertaken to determine compliance with the requirements of the building (Accreditation of Building Consent Authorities) Regulations 2006 (the Regulations).

Impact on mana whenua

There are no specific impacts on mana whenua associated with the matters in this report.

Climate impact considerations

There are no specific climate considerations associated with the matters in this report.

Risks

The risk relates to the Council's accreditation as a Building Consent Authority being revoked if compliance is not achieved with the audit assessment.

CONCLUSION

The Council has retained its accreditation as a Building Consent Authority and another full assessment will be carried out in December 2024.

Gerard McCormack

GROUP MANAGER PLANNING AND REGULATORY

APPENDIX 1



The NZ mark of competence
Tohu Matatau Aotearoa

**BUILDING CONSENT AUTHORITY ACCREDITATION
ASSESSMENT REPORT
WITH GNCS/SNCS CLEARED**

Updated 7/4/2024

Ōpōtiki District Council


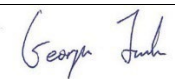
27 to 30 November 2023

IANZ - ALL CONDITIONS CLEARED	
INITIALS:	AW
DATE:	7 April 2024

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BCA AND ASSESSMENT DETAILS

ORGANISATION DETAILS						
Organisation:		Ōpōtiki District Council				
Address for service:		108 St John Street, Opotiki 3122				
Client Number:	7480	Accreditation Number:	61			
Chief Executive:		Stacey Lewer				
Chief Executive Contact Details:		stacel@odc.govt.nz				
Responsible Manager:		Gerard McCormack				
Responsible Manager Contact Details:		gerardm@odc.govt.nz				
Authorised Representative:		Gerard McCormack				
Authorised Representative Contact Details:		gerardm@odc.govt.nz				
Quality Manager:		Alix Lattey				
Quality Manager Contact Details:		alix@odc.govt.nz				
Number of FTEs Total FTEs should = technical FTEs + admin FTEs + vacancies	Technical	3	Support functions	1		
	Vacancies (Technical)	0	Vacancies (Support)	0		
Building Consents						
Activity during the previous 12 months	R1	176	R2	38	R3	3
	C1	24	C2	7	C3	0
	CCCs				171	
	New compliance schedules				3	
	BCA Notices to Fix				0	
	ASSESSMENT TEAM					
Assessment Date:		27 November 2023 to 30 November 2023				
Lead Assessor:		Adrienne Woollard				
Lead Assessor Contact Details:		awoollard@ianz.govt.nz				
Technical Expert:		Rose McLaughlan				
Observer:		Gary Higham (MBIE)				
ASSESSMENT FINDINGS						
		This assessment (RR):		Last assessment (RR):		
Total # of "serious" non-compliances:		0		0		
Total # of "general" non-compliances:		20		23		
Total # of non-compliances outstanding:		8		23		
Recommendations:		16		10		
Advisory notes:		4		2		
Date all action plans must be accepted:		5 February 2024				
Date all non-compliances must be cleared:		19 April 2024				
NEXT ASSESSMENT						
Recommended next assessment type:		Special Monitoring Assessment				
Recommended next assessment month:		December 2024				
IANZ REPORT PREPARATION						
Prepared by: Adrienne Woollard	Date: 8 December 2023	Signature: 				
Checked by: Georgina Jackson	Date: 13 December 2023	Signature: 				

INTRODUCTION

This report relates to the routine accreditation assessment of the **Ōpōtiki District Council Building Consent Authority (BCA)** which took place on site during **November 2023** to determine compliance with the requirements of the *Building (Accreditation of Building Consent Authorities) Regulations 2006* (the Regulations).

This report is based on the document review, witnessing of activities and interviews with the BCA's/AOB's employees and contractors undertaken during the accreditation assessment.

A copy of this report, and subsequent information regarding progress towards clearance of non-compliances, will be provided to the Ministry of Business, Innovation and Employment (MBIE) in accordance with International Accreditation New Zealand's (IANZ) contractual obligations. This report may also be made publicly available by the BCA as long as this is not done in a way that misrepresents the content within. It may also be released under the Local Government Meetings and Official Information Act 1987 consistent with any ground for withholding that might be applicable. IANZ may also be required to release this report and assessment documentation if requested under the Official Information Act 1987.

ASSESSMENT SUMMARY

The BCA had undergone a Routine Reassessment in July 2022. During that assessment 23 non-compliances were identified, with some of these repeated from the 2020 assessment. Clearance of that assessment was delayed, in part by a civil defence emergency in the area. However, the delay, coupled with the high number of non-compliances resulted in the need for IANZ to undergo a further assessment to ensure that the BCA had regained compliance with the requirements for accreditation.

Rather than complete a special assessment followed closely by the required 2 yearly full assessment, it was decided to bring the full assessment forward to November 2023. In the intervening period the BCA had worked hard to address the shortcomings in their processes and had appointed a contractor to fill the shortfall in resources until further staff could be appointed.

During this assessment a significant improvement was observed. A new Quality Manager and Building Control Manger had been contracted and the BCA team were seen to be positive and cooperative and were working hard to take onboard recent changes to their system. Significant progress had been made to address the previously identified issues although, as the contractor had only been in place for 6 months, not all required actions were able to be undertaken in the available time.

8 outstanding non-compliances have been identified during this assessment. The assessment team were confident that these would be satisfactorily addressed within the allowed timeframe, with the exception of the changes to the GoGet system that might require a longer clearance period.

The outstanding non-compliances are detailed below. These must be addressed in order for accreditation to continue.

CONTINUING ACCREDITATION

Accreditation is a statement, by IANZ, that your organisation complies with the Regulations and MBIE BCA accreditation scheme guidance documents (as relevant). Where non-compliance with the Regulations has been identified, the Act requires that it must be addressed.

IDENTIFYING AND NUMBERING OF NON-COMPLIANCES

Non-compliance numbers have been issued to each Regulation and sub-Regulation which was assessed and found to be non-compliant, however, where more than one non-compliance is identified within one Regulation or sub-Regulation, then only one finding number is generated.

Regulations 7(2)(d)(v) and 7(2)(f) had been split out into their component parts to enable easy recording and management of the key issues.

STEPS TO ADDRESSING NON-COMPLIANCES IDENTIFIED

<p>Step 1</p>	<p>Action plans Non-compliances raised during the assessment have been summarised and recorded in detail in this report. BCA to analyse the root cause of the finding within the finding tables nested under the relevant regulation, and then develop and document an action plan to address each finding (including documenting the evidence that will be submitted to address the finding).</p>	<p>Required to be submitted within 10 working days of the receipt of this report.</p>
<p>Step 2</p>	<p>IANZ Reviews the action plans provided IANZ will analyse the submitted action plans with the proposed evidence of implementation indicated, and will respond to the BCA accordingly with required improvements and/or acceptance of the plan.</p>	<p>IANZ has a KPI of 10 working days to review and respond. Action plans and proposed evidence required to be accepted within 20 working days of the receipt of this report.</p>
<p>Step 3</p>	<p>Submitting clearance evidence Upon the acceptance of all action plans, the BCA can proceed to provide clearance evidence to IANZ.</p>	<p>BCA to submit a separate email to address each GNC, ideally containing all listed proposed evidence.</p>
<p>Step 4</p>	<p>Review of clearance evidence Upon receiving clearance evidence, IANZ will review the appropriateness of the evidence to clear the identified non-compliance(s). Note that where the evidence provided does not provide sufficient assurance that the non-compliance has been addressed then IANZ may request further information to be satisfied, even if supply of that information was not detailed in the original action plan.</p>	<p>IANZ has a KPI of 10 working days to review and respond to each piece of clearance evidence provided.</p>
<p>Step 5</p>	<p>Last date for information submission The BCA must provide its final clearance information in sufficient time to allow for review, revision and resubmission of the information before the last date for final information submission provided.</p>	<p>If insufficient or incomplete information is received by the last date for information submission, the BCA must apply for an extension of time (if relevant). Alternatively, an initial notice of possible revocation of accreditation may be issued.</p>
<p>Step 6</p>	<p>Final clearance The BCA must clear all identified non-compliances.</p>	<p>Within 3 months of the issuing of this report (unless an extension is granted or a finding is conditionally cleared waiting for future information).</p>

If you do not agree with the non-compliances identified, or if you need further time to address non-compliances, please contact the Lead Assessor as soon as possible. Where you are seeking an extension to an agreed timeframe to address a non-compliance, your Chief Executive is required to make a formal request for an extension of the timeframe. These will only be granted for unpredictable and unmanageable reasons.

Please note that failure to provide timely objective evidence that identified non-compliances have been effectively and sustainably resolved may result in a recommendation to revoke accreditation.

If you have a complaint about the assessment process, please refer to the BCA Accreditation disagreements guidance which can be found [here](#), or contact the IANZ Lead Assessor, IANZ Programme Manager – Building, or IANZ Operations Manager - Inspection and BCA sectors, for further information about the IANZ appeals and complaints process.

RISK ASSESSMENT

The BCA's risk, both to the Territorial Authority, as a BCA and also as an organisation accredited by IANZ was assessed. The BCA was considered to pose a **Medium Risk**. The Risk Decision table is displayed below for reference.

High risk	A non-functioning BCA - depending on extent and type of risk and agreed management method. E.g. there is a pattern of failure to follow a policy, procedure or system (PPS) by a single or multiple employees, and/or that the PPS had not been consistently and effectively implemented.	Some form of monitoring within 6 months
Medium risk	The BCA is not currently compliant and is unlikely to demonstrate substantial compliance at the next assessment, or there was a failure to implement PPS over two or more assessment cycles.	1 year
Low risk	"Normal" risk (the BCA is likely to remain substantially compliant over the next two years).	2 years
Extra Low risk	The BCA is almost fully compliant and likely to remain that way.	Reduced monitoring at next 2 yearly assessment

The main reason for considering this risk category were:

- While 12 non-compliances relating to procedural issues were cleared during the assessment, the remaining 8 issues were mostly related to the implementation of the BCA's procedures, processes, and the use of the BCA's systems, therefore, the BCA was not able to easily resolve them. In particular, the BCA was waiting for the implementation of a new version of GoGet and to start using the facilities of this system at a higher level.
- A review of implementation of the updated GoGet systems will be required once sufficient time has been allowed, along with an assessment of the implementation of a number of the other outstanding issues.
- While the BCA had undertaken a number of robust audits (those planned to be undertaken since it had taken over management of the quality system), not all required audits had been undertaken within a year of the previous audit. This had resulted in the BCA not identifying a number of the issues identified by the assessment team. Ongoing success of the BCA will likely rely on robust internal audits being undertaken for all parts of the system. The remaining audits will be able to be completed before the next assessment and be reviewed at that time.

The concern about your BCA's compliance with the Regulations and the upcoming GoGet update has resulted in the need for a monitoring assessment so that IANZ can be assured that you have regained and are maintaining compliance with accreditation requirements.

Your IANZ assessment team for this special monitoring assessment may assess your BCA against any of the requirements for accreditation specified in Regulations 4 to 18 inclusive, and as interpreted by the MBIE Guidance document but will specifically focus on the findings. It is possible that this assessment may be undertaken remotely. A further decision regarding the content and timing of the next assessment will be made upon clearance of the findings of this assessment.

NEXT ACCREDITATION ASSESSMENT

Unless your BCA undergoes a significant change, requiring some form of interim assessment, (e.g. provision of a 6A Notification) or the BCA is unable to clear the identified non-compliances within the agreed timeframe, the next assessment of the BCA is planned as a **Special Monitoring Assessment** for **December 2024**. Note that this decision will be reviewed after the clearance of the findings from this assessment.

You will be formally notified of your next assessment six weeks prior to its planned date.

ABBREVIATIONS

the Act	the Building Act 2004
AOB	Accredited Organisation Building
BCA	Building Consent Authority
BCO	Building Control Officer
the Code	the Building Code
CCC	Code Compliance Certificate
Consent	Building Consent
CI	Continuous improvement
Col	Conflict of Interest
FENZ	Fire and Emergency New Zealand
Forms Regulations	Building (Forms) Regulations 2004
GNC	General Non-compliance
IANZ	International Accreditation New Zealand
MBIE	Ministry of Business, Innovation and Employment
LBP	Licensed Building Practitioner
NCAS	National Competence Assessment System
NTF	Notice to Fix
the Regulations	Building (Accreditation of Building Consent Authorities) Regulations 2006
RFI	Request for Further Information
SNC	Serious Non-compliance
TA	Territorial Authority

ASSESSMENT OBSERVATIONS AND RECORDS OF NON-COMPLIANCE

Regulation 6A(1) A system for notification
Observations and comments, including good practice and performance
<p>The BCA had documented its system for notifying the building consent accreditation body and the Ministry of any of the matters listed within Regulation 6A(1) within 20 working days of the matter taking place. While the procedure was considered to be appropriate, the BCA could consider changing the IANZ email contact to bca.info@ianz.govt.nz to allow more efficient notification to the IANZ BCA assessment team.</p> <p>See Advice Note A1</p> <p>The 6A Notification procedure included information for BCAs that are not TAs. The BCA could consider removing this information as it was not relevant to the Opotiki District Council BCA.</p> <p>See Advice Note A2</p>

Regulation 7(2)(a) Providing consumer information
Observations and comments, including good practice and performance
<p>The BCA provided consumer information regarding how to apply for a consent, and how an application was processed, inspected and certified, however, the following topics required further information/review:</p> <ul style="list-style-type: none"> • Information regarding the scope of the BCA's approval. • Ability to apply for a building consent, amendment or CCC in hard copy. • How National Multi-use consents are processed and statutory timeframes for these. • What type of applications are referred to FENZ. • Information regarding performance standards for specified systems. <p>See GNC 1</p>

General Non-compliance No. 1: Action Plan accepted Cleared 13/02/2024

Breach of requirement:	Regulation 7(2)(a)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The BCA's consumer information regarding how to apply for a consent, and how an application was processed, inspected and certified required review regarding the following topics:</p> <ul style="list-style-type: none"> • Providing information regarding the scope of the BCA's approval. • Ability to apply for a building consent, amendment or CCC in hard copy. • How National Multi-use consents are processed and statutory timeframes for these. • What type of applications are referred to FENZ. • Information regarding performance standards for specified systems. 							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>The BCA's consumer information will be reviewed and updated regarding: how to apply for a consent, and how an application was processed, inspected and certified topics</p>							

- Providing information regarding the scope of the BCA's approval.
- Ability to apply for a building consent, amendment or CCC in hard copy.
- How National Multi-use consents are processed and statutory timeframes for these.
- What type of applications are referred to FENZ.
- Information regarding performance standards for specified systems.


PROPOSED EVIDENCE OF IMPLEMENTATION *(To be provided by BCA):*

The website will be updated and an email provided showing where this information can be found on the website.

EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:

13/02/2024 IANZ AW	Clearance information received and sent to TE however, action plans have yet to be accepted.
13/02/2024 IANZ AW	Information provided clears the GNC but note that an action plan was not received or accepted.

NON COMPLIANCE CLEARED

Signed: 	Date: 13 February 2024
---	------------------------

Regulation 7(2)(b) Receiving building consent applications

Observations and comments, including good practice and performance

The BCA had documented its procedure for receiving applications in accordance with Regulation 7(2)(b), however, this did not describe what information was required to be checked on receipt of an application. The procedure stated that hard copy applications would only be received for installation of fireplaces. It did not allow for hard copy applications for all types of consents as required.

These issues were raised as GNC 2 and resolved during the assessment by the BCA amending the procedure.

The BCA received applications either electronically or occasionally in hard copy and appeared to be appropriately implementing its procedure.

Regulation 7(2)(c) Checking building consent applications

Observations and comments, including good practice and performance


The BCA had documented its procedure for checking applications in accordance with Regulation 7(2)(c), however, the procedure did not mention Section 45 or the information that was checked at the time of application.

This issue was raised as part of GNC 3 and resolved during the assessment by the BCA amending the procedure.

The BCA's procedure for checking applications did not explain how amendments were vetted.
GNC 3

Building consent applications were checked for completeness upon receipt and if complete lodged into the BCA's system.

General Non-compliance No. 3: Action Plan accepted Cleared 13/02/2024

Breach of requirement:	Regulation 7(2)(c)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA's procedure for checking applications did not explain how amendments were vetted.							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
Review the procedure and rewrite it to ensure there is an explanation on how to vet applications for amendments.							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
Provide updated procedure showing an explanation of how applications for amendments will be vetted.							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
13/02/2024 IANZ AW	Information received and sent to TE. Note that action plan not yet provided or accepted.						
13/02/2024 IANZ AW	Information provided clears the GNC but note that an action plan was not received or accepted.						
NON COMPLIANCE CLEARED							
Signed: 					Date: 13 February 2024		

Regulation 7(2)(d)(i) Recording building consent applications	
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure for recording applications in accordance with Regulation 7(2)(d)(i), however, the procedure did not describe or detail:</p> <ul style="list-style-type: none"> • The date a complete consent application was received. • Any acknowledgement of the receipt and acceptance of the application. • The dates upon which acknowledgements are made. <p>This issue was raised as part of GNC 4 and resolved during the assessment by the BCA amending the procedure.</p> <p>The BCA was seen to be appropriately recording applications in its system.</p>	

Regulation 7(2)(d)(ii) Assessing building consent applications	
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for assessing applications in accordance with Regulation 7(2)(d)(ii).</p>	

The complexity of applications was seen to be appropriately assessed using the building categories documented in the NCAS.

Regulation 7(2)(d)(iii) Allocating building consent applications

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for allocating applications in accordance with Regulation 7(2)(d)(iii).

The BCA had generally allocated processing work to internal or contracted processors appropriately and in accordance with its procedure.

Regulation 7(2)(d)(iv) Processing building consent applications

Observations and comments, including good practice and performance

The BCA had documented its procedure for processing building consent applications to establish whether the applications complied with the requirements of the Act, the Building Code, and any other applicable regulations under the Act specified for buildings. These were mostly appropriate, except the procedure did not adequately describe how to process applications involving:

- Alterations to existing buildings including ANARP assessments;
- Allotments and subdivisions;
- Swimming pools;
- Alternative solutions;
- Minor variations;
- Specified systems; and
- Other legislative requirements e.g., RMA.

The procedure for processing applications with specified systems was not clear and did not include the requirement for the processor to assess the application to determine whether the described specified system met the requirements of the building code, including recording the reasons for their decisions.

See GNC 5

The BCA's procedures did not adequately explain the acceptance and management of producer statements during either the consenting or construction phases.

See GNC 5

The BCA's procedure did not adequately explain how amendments were to be processed. As the BCA had a separate process for processing of amendments this procedure needed to be documented (They were not completed (processed) in GoGet and instead a checklist in Objective was used).

See GNC 5

The BCA's procedures were not being effectively implemented where consents processed by in-house staff did not include the statement that the BCO was satisfied on reasonable grounds that the building work complied with the building code so that the consent could be granted.


See GNC 5

Applications were viewed where the work that was subject to an amendment had not been recorded as being considered.

See GNC 5

General Non-compliance No. 5: Action Plan accepted See note Cleared 08/03/2024

Breach of requirement:	Regulation 7(2)(d)(iv)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Procedure: The BCA had documented its procedure for processing building consent applications to establish whether the applications complied with the requirements of the Act, the Building Code, and any other applicable regulations under the Act specified for buildings. These were mostly appropriate, except the procedure did not adequately describe how to process applications involving:</p> <ul style="list-style-type: none"> • Alterations to existing buildings including ANARP assessments; • Allotments and subdivisions; • Swimming pools; • Alternative solutions; • Minor variations; • Specified systems; and • Other legislative requirements e.g., RMA. <p>The procedure for processing applications with specified systems was not clear and did not include the requirement for the processor to assess the application to determine whether the described specified system met the requirements of the building code, including recording the reasons for their decisions.</p> <p>The BCAs procedures did not adequately explain the acceptance and management of producer statements during either the consenting or construction phases.</p> <p>The BCAs procedure did not adequately explain how amendments were to be processed. As the BCA had a separate process for processing of amendments this procedure needed to be documented (They were not completed (processed) in GoGet and instead a checklist in Objective was used).</p> <p>The BCAs procedures were not being effectively implemented where consents processed by in-house staff did not include the statement that the BCO was satisfied on reasonable grounds that the building work complied with the building code so that the consent could be granted.</p>							
<p>Implementation: Applications were viewed where the work that was subject to an amendment had not been recorded as being considered (no reasons for decisions recorded for some items).</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>1, Review and update the procedure to adequately describe how to process application involving:</p> <ul style="list-style-type: none"> • Alterations to existing buildings including ANARP assessments; • Allotments and subdivisions; • Swimming pools; • Alternative solutions; • Minor variations; • Specified systems; and • Other legislative requirements e.g., RMA. <p>2, Review and update the procedure for processing application with specified systems and ensure the requirement for the processor to assess the application to determine whether the described specified system met the requirements of the building code including recording adequate reasons for their decisions is included.</p> <p>3, Review and update the procedure to adequately explain the acceptance and management of Producer Statements during both the consenting and construction phases.</p>							

4, Review and update the procedure to adequately explain how amendments are to be processed.	
5, Update the checksheets in GoGet to ensure there is an item which the in-house staff have to complete to show that they are satisfied on reasonable ground that the consent can be granted.	
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>	
1, Provide updated procedure	
2, provide 2 examples of amendments being processed showing good reasons for decisions.	
3, Provide a copy of the updated Goget checksheet show the extra item for the in-house staff to fill in.	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
25/01/2024 IANZ AW	Accepted in principle however more than 2 examples may be required in order for the TE to be satisfied that the procedures are effectively implemented. Please feel free to provide 2 examples with the understanding that more may be required before the GNC can be cleared (or provide more examples).
27/02/2024 IANZ RMc	Have worked through items identified and all have been satisfactorily resolved except the procedure for s.112 which only addresses s.112 (2), with nothing about s.112(1). This item remains unresolved.
28/2/2024 BCA AL	I have attached the updated procedure with Section 112(1) now noted on sheet 1.
1/3/2024 IANZ AW	Information received and sent to TE for review
1/3/2024 IANZ RMc	A new procedure was provided that included a copy and paste of Section 112(1) of the Act however, the procedure does not describe how to consider and process applications to which Section 112(1) may apply, which is what the GNC requires. This shortfall could possibly be addressed in part by adding a link in the procedure to the MBIE guidance (as has been done for other parts of this procedure).
7/3/2024 IANZ AW	Revised information received and sent to TE for review.
8/03/2024 RMc	Procedure updated and now includes link to MBIE guidance. Accepted and cleared.
NON COMPLIANCE CLEARED	
Signed: 	Date: 8 March 2024

Regulation 7(2)(d)(v)	Granting and issuing building consents and Compliance with Form 5
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure for granting and issuing consents, however, the procedure did not adequately describe the following:</p> <ul style="list-style-type: none"> • Statutory timeframes for National Multi-use approvals. • Granting of the consent under Section 49 of the Act. • Issuing the consent under Section 51 or the prescribed Form. • Specified systems and performance standards (Compliance Schedule and Amended Compliance Schedule). <p>This was raised as GNC 6A and resolved during the assessment by the BCA providing an amended procedure.</p>	

The BCA was seen to have appropriately granted and issued building consents using the Form 5 template.

Regulation 7(2)(d)(v) Lapsing building consents

Observations and comments, including good practice and performance

The BCA had documented its procedure for lapsing of Building Consents, however, the procedure stated that reports would be run at the end of the month for consents that have already lapsed, which was not appropriate. The procedure did not advise whether Ozone would be updated following any decisions unless an extension of time was given.

This was raised as GNC 6B and this part of the non-compliance was resolved during the assessment by the BCA providing an amended procedure.

A number of records of “lapsed” consents were reviewed where the record stated “lapsed” but no date of lapsing had been recorded in Ozone. The applications had not reached the lapse date.

See GNC 6B

There were no examples available for review that could demonstrate that an appropriate process for recording the lapsing of consents in the BCA’s system had been followed.

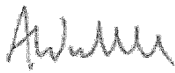
See GNC 6B

The template letter required applicants to provide a response within 20 working days. As there is no requirement in the Act for an applicant to respond to the BCA within 20 working days (the consent just lapses if work has not started within 12 months after the date of issue) the BCA is recommended to reconsider the wording in its template letters to align with the requirements of the Act.

See Recommendation R1

General Non-compliance No. 6B: Action Plan accepted Cleared 31/03/2024


Breach of requirement:	Regulation 7(2)(d)(v)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>A number of records of “lapsed” consents were reviewed where the record stated “lapsed” but no date of lapsing had been recorded in Ozone. The applications had not reached the lapse date.</p> <p>There were no examples available for review that could demonstrate that an appropriate process for recording the lapsing of consents in the BCA’s system had been followed.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					5 February 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>1, Review the procedure and update if necessary to ensure it is clear that the date of lapsing is being recorded in Ozone.</p>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
<p>1, If available, provide 2 x examples of consents being lapsed with the correct procedure being followed.</p>							

2, Send copy of amended procedure. 3, I have spoken to our Admin officer and on average, we get 2 – 4 consents being lapsed per month so we should have adequate samples.	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
25/01/2024 IANZ AW	Please plan to provide a copy of the amended procedure. Please discuss what actions will be taken if lapsed consents are not available for review. Action plan not accepted.
5/02/2024 IANZ AW	Amended action plan accepted.
27/3/2024 IANZ AW	Amended procedure is brief but accepted. Examples sent: BC3811 – issued 8 March 2023. Lapsed 9 March 2024 BC3032 – issued 6 March 2023 Lapsed 7 March 2024, letter sent 8 March 2024 BC3772 – issued 2 Feb 2022. Lapsed 3 Feb 2023 Please explain why such an old sample has been provided and if possible please send a more recent example. I also note in the previous 2 examples a significant delay between the granted and issued dates (e.g approved on 1 Dec 2022 and issued on 6 March 2023). Am I reading the screenshots correctly? Please explain. Not yet cleared.
27/3/2024 BCA AL	Regarding the RFI, apologies, I must have missed the older one, I have now replaced it with a more current one. Also, regarding your other question about the timeframes for granting and issuing having a gap between them. The consents were waiting on fees to be paid. I have now also included a screenshot of when the fees were paid for each consent which lines up with the issuing date.
31/3/2024 IANZ AW	BC 3926 – issued 6 March 2023, lapsed 7 March 2024 BC 3922 – issued 6 March 2023, lapsed 7 March 2024 Evidence accepted and cleared.
NON COMPLIANCE CLEARED	
Signed: 	Date: 31 March 2024

Regulation 7(2)(d)(v)	Compliance with statutory timeframes for granting and issuing building consents
Observations and comments, including good practice and performance	
<p>The BCA's compliance with the statutory timeframe for granting and issuing building consents within 20 working days was seen to be averaging between 70% and 75% for the last three months however, November's statistics appeared to show compliance with the requirements. While the BCA had recorded the reasons why the consent had gone over time during their team meetings, there was no record of any actions taken to address the reason(s) for the shortfall.</p> <p>There was a breakdown in the transfer of data between Ozone and GoGet and it was possible that the apparent non-compliance could just be a result of this issue. See GNC 6C</p>	

General Non-compliance No. 6C: Action Plan accepted Cleared Recommendation
07/03/2024

Breach of requirement:	Regulation 7(2)(d)(v)
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Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA was not able to demonstrate on-going compliance with the statutory time requirements for granting of building consents. While the reason that some consents had gone overtime were recorded, there were no records available of actions taken to prevent further non-compliance.							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
Update the meeting minutes to ensure that if any consents are identified as going over time that as well as being recorded, there is discussion as to the reason and records made of how the issue will be resolved and what actions will be taken to prevent further non-compliance							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
New meeting minutes to be provided and if any consent have been found to be over time show how the minutes record the above points.							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
29/06/2023 BCA AL	I have attached the latest 2 minutes from the fortnightly building team meetings showing new agenda items noting any consents issued overtime and if there are some, the reasons and what is being done to rectify the situation. The first minutes documents that after the GoGet upgrade we found some which had dropped off the radar and had been incorrectly noted. These were worked through and the correct times put in and the subsequent meeting which we just had this morning shows us now at 100% with new reporting measures in place.						
1/03/2024 IANZ AW	Although compliance for CCC against statutory requirement was documented during fortnightly meetings, minutes of the BCA meetings did not appear to report on % compliance with the 10/20 day clock for processing/consent issued. Not cleared.						
1/3/2024 BCA AL	I have updated the meeting minutes with an extra row to document the percentage of consents processed within 20 working days,						
7/3/2024 IANZ AW	Amended meeting minutes accepted. Please note - if the intention of monitoring the inspections is to determine whether the BCA has sufficient inspectors to meet their needs then it is more appropriate to monitor the number of days between booking and being able to carry out the inspection not just the number of inspections.						
NON COMPLIANCE CLEARED							
Signed: 					Date: 7 March 2024		

Regulation 7(2)(e)	Planning, performing and managing inspections
Observations and comments, including good practice and performance	
The BCA had documented its procedure for planning, performing and managing inspections in accordance with Regulation 7(2)(e). However, the procedure did not adequately describe the following: <ul style="list-style-type: none"> • The standard inspection types undertaken by the BCA. • Matters that must be recorded on the inspection record. • The purpose of attaching any relevant new plans to the inspection record (Minor variations and amendments). • How warnings and bans are checked – procedure has a link only. 	

- How PS4s etc are requested, recorded, received, communicated, etc on site.

This was raised as GNC 7 and resolved during the assessment by the BCA amending the procedure.

Inspections were seen to be adequately planned during processing.

Inspections were generally undertaken within 2 to 3 days of booking. Inspection records demonstrated that appropriate reasons for decisions were being recorded.

Regulation 7(2)(f) Application for code compliance certificates

Observations and comments, including good practice and performance

The BCA had a documented procedure for Application for a Code Compliance Certification; however, the procedure did not adequately describe the following:

- What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC, rather than rejecting the application form).
- Recording the date an application was accepted, and any acknowledgements and dates of these.
- Whether the BCA charges development contributions and how these are checked at the CCC stage (see fees and charges).

The procedure did not allow for hard copy applications to be accepted.

See GNC 8A

The BCA was seen to be appropriately receiving applications for CCC and starting the CCC timeclock on receipt of a complete application.

General Non-compliance No. 8A: Action Plan accepted Cleared **See Note** 26/03/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The procedure for Application for a Code Compliance Certification did not adequately describe the following:</p> <ul style="list-style-type: none"> • What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC rather than rejecting the application form). • Recording the date an application was accepted, and any acknowledgements and dates of these. • Whether the BCA charges development contributions and how these are checked at the CCC stage (see fees and charges). <p>The procedure did not allow for hard copy applications to be accepted.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>The procedure will be reviewed and update to adequately describe the following:</p> <ul style="list-style-type: none"> • What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC rather than rejecting the application form). • Recording the date an application was accepted, and any acknowledgements and dates of 							

these.

- Whether the BCA charges development contributions and how these are checked at the CCC stage (see fees and charges).

The procedure will also be updated to allow for hard copy applications to be accepted.

PROPOSED EVIDENCE OF IMPLEMENTATION (To be provided by BCA):

Updated procedure will be provided.

EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:

8/03/2024
BCA AL

What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC rather than rejecting the application form).

2. Refusing to accept a Code Compliance Certificate Application that does not contain all the relevant information

The BCA may return or reject any Code Compliance Certificate application that does not contain all the relevant information.

(a) When refusing a Code Compliance Certificate application form the BCA will state, as applicable, the reason that it has been rejected. The applicant should be provided with sufficient detail for them to rectify any deficiencies in the application. It is acceptable for a BCA to identify the relevant

This could include:

- Consent matter for which there was not enough information to be reasonable satisfied of compliance
- Building method or material for which there was not enough information to be reasonable satisfied on compliance with the consent

IANZ - The reasons given are not applicable reason for refusing to accept a CCC application (which requires the Form 6 to be complete and accompanied by specific items as described in the Act – partly as per 1(c) in the procedure but further information required)). The reasons given are suitable to describe the reasons for refusing to issue a CCC but that was not the topic of this finding.

Not cleared

Recording the date an application was accepted, and any acknowledgements and dates of these.

1. Code Compliance Certificate

(a) An application for Code Compliance Certificate (CCC) is made on Form 6 as prescribed in the Building Forms Regulations 2004. It can be applied for “on line” or in hard copy.


(b) The BCA will not process applications for CCC where another BCA administered and granted consent.

(c) A complete application for Code Compliance Certificate is determined when the application for code compliance certificate has been fully completed on the correct form; when any energy certificates are filed (where applicable) and Record of Works received (where applicable).

The BAO will start the CCC processing clock when the application has been deemed as complete, the BAO records the application into its processing system which includes:


- The date it was received.
- Any acknowledgment of the receipt of the application made to the applicant which if the application came through the portal is automatically generated by the system and emailed back to the customer. Any hard copy applications are

	<p>sent the receipt of application via an email address if they have provided one or by post if no other means of communication has been provided. A copy of the email or letter sent is saved into the building consent file in Objective.</p> <ul style="list-style-type: none"> • The date/s upon which any acknowledgments were made. <p>IANZ - accepted</p> <p>Whether the BCA charges development contributions and how these are checked at the CCC stage (see fees and charges).</p> <p>Confirmed, the TA does charge DC's but it is not one of the things that the BCA chase up. That is sorted out by other departments.</p> <p>(d) The BAO will check any outstanding fees have been paid, or create an invoice for extra inspections undertaken and send out to applicant. Development contributions are not chased up by BCA staff.</p> <p>36 Territorial authority may issue development contribution notice</p> <p>(1) This section applies if a territorial authority considers that a development contribution under the Local Government Act 2002 is payable by the owner.</p> <p>(2) The territorial authority must issue a notice, in the prescribed form, to the effect that a code compliance certificate for the building work will not be issued unless the development contribution is paid (development contribution notice).</p> <p>(3) The development contribution notice must be—</p> <p>(a) attached to the project information memorandum; or</p> <p>(b) if no project information memorandum has been applied for, provided to the building consent authority.</p> <p>IANZ – The response states that the BCA does not follow up regarding development contributions. How does the BCA meet its obligations under Section 36 of the Act to not issue the CCC until development contributions are paid? Please provide more information. Response not yet accepted.</p> <p>The procedure did not allow for hard copy applications to be accepted.</p> <p>1. Code Compliance Certificate</p> <p>(e) An application for Code Compliance Certificate (CCC) is made on Form 6 as prescribed in the Building Forms Regulations 2004. It can be applied for “on line” or in hard copy.</p> <p>IANZ - Accepted</p>
<p>8/03/2024 IANZ AW</p>	<p>An amended procedure and explanation as provide. 2 items cleared. Not cleared as follows:</p> <ul style="list-style-type: none"> • What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC rather than rejecting the application). • How development contributions are checked at the CCC stage (see fees and charges).
<p>24/3/2024 BCA AL</p>	<p>With regards to your points below I have made the following changes and comments.</p> <p>An amended procedure and explanation was provided. 2 items cleared. Not cleared as follows:</p> <ul style="list-style-type: none"> • What happens if the application is rejected (note the procedure does talk about CCC applications but it seems to be in regard to refusing to issue a CCC rather than rejecting the application). <p>Now noted as point 1, (d)</p>

	<ul style="list-style-type: none"> How development contributions are checked at the CCC stage (see fees and charges). <p>As per the attached screenshot email from Gerard, Opotiki don't charge development contributions. They have financial contributions for minor amounts e.g. reserves \$790.00 per unit which is administered through the planning team in accordance with the RMA. The payment of the money is made when they apply for title.</p>
24/3/2024 IANZ AW	<p>Amended procedure reviewed. While it is nearly there it does still require a bit more work as follows:</p> <p>The procedure states "Development contributions are not chased up by BCA staff." The BCA states that it doesn't have development contributions. The procedure therefore needs to be amended to clarify this point.</p> <p>Section 2 regarding refusal of CCC, is incorrectly headed as it refers to refusing to accept a CCC application (which is detailed in Section 1).</p> <p>I suggest that you further review and clarify the whole procedure to logically record the different steps regarding CCCs including:</p> <ul style="list-style-type: none"> Receiving/accepting/refusing to accept a CCC application Making a decision whether to issue a CCC Issue of CCC Refusing to issue CCC Making a decision at 24 months whether to issue CCC (and any extensions of time)
25/3/2024 BCA AL	Amended procedure provided.
26/3/2024 IANZ AW	Amended procedure accepted however, it is unclear why the procedure in Section 6 part 5 includes a Note that refers to "where the BCA is not a TA". This appears to indicate that the procedure has simply been copied from elsewhere rather than writing a procedure that is relevant to the BCA. t
NON COMPLIANCE CLEARED	
Signed: 	Date: 26 March 2024

Regulation 7(2)(f) Preparing and issuing code compliance certificates
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for the preparation and issuing Code Compliance Certificates in accordance with Regulation 7(2)(f).</p> <p>Examples were reviewed during the assessment where the BCA had been sending letters refusing consents under Section 95A of the Act, however, the reasons for refusal were not being appropriately recorded (refer to MBIE Guidance) and communicated.</p> <p>See GNC 8B</p> <p>The BCA is recommended to ensure the description of work on CCCs accurately describes the work for which the building consent has been issued. For example, when the consented work is limited to foundations and drainage for relocatable dwellings or pods to accurately describe only that work.</p> <p>See Recommendation R2</p>

General Non-compliance No. 8B: Action Plan accepted See note Cleared 07/03/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA had not appropriately recorded and communicated to applicants its reasons for refusing to issue CCCs (refer to MBIE Guidance).							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
Review and update the procedure to ensure that it is documented that reasons for decisions for refusing to issue CCC's are appropriately recorded and communicated to applicants.							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
Provide updated procedure. Provide 2 x examples of CCC's being refused if available. If not, mock ones will be supplied.							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
25/01/2024 IANZ AW	Action plan accepted in principle but note that more than 2 examples may be required to clear the GNC.						
7/3/2024 BCA AL	Updated procedure attached which has been re-written to ensure that it is documented that reasons for decisions for refusing to issue CCC's are appropriately recorded and communicated to applicants. See updated section 2 on page 2. 2 x examples of letters being sent.						
7/03/2024 IANZ AW	Procedure updated stating: "The BCA will send out a Code Compliance Certificate refusal letter stating the reason for refusal." 2 x examples reviewed and accepted.						
NON COMPLIANCE CLEARED							
Signed: 					Date: 7 March 2024		

Regulation 7(2)(f)	24-month CCC decisions
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure for making a 24-month decision on whether to issue a Code Compliance Certificate where no application for Code Compliance Certificate had been received. This was mostly appropriate, except the procedure advised that reports are run on work that have expired CCCs. This wording and process was not appropriate. See GNC 8C</p> <p>The CCC 24 month decision procedure did not include sufficient information to allow the procedure to be followed for all possible variants (note that it was clear regarding the information that needed to be sent to the applicant with the CCC Refusal). See GNC 8C</p> <p>The CCC 24 month decision process did not start the 20 day clock on the 2 year granted anniversary, as per Section 93 of the Act. A number of applications were outstanding, waiting for the 24 month</p>	

decision but the report generated recorded that only one application needed a 24 month decision.

See GNC 8C

The BCA was on occasions recording the reason for the 24 month CCC refusal decision on an email and also sending a refusal letter (which did not have reasons for decisions). Where the email and letter were sent together the BCA was considered to be providing appropriate reasons for its refusal to issue CCC however, these were not always sent.

GNC 8C

The 23 month notification letter template implied that a CCC would be refused if no response was received. The BCA is required to make a decision whether to issue or refuse at 24 months (as per Section 94 of the Act), not to automatically refuse to issue the CCC.

See GNC 8C.

The 23 month notification letter template required the applicant to respond within 20 working days. There is no requirement in law for the applicant to respond within 20 days, so the BCA may wish to reconsider the wording of the letter template.

See Recommendation R3

General Non-compliance No. 8C: Action Plan accepted Cleared 05/04/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input checked="" type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p><u>Procedure:</u> The BCA had documented its procedure for making a 24-month decision on whether to issue a Code Compliance Certificate where no application for Code Compliance Certificate had been received. The procedure advised that reports were to be run on work that had expired CCCs. This wording and process was not appropriate.</p> <p>The CCC 24 month decision procedure did not include sufficient information to allow the procedure to be followed for all possible variants (note that it was clear regarding the information that needed to be sent to the applicant with the CCC Refusal).</p> <p><u>Implementation:</u> The CCC 24 month decisions did not start the 20 day clock on the 2 year granted anniversary, as per Section 93 of the Act. A number of applications were outstanding, waiting for the 24 month decision but the report generated recorded that only one application needed a 24 month decision.</p> <p>The BCA was on occasions recording the reason for the refusal decision on an email and also sending a refusal letter (which did not have reasons for decisions). Where the email and letter were sent together the BCA was considered to be providing appropriate reasons for its refusal to issue CCC however, these were not always sent.</p> <p>The 23 month notification letter template implied that a CCC would be refused if no response was received. The BCA is required to make a decision whether to issue or refuse at 24 months (as per Section 94 of the Act), not to automatically refuse to issue the CCC.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					5 February 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
1, Review and rewrite the procedure for making a 24 month decision to ensure the wording is appropriate.							

- 2, Review and rewrite the procedure to be more robust and include sufficient information to allow the procedure to be followed for all possible variants.
- 3, Ensure that with the GoGet and Ozone update, that the 24 month decision will start the 20 day clock on the 2 year anniversary of granting.
- 4, Review and rewrite the procedure to make clear what is required to be supplied where a refusal to issue a CCC notification is required.
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- 5, Update the 23 month letter template to note that the BCA is required to make a decision as to whether to issue or refuse a CCC at 24 months rather than that it will be automatically refused.

PROPOSED EVIDENCE OF IMPLEMENTATION (To be provided by BCA):

- 1, Provide a copy of the updated procedure
- 2, Provide a report showing the accurate number of applications needing a 24 month decision.
- 3, Provide updated template for the 23 month notification letter
- 4, Run a report of for all consents at 24 months and pick 4 samples at random.
- 5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately.
- 6, Ensure the 4 random samples chosen show appropriate reasons for decision have been made.


EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:

25/01/2024 IANZ AW	<p>Please plan to have made decisions for all consents at 24 months from granting and to provide sufficient examples. Please provide evidence of the 20 day clock being monitored appropriately. Please provide examples of providing appropriate reasons for decisions (as per the amended procedure). Action plan not accepted.</p>
5/02/2024 IANZ AW	Amended action plan accepted.
7/3/2024 BCA AL	Just working through GNC 8c for Opotiki and updating the procedure. There is a point I'd like a bit of clarification on - When you say "all possible variants" what do you mean? What variants are you referring to!
7/3/2024 IANZ AW	The BCA's procedure did not provide sufficient information regarding making a decision to issue, making a decision to refuse, and making a decision to extend the timeframe, including who is responsible, where decisions and reasons for decisions are recorded, and what is communicated to customers. (Note that the procedure was clear regarding the information that needed to be sent to the applicant with the CCC Refusal).
16/3/2024 BCA AL	<ol style="list-style-type: none"> 1, Provide a copy of the updated procedure Attached is the updated procedure with the new sections highlighted to cover the issues found. 2, Provide a report showing the accurate number of applications needing a 24 month decision. I have attached 2 reports from 2 different months. 3, Provide updated template for the 23 month notification letter Update template attached 4, Run a report of for all consents at 24 months and pick 3 samples at random. I have attached 2 reports from 2 different months showing how are are now identifying consents with the 24 month CCC's to be refused. 5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately. Building Team minutes attached showing section discussing timeframes of CCC's being issued.

	<p>6, Ensure the 3 random samples chosen show appropriate reasons for decision have been made. I have attached 2 samples of letters refusing CCC and one example of a letter acknowledging an extension of time.</p>
<p>18/3/2024 IANZ AW</p>	<p>1, Provide a copy of the updated procedure The procedure is not specific regarding starting the 20 day clock at 24 months from granting.</p> <p>Section 3(c) of the provided procedure is not specific regarding when the decision making process will occur (it is under the heading “The decision to issue or refuse to issue the Code Compliance Certificate must be made within 20 working days of the applicant applying”).</p> <p><i>“The BCO will then (when?) proceed to reconcile the building consent information within the building consent file to determine whether all information has been collected and whether all inspections / notices have been completed, then the Code Compliance Certificate will be issued.”</i></p> <p>Information is provided about the same process under Section 3 and 4 in the procedure. This procedure needs to be rewritten to clarify the processes for a) issue of CCC and b) making a decision at 24 months.</p> <p>The procedure states that the applicant/owner must respond within 20 working days. This is not a requirement of the Act.</p> <p><i>“The applicant/owner must respond within 20 working days, completing an application for CCC (if not already applied for) and the option to apply for extension of time to begin building work.”</i></p> <p>Section 4 is not specific about recording the reasons for decisions to refuse CCC. (These have been inappropriate = added to the procedure as reasons for refusing to accept a CCC application.</p> <p>Section 6 indicates that a decision to refuse will be made automatically whereas the BCA should consider whether it can issue the CCC.</p> <p><i>3 6If no CCC application is received within or at the 12-month extension period, the status of the consent in the computer system is updated and the CCC is refused.</i></p> <p>In summary, the CCC procedure appears to confuse the different stages for decisions to issue a CCC. It needs to be revised to clearly indicate to the BCA its process for considering and issue /refusal for CCC.</p> <p>2, Provide a report showing the accurate number of applications needing a 24 month decision. 2 reports from 2 different months reviewed. The reports were restricted to a single month and therefore will not capture any previously missed 24 month CCC decisions.</p> <p>GoGet Consents 24 Month CCC To Be Refused Report For consents granted between 1 February 2022 and 28 February 2022 with no CCC. Please provide a report covering the last 15 years (since accreditation started) to ensure that there have been no “missed” CCC decisions.</p> <p>3, Provide updated template for the 23 month notification letter</p>

	<p>Update template reviewed.</p> <p>The letter indicated “Building consents are considered outstanding if the consented building work has started but has not been completed and a CCC has, therefore, not been issued.”. The Building Act does not refer to “outstanding” consents and therefore the language used in the letter is not fully appropriate. Please revise.</p> <p>Note that the procedure requires the Applicant /owner to respond within 20 working days while the letter requires a response within 10 working days.</p> <p>4, Run a report of for <u>all</u> consents at 24 months and pick 3 samples at random. As per item 2 above, please provide a copy of the report. (I assume that the three samples are those referred to under 6 below)</p> <p>5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately. Building Team minutes attached showing section discussing timeframes of CCC’s being issued. During the assessment the BCA indicated that it was going to monitor its compliance with the 20 day clock at 24 months through its Team Meetings. Please provide specific evidence of this occurring for each example monitored in this way (or provide evidence of monitoring the clock in another way). Please ensure that the method for monitoring the clock is recorded in the procedure as the Team Meeting indicates that GoGet is used to monitor the clock whereas it was previous indicated that this was manually monitored. In particular, the process for starting the CCC clock at 24 months needs to be documented.</p> <p>6, Ensure the 3 random samples chosen show appropriate reasons for decision have been made. I have attached 2 samples of letters refusing CCC and one example of a letter acknowledging an extension of time. Examples reviewed and accepted.</p>
<p>25/3/2024 BCA AL</p>	<p>Amended procedure provided</p>
<p>26/3/2024 IANZ AW</p>	<p>1. Amended procedure accepted</p> <p>2, Provide a report showing the accurate number of applications needing a 24 month decision. 2 reports from 2 different months reviewed. The reports were restricted to a single month and therefore will not capture any previously missed 24 month CCC decisions.</p> <p>GoGet Consents 24 Month CCC To Be Refused Report For consents granted between 1 February 2022 and 28 February 2022 with no CCC. Please provide a report covering the last 15 years (since accreditation started) to ensure that there have been no “missed” CCC decisions.</p> <p>3, Provide updated template for the 23 month notification letter Update template reviewed. The letter indicated “Building consents are considered outstanding if the consented building work has started but has not been completed and a CCC has, therefore, not been issued.”. The Building Act does not refer to “outstanding” consents and therefore the language used in the letter is not fully appropriate. Please revise. Note that the procedure requires the Applicant /owner to respond within 20 working days while the letter requires a response within 10 working days.</p>

	<p>4, Run a report of for <u>all</u> consents at 24 months and pick 3 samples at random. As per item 2 above, please provide a copy of the report. (I assume that the three samples are those referred to under 6 below)</p> <p>5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately. Building Team minutes attached showing section discussing timeframes of CCC's being issued. During the assessment the BCA indicated that it was going to monitor its compliance with the 20 day clock at 24 months through its Team Meetings. Please provide specific evidence of this occurring for each example monitored in this way (or provide evidence of monitoring the clock in another way). Please ensure that the method for monitoring the clock is recorded in the procedure as the Team Meeting indicates that GoGet is used to monitor the clock whereas it was previous indicated that this was manually monitored. In particular, the process for starting the CCC clock at 24 months needs to be documented.</p> <p>6, Ensure the 3 random samples chosen show appropriate reasons for decision have been made. I have attached 2 samples of letters refusing CCC and one example of a letter acknowledging an extension of time. Examples reviewed and accepted.</p>
<p>4/4/2024 BCA AL</p>	<p>2, Provide a report showing the accurate number of applications needing a 24 month decision. 2 reports from 2 different months reviewed. The reports were restricted to a single month and therefore will not capture any previously missed 24 month CCC decisions. The two reports provided showed consents granted from 7th Dec to 22nd February I've now named them relating to each month they are relevant to.</p> <p>GoGet Consents 24 Month CCC To Be Refused Report For consents granted between 1 February 2022 and 28 February 2022 with no CCC. Please provide a report covering the last 15 years (since accreditation started) to ensure that there have been no "missed" CCC decisions. Report attached showing consents granted in the last 15 years.</p> <p>3, Provide updated template for the 23 month notification letter Update template reviewed. The letter indicated "Building consents are considered outstanding if the consented building work has started but has not been completed and a CCC has, therefore, not been issued.". The Building Act does not refer to "outstanding" consents and therefore the language used in the letter is not fully appropriate. Please revise. Note that the procedure requires the Applicant /owner to respond within 20 working days while the letter requires a response within 10 working days. Letter template updated to remove the sentence noting "Outstanding" and the reference to 10 working days</p> <p>4, Run a report of for <u>all</u> consents at 24 months and pick 3 samples at random. As per item 2 above, please provide a copy of the report. (I assume that the three samples are those referred to under 6 below) The reports were provided as per my above point. It was a complete list, there was only 1 at 24 months in December and 2 in January. All the others had had their CCC. This report spits out the ones which have had no movement on. The 3 consents which showed on these reports were actually anomalies as the BCA had lapsed all three</p>

	<p>consents at the 12 month mark but thought that they needed to stay in the system till they had the official CCC decision at the 24 month mark . Now that they are aware this isn't the case, they have been completed in Ozone properly and hence are not appearing on the reports if I was to run them again.</p> <p>Due to the small amount of consents coming in and the fact that most of them do actually get their CCC before the 24 month mark the reports that are run only pick up ones which need addressing and if they are all sorted the report is blank. The three samples that were provided were obviously dealt with and as such did not appear on those reports. Hope that makes sense!</p> <p>5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately.</p> <p>Building Team minutes attached showing section discussing timeframes of CCC's being issued.</p> <p>During the assessment the BCA indicated that it was going to monitor its compliance with the 20 day clock at 24 months through its Team Meetings. Please provide specific evidence of this occurring for each example monitored in this way (or provide evidence of monitoring the clock in another way). Please ensure that the method for monitoring the clock is recorded in the procedure as the Team Meeting indicates that GoGet is used to monitor the clock whereas it was previous indicated that this was manually monitored. In particular, the process for starting the CCC clock at 24 months needs to be documented.</p> <p>The procedure has now been updated to identify the CCC clock is being monitored weekly by the Building admin officer. See page 3 of the updated procedure.</p>
<p>5/4/2024 IANZ AW</p>	<p>2, Provide a report showing the accurate number of applications needing a 24 month decision.</p> <p>The CCC refused report does not show CCCs not refused and not issued at 24 months.</p> <p>I was hoping to see a Consents 24 Month CCC Decision Report for a longer period to show the full number of outstanding CCCs. As per 4, below you state that there are not any outstanding applications past 24 months therefore cleared.</p> <p>3, Provide updated template for the 23 month notification letter.</p> <p>Amended letter accepted.</p> <p>4, Run a report of for <u>all</u> consents at 24 months and pick 3 samples at random. As per item 2 above, please provide a copy of the report. (I assume that the three samples are those referred to under 6 below)</p> <p>Discussion accepted.</p> <p>5, Provide a copy of the Building Team minutes showing the 20-day clock is being monitored appropriately.</p> <p>Instead of providing meeting minutes the BCA amended its procedure. Amended procedure accepted.</p>
<p>Signed: </p>	<p>Date: 5 April 2024</p>

<p>Regulation 7(2)(f)</p>	<p>Compliance with statutory timeframes for code compliance certificates</p>
<p>Observations and comments, including good practice and performance</p>	

The BCA was not appropriately managing the CCC statutory clock. In some cases the clock was not stopped at all, even though the process was complete.


See GNC 8D

The CCC clock (started when a complete application was received) was incorrectly being placed on hold pending final inspection.

See GNC 8D

General Non-compliance No. 8D:Action Plan accepted Cleared Recommendation
31/03/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The BCA was not appropriately managing the CCC statutory clock. In some cases the clock was not stopped at all, even though the process was complete.</p> <p>The CCC clock (started when a complete application was received) was incorrectly being placed on hold pending final inspection.</p>							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>1, Review and rewrite if necessary, the procedure on managing the CCC statutory clock to ensure it provides appropriate instruction.</p>							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
<p>1, Provide updated procedure.</p> <p>2, Provide 2 x examples of screenshots of the tracking clock showing the CCC clock being started pending the final inspection.</p>							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
25/01/2024 IANZ AW	Action plan accepted in principle, but more than 2 examples may be required to clear the GNC.						
26/3/2024 BCA AL	<p>1, Provide updated procedure. Updated procedure attached which we sent to you for GNC 8a and GNC 8c but with the relevant section for this GNC highlighted on page 2 and 3.</p> <p>2, Provide 2 x examples of screenshots of the tracking clock showing the CCC clock being started pending the final inspection. Screenshots provided showing 3 consents with the CCC clock starting and stopping.</p>						
27/03/2024 IANZ AW	Updated procedure and example received and sent to TE for review.						
31/3/2024 IANZ AW	<p>Procedure reviewed. This states: "7. The Building Administrator forwards the CCC application and any supporting documentation to a BCO or specialist for final validation e.g. to determine if the application is complete and or if further information is required, and they record any decisions and the reasons for decisions. 8. The BCO and or specialists advises the Building Administrator (BA) that the CCC</p>						

	<p><i>application is complete, and the BA starts the statutory time clock within the appropriate computer system.</i></p> <p><i>9. Where an application has not had a completeness check within 48 hours of the application being received, the application will be considered to be accepted into the system."</i></p> <p>Later in the procedure under "Timeframes..." this is clarified. For clarity it is recommended that the BCA amends the procedure under point 8 to state that the clock will be started on the day the complete application is received rather than as implied when the application has been checked.</p> <p>Screenshots provided showing 3 consents with the CCC clock starting and stopping. These are accepted.</p>
NON COMPLIANCE CLEARED	
Signed: 	Date: 31 March 2024

Regulation 7(2)(f)	Compliance schedules
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for preparation and issuing of Compliance Schedules.</p> <p>Although the BCA had made improvement in its issued compliance schedules, several issues were still noted as follows. Issued compliance schedules:</p> <ul style="list-style-type: none"> • Included reference to Fire Hazard Category when these did not apply (this has not applied since the "C" Building Code clauses in the Building Code were changed in 2012). • Did not always include details of subclauses for acceptable solutions. • Did not always appropriately record the inspection, maintenance, and reporting procedures. <p>GNC 8E</p> <p>It is recommended that the BCA consider the following to improve their Compliance Schedules:</p> <ul style="list-style-type: none"> • Version table on compliance schedules to be completed in more detail explaining what systems are being installed with each building consent, particularly where the compliance schedule is amended or involves fit outs. • All page numbers are listed e.g., 5/25 pages and descriptions / version numbers are noted in the footer of the document. • Reference to interfaced systems is removed if this statement does not apply. • Remove reference to NZBC where acceptable solutions are referenced as acceptable solutions are not part of the Building Code but means of meeting the requirements of the code. <p>See Recommendation R4</p>	

General Non-compliance No. 8E: Action Plan accepted Cleared Recommendation
07/03/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Although the BCA had made improvement in its issued compliance schedules, several issues were still noted as follows. Issued compliance schedules:</p> <ul style="list-style-type: none"> • Included reference to Fire Hazard Category when these did not apply (this has not applied since the "C" Building Code clauses in the Building Code were changed in 2012). 							

- Did not always include details of subclauses for acceptable solutions.
- Did not always appropriately record the inspection, maintenance, and reporting procedures.

IMPORTANT DATES

Date this action plan was accepted by IANZ: 25 January 2024

Final date evidence of implementation can be accepted from BCA: 5 April 2024

PLAN OF ACTION *(To be provided by BCA)*

1, Review and rewrite the procedure to ensure that the following items are addressed during the process of assessing and issuing a compliance schedule:

- Included reference to Fire Hazard Category when these did not apply (this has not applied since the “C” Building Code clauses in the Building Code were changed in 2012).
- Did not always include details of subclauses for acceptable solutions.
- Did not always appropriately record the inspection, maintenance, and reporting procedures.

PROPOSED EVIDENCE OF IMPLEMENTATION *(To be provided by BCA):*

1, Provide updated procedure

2, Provide 2 x recently issued compliance schedules


EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:

28/03/2024 BCA AL	<ul style="list-style-type: none"> • Included reference to Fire Hazard Category when these did not apply (this has not applied since the “C” Building Code clauses in the Building Code were changed in 2012). In the 2 new examples provided this section shows N/A as so it is for new buildings. However, we have left the section in our template to cover off any existing ones which may be historic as per the exemplar. If you don't think this is relevant , please just let me know and we will remove it from the template totally. • Did not always include details of subclauses for acceptable solutions. The two new examples we have provided have these noted. • Did not always appropriately record the inspection, maintenance, and reporting procedures The two new examples we have provided have these noted.
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1/03/2024 IANZ AW	Information sent to TE for review
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7/3/2024 IANZ AW/TE	<p>Updated procedure – accepted</p> <p>CS2023-04 – Only provided a compliance schedule and no supporting documentation for review but looks good</p> <p>CS2023-06 – Only provided a compliance schedule and no supporting documentation for review but looks good</p> <p>Recommend to avoid referencing the Compliance Schedule Handbook where possible (as this was written as an example not a standard). If no other appropriate reference is available the recommend to reference specific sections rather than page numbers.</p>
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NON COMPLIANCE CLEARED

Signed: 	Date: 7 March 2024
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Regulation 7(2)(f)	Notices to fix
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Observations and comments, including good practice and performance


The BCA had documented its procedure for issuing Notices to Fix in accordance with Regulation 7(2)(f), however, the procedure did not adequately describe the following:

- Whether a responsible authority would be advised.
- The prescribed form, timeframe or whether the owner is required to notify the TA when work is completed.
- The circumstances for when a NTF would be issued.

See GNC 8F

The BCA had not recently issued any notices to fix so the assessment team was unable to review implementation of the procedure.

General Non-compliance No. 8F: Action Plan accepted Cleared 26/02/2024

Breach of requirement:	Regulation 7(2)(f)						
Breach of requirement:	Regulation(s)	<input checked="" type="checkbox"/> 5(a)	<input checked="" type="checkbox"/> 5(b)	<input type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
<p>The BCA had documented its procedure for issuing Notices to Fix in accordance with Regulation 7(2)(f), however, the procedure did not adequately describe the following:</p> <ul style="list-style-type: none"> • Whether a responsible authority would be advised • The prescribed form, timeframe or whether the owner is required to notify the TA when work is completed. • The circumstances for when a NTF would be issued. 							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:						25 January 2024	
Final date evidence of implementation can be accepted from BCA:						5 April 2024	
PLAN OF ACTION <i>(To be provided by BCA)</i>							
<p>Review and rewrite the procedure to adequately describe the following:</p> <ul style="list-style-type: none"> • Whether a responsible authority would be advised • The prescribed form, timeframe or whether the owner is required to notify the TA when work is completed. • The circumstances for when a NTF would be issued. 							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
Provide a copy of the updated procedure							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
26/02/2024 IANZ AW	The amended procedure provided is accepted as evidence to clear this GNC.						
NON COMPLIANCE CLEARED							
Signed: 					Date: 26 February 2024		

Regulation 7(2)(g) Customer inquiries	
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for receiving and managing customer inquiries about building control functions in accordance with Regulation 7(2)(g).</p> <p>Inquiries were received and responded to when received and within 5 days.</p>	


Regulation 7(2)(h) Customer complaints	
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure for receiving and managing customer complaints about building control functions. However, the complaints policy on the Council’s website stated that the BCA would respond to complaints within 48 hours and clear complaints within 20 working days, but the procedure referred to a “Standard 5 days response time”.</p> <p>This issue was raised as GNC 9 and resolved during the assessment by the BCA amending the procedure.</p> <p>The BCA was seen to be recording and tracking any complaints it received and responding within the nominated timeframes.</p>	

Regulation 8(1) Forecasting workflow	
Observations and comments, including good practice and performance	
<p>The BCA had documented its procedure to forecast its workflow, however, the procedure stated that the BCA team met weekly and monthly, but they were actually meeting fortnightly and quarterly.</p> <p>This issue was raised as GNC 10 and resolved during the assessment by the BCA amending the procedure.</p> <p>The BCA was not implementing the procedure as originally documented however, it held good records of recent fortnightly and quarterly meetings as per the amended procedure, so no finding was made,</p>	

Regulation 8(2) Identifying and addressing capacity and capability needs	
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented its procedure for identifying and addressing its capacity and capability needs. However, the BCA’s statistics showed that the BCA was not meeting building consent timeframes. While this could be because Ozone and GoGet were not “talking” to each other, the BCA did not hold sufficient records of actions taken to address the shortfall.</p> <p>GNC 11</p>	

General Non-compliance No. 11: Action Plan accepted Cleared 31/03/2024

Breach of requirement:	Regulation 8(2)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input checked="" type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)

FINDING DETAILS	
<p>The BCA's statistics showed that the BCA was not meeting building consent timeframes. While this could be because Ozone and GoGet were not "talking" to each other, the BCA did not hold sufficient records of actions taken to address the identified shortfall.</p>	
IMPORTANT DATES	
Date this action plan was accepted by IANZ:	25 January 2024
Final date evidence of implementation can be accepted from BCA:	5 April 2024
PLAN OF ACTION <i>(To be provided by BCA)</i>	
<p>Once the Goget upgrade has taken place and the updated integration between Goget and ozone is working, start running weekly reports to show that timeframes are being monitored appropriately. Record any consents which did not meet timeframes in the Building Team Meeting minutes where the actions taken to address the issue have been recorded.</p>	
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>	
<p>Provide 4 weeks' worth of reports showing how timeframes are being monitored and 2 x meeting minutes showing any consents not meeting timeframes have been identified and what actions to address the issue has been recorded.</p>	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
25/01/2024 IANZ AW	Action plan accepted however please ensure that evidence of implementing the desired action is also provided.
27/03/2024 BCA AL	Attached are 4 weeks reports from both GoGet and Ozone now showing them aligning along with a months worth of meeting minutes (2 meetings as they are held fortnightly) All of our stats are within the required timeframes as noted by the figures and the percentages but there is a section in the meeting minutes to note and discuss any which would go over timeframes in the future.
31/3/2024 IANZ AW	Evidence reviewed and accepted.
NON COMPLIANCE CLEARED	
Signed: 	Date: 31 March 2024

Regulation 9	Allocating work
Observations and comments, including good practice and performance	
<p>The BCA had documented a procedure to allocate work, however, the procedure did not describe the system that they used to allocate work (using NCAS to categorise work and allocating to employees and contractors on the skills matrix with competence for that building category). This was raised as GNC 12 and resolved during the assessment by the BCA updating their procedure.</p> <p>The BCA was seen to be appropriately allocating work to its employees and contractors.</p>	

Regulation 10(1)	Assessing prospective employees
Observations and comments, including good practice and performance	

The BCA had appropriately documented its procedure for establishing the competence of a person who applied to it for employment as an employee performing building control functions in accordance with Regulation 10(1).

There had been no new employees since last assessment.

Regulation 10(2) Assessing employees performing building control functions

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for assessing annually (or more frequently) the competence of its employees performing building control functions in accordance with Regulation 10(2).

All competence assessments had been undertaken within the required time period and records maintained in the BCA's system.

Regulation 10(3)(a) to (f) Competence assessment system

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure which specified the technical requirements for a competence assessment system. The competence assessments were generally found to be appropriate and to record an appropriate level of detail, as per the National Building Consent Authority Competency Assessment System (NCAS), some of the BCA's competency assessments did not adequately cover the following:

- 10.3(a) The candidate's knowledge and understanding of the Building Act, Regulations and Building Code. (*Quoting sections of the Act does not provide sufficient reasons for decision*).
- 10.3(d)(iii) Ability to issue building consent.
- 10.3(f) Contractor's ability to comply with the BCA' Quality Management System.

See GNC 13


The BCA's skills matrix did not accurately depict all staff / contractors and / or competency levels. **This issue was raised as part of GNC 13** and resolved during the assessment by providing an updated skills matrix.

General Non-compliance No. 13: Action Plan accepted Cleared Recommendation 07/04/2024

Breach of requirement:	Regulation 10(3)(a) to (f)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input checked="" type="checkbox"/> 6(b)	<input checked="" type="checkbox"/> 6(c)	<input checked="" type="checkbox"/> 6(d)
FINDING DETAILS							
<p>Some of the BCA's competency assessments did not adequately cover:</p> <ul style="list-style-type: none"> • 10(3)(a) The candidate's knowledge and understanding of the Building Act, Regulations and Building Code. (<i>Quoting sections of the Act does not provide sufficient reasons for decision</i>). • 10(3)(d)(iii) Ability to issue building consent. • 10(3)(f) Contractor's ability to comply with the BCA' Quality Management System. 							
IMPORTANT DATES							

Date this action plan was accepted by IANZ:	25 January 2024
Final date evidence of implementation can be accepted from BCA:	5 April 2024
PLAN OF ACTION <i>(To be provided by BCA)</i>	
<p>The competency assessments looked at during the assessments have been re-done to adequately cover the below points:</p> <ul style="list-style-type: none"> • 10(3)(a) The candidate's knowledge and understanding of the Building Act, Regulations and Building Code. <i>(Quoting sections of the Act does not provide sufficient reasons for decision).</i> • 10(3)(d)(iii) Ability to issue building consent. • 10(3)(f) Contractor's ability to comply with the BCA' Quality Management System. 	
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>	
Provide 2 x competency assessments, one each for BCO's of different competency levels showing how the above points have been integrated appropriately.	
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:	
25/01/2024 IANZ AW	Action plan accepted but note that further examples may be required to clear the GNC.
27/03/2024 BCA AL	<p>I have attached 2 examples of update competency assessments to cover off the specific items below....</p> <p>The competency assessments looked at during the assessments have been re-done to adequately cover the below points:</p> <ul style="list-style-type: none"> • 10(3)(a) The candidate's knowledge and understanding of the Building Act, Regulations and Building Code. <i>(Quoting sections of the Act does not provide sufficient reasons for decision).</i> See highlighted section in Ken Buckley's assessment. • 10(3)(d)(iii) Ability to issue building consent. See highlighted section in Grant Hyde's assessment. • 10(3)(f) Contractor's ability to comply with the BCA' Quality Management System. See highlighted section in Grant Hyde's assessment.
31/3/2024 IANZ AW	<p>Part 1</p> <p>It is noted that the Part 1 of the provided Competence assessment does not provide the agreement between the assessor and assessee. Where is this agreement recorded? (It not in the Part 1, it could possibly be in the email that accompanied the acceptance of the planned information, depending on what the BCA's procedure says i.e. is NCAS to be followed fully or is there a variation being applied here?)</p> <p>10(3)(a) The candidate's knowledge and understanding of the Building Act, Regulations and Building Code. <i>(Quoting sections of the Act does not provide sufficient reasons for decision).</i> See highlighted section in Ken Buckley's assessment. Accepted</p> <p>10(3)(d)(iii) Ability to issue building consent. See highlighted section in Grant Hyde's assessment. Our understanding was that Grant was working for Opotiki District Council and was making the decision to grant building consent. The competence assessments states that he doesn't do this. Please clarify who makes the decision to grant when Grant processes consents for Opotiki. Does he make a recommendation to grant and then someone else makes the decision to grant based on his recommendation? Please provide an example to demonstrate how this works.</p> <p>3/4/2024 BCA sent an amended Competence assessment that now states: <i>We have sighted evidence of a Form 5 in Opotiki's system - This demonstrates he is able to review consents and associated information -and makes a recommendation, generally with the Statement "I am satisfied, on reasonable grounds, that if built in accordance with the plans and specifications reviewed in completing this checklist, the building would comply with the building code". This process is consistent with the legal requirement of</i></p>

	<p>S49 of the Building Act 2004. Grant has submitted evidence of having: (1) Checked required advice notes, (2)Checked required inspections, (3) Checked conditions to be included on consent, (4) Checked required construction monitoring and PS3'srequired for CCC's and (5) Checked required attachments. And issues the Form 5.</p> <p>And 2/04/2024 The evidence provided and supported by Grants experience across many BCA's verifies that where required by the BCA quality system, Grant has the appropriate knowledge and understanding to not only make the recommendation to grant a building consent or a Code compliance certificate, he also has the appropriate skill and knowledge to make the decision to grant.</p> <p>10(3)(f) Contractor's ability to comply with the BCA' Quality Management System. See highlighted section in Grant Hyde's assessment. Part of the assessment refers to the work Grant completes for the BCA : "He is processing and inspecting in various council BCA's (Queenstown Lakes District Council, Opotiki District Council, Christchurch City Council and Otorohanga District Council) following their processing and inspections systems and guidelines in accordance with their quality management systems accessed through STL's BOX system." This does not provide evidence of the work that was assessed to determine that Grant was following the BCA's system. In order to be able to assess the provided information please clarify whether Grant is doing work (processing and inspections) within the BCA's quality system or fully within the AOB's system. Perhaps provide the section from the contract that clarifies this?</p> <p>3/4/2024 BCA sent an amended Competence assessment that now states: 2/04/2024 The evidence provided for this review was for inspections carried out in Otorohanga and Queenstown Lakes District Councils, and Processing carried out for Otorohanga and Ashburton District Councils, this has verified that Grant is following the systems, policies and procedures for Reg 7(d) for the BCA's that he is working in. As Building Manager for Opotiki District Council he has a working knowledge of the Opotiki BCA quality management systems, policies and procedures across all work streams. If Grant is required to work within additional BCA's to those listed in this assessment, he would be required to complete a BCA induction and confirm that he has read and understood the BCA quality management system policies and procedures, and this would be recorded in both the STL DMS for that BCA and in Grants CPD / Training Log.</p> <p>Information will be sent to TE to review once the above questions have been responded to.</p>
<p>3/4/2024 BCA AL</p>	<p>I have reattached Grants competency with highlighted areas which address points 2 and 3 of your RFI. Point 1 about the acknowledgment is captured in an email which I have also attached. Moving forward we are looking to update the Building Competency NZ system to include a signature on Part 1 as well as the end.</p>
<p>4/4/2024 IANZ AW</p>	<p>Information sent to TE to review</p>
<p>6/4/2024 IANZ AW</p>	<p>There was a typo in the assessment findings and report regarding 10(3)(a) as the request information related to 10(3)(c). As the requirement is not appropriately specified in the GNC, this will be cleared. Please ensure that it is addressed for future competence assessments.</p> <p>10.(3)(d)(iii) OK 10(3)(f) OK GNC cleared.</p>
<p>NON COMPLIANCE CLEARED</p>	

Signed: 	Date: 7 April 2024
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Regulation 11(1) The training system
Observations and comments, including good practice and performance
The BCA had developed a training system in accordance with Regulation 11(1)

Regulation 11(2)(a) Making annual (or more frequent) training needs assessments
Observations and comments, including good practice and performance
The BCA had appropriately documented its procedure for making annual (or more frequent) training needs assessments in accordance with Regulation 11(2)(a).

Regulation 11(2)(b) Preparing training plans that specify the training outcomes required
Observations and comments, including good practice and performance
<p>The BCA had documented its procedure for preparing training plans that specified the training outcomes required in accordance with Regulation 11(2)(b).</p> <p>While the procedure was seen to be generally appropriate, it was noted that it referred to both saving training records in Laserfiche and Objective. The BCA is recommended to remove the sentence with the old reference to Laserfiche.</p> <p>See Recommendation R5</p> <p>The training procedure stated that records of experience would be kept in the individual's training folders, but these were actually recorded in competence assessments, with only certificates and qualifications saved in individual folders. The BCA is recommended to amend the procedure.</p> <p>See Recommendation R6</p>

Regulation 11(2)(c) Ensuring that employees receive the training agreed for them
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for ensuring that employees received the training agreed for them in accordance with Regulation 11(2)(c).</p> <p>Good records of ensuring that training was delivered as planned were recorded in training plans.</p>

Regulation 11(2)(d) Monitoring and reviewing employees' application of the training they have received, including by observing relevant activities
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for monitoring and reviewing employees' application of the training they had received, including by observing relevant activities, in accordance with Regulation 11(2)(d).</p> <p>Good records of monitoring and reviewing of the application of training was seen to be recorded in training plans.</p>

Regulation 11(2)(e) Supervising employees doing a technical job under training
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure to supervise its employees doing a technical job under training in accordance with Regulation 11(2)(e).</p> <p>Although some questions were asked regarding how supervision was carried out when there was no supervisor on site, the BCA was able to demonstrate that appropriate supervision, both direct and indirect, had been undertaken as required.</p>

Regulation 11(2)(f) Recording employees' qualifications, experience and training
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for recording employees' qualifications, experience, and training in accordance with Regulation 11(2)(f).</p> <p>Qualifications and training were recorded in training plans. Experience was seen to be recorded as part of Competence Assessments.</p>

Regulation 11(2)(g) Recording continuing training information
Observations and comments, including good practice and performance
<p>The BCA had appropriately documented its procedure for recording continuing training information in accordance with Regulation 11(2)(g).</p> <p>Good records of continuous professional development were seen to be maintained for all employees performing a building control function.</p>

Regulation 12(1) A system for choosing and using contractors to perform its building control functions
Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for choosing and using contractors to perform its building control functions in accordance with Regulation 12(1).

The BCA held a number of contracts with contractors providing building control function services to the BCA.

Regulation 12(2)(a) Establishing contractors' competence

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure to establish contractors' competence in accordance with Regulation 12(2)(a).

The BCA established the competence of its main contractors by relying on their accreditation status. Contractor competence was recorded on the skills matrix (although one person was originally missing from the matrix he was added during the assessment).

Regulation 12(2)(b) Engaging contractors

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for engaging contractors in accordance with Regulation 12(2)(b).

The BCA had only documented a brief procedure for engaging contractors. This was in the process of being updated to include the person responsible and the process to follow.

This was raised as GNC 14 and resolved during the assessment when the procedure was updated.

There were no contractors that had been recently engaged so implementation of the procedure could not be reviewed.

Regulation 12(2)(c) Making written or electronic agreements with contractors

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for making written or electronic agreements with contractors, in accordance with Regulation 12(2)(c).

It was noted that two of the contracts were well expired. These were not currently being used but one contractor had been called on after the recorded expiration date. The BCA is recommended to check the currency of contracts before allocating any work to a contractor.

See Recommendation R7

Regulation 12(2)(d) Recording contractors' qualifications

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for recording contractors' qualifications in accordance with Regulation 12(2)(d).

Regulation 12(2)(e) Monitoring and reviewing contractors' performance

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for monitoring and reviewing contractors' performance in accordance with Regulation 12(2)(e).

One contract required the contractor to provide a number of documents, including the accreditation report, as part of an annual review however, it appeared this had not occurred. It is recommended that the next review is specific regarding each of the required performance items and that any documents required under the contract are provided and considered during the contractor performance review.

See Recommendation R8

Regulation 12(2)(f) Annually (or more frequently) assessing contractors' competence

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for annually (or more frequently) assessing contractors' competence in accordance with Regulation 12(2)(f).

The BCA held appropriate records of competence assessment for its contractors.

Regulation 13(a) Identifying employees and contractors who are competent to provide technical leadership

Observations and comments, including good practice and performance

The BCA had documented its procedure for identifying employees and contractors who were competent to provide technical leadership. However, the BCA's procedure did not discuss how evidence would be collected or assessed for Technical Leaders. The BCA's procedure stated that technical leadership would be provided by Western Bay of Plenty BCA whereas it was currently provided in house.

This was raised as GNC 15 and resolved during the assessment by amending the procedure.

The BCA had identified appropriate technical leaders.

Regulation 13(b) Giving the employees and contractors the powers and authorities to enable them to provide the leadership

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for giving its employees and contractors powers and authorities to enable them to provide technical leadership in accordance with Regulation 13(b).

Technical leaders were delegated powers and authorities as required to undertake their building

control functions.

Regulation 14 Ensuring necessary (technical) resources

Observations and comments, including good practice and performance

The BCA had documented its procedure for ensuring that it had appropriate and sufficient technical resources to perform its building control functions however, the BCA had not detailed its procedure for calibration of thermometers. The acceptable tolerance allowed between the reference thermometer and the test thermometer was not provided. The allowable tolerance for Moisture meters was $\pm 2\%$ tolerance which was twice the manufacturer's recommendation. No reason for the difference had been documented.

These issues were raised as part of GNC 16 and resolved during the assessment by amending the procedure.

Calibration results were not recorded as per the Guidance and thermometers had not been calibrated monthly as per procedure.

These issues were raised as part of GNC 16 and resolved during the assessment by amending the procedure to reflect the current calibration frequency and amending the calibration results format.

Photos of moisture meters being tested showed that the meters were displaying a reading "at risk". The BCA is advised to investigate what "at risk" means in relation to moisture meter readings.

See Advisory Note A3

Regulation 15(1)(a) A building consent authority must record its organisational structure

Observations and comments, including good practice and performance

The BCA had appropriately documented its internal organisational structure in accordance with Regulation 15(1)(a).

Regulation 15(1)(b) A building consent must record in the structure its reporting lines and relationships with external parties

Observations and comments, including good practice and performance

The BCA had indicated in a chart some relationships the authority had with external organisations; however, the document did not clearly document the reporting lines and accountabilities with the external organisation.

This was raised as GNC 17 and resolved during the assessment by amending the external organisation diagram.

Regulation 15(2) A building consent authority must record roles, responsibilities, powers, authorities and any limitation on powers and authorities

Observations and comments, including good practice and performance

The BCA had documented the roles, responsibilities, powers, authorities and any limitation on powers

and authorities for its employees and contractors performing building control functions, in accordance with Regulation 15(2).

The BCO job description did not include a requirement for a BCO to hold a qualification, be enrolled for a qualification, be working towards, or to be exempt. The BCA is recommended to add this to the Job Description for any new BCOs.

See Recommendation R9

Regulation 16(1) A system for giving every application for a building consent its own uniquely identified file

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for allocating every application for building consent and building consent amendment its own unique identification in accordance with Regulation 16(1).

Building consents were given a 4-digit number, with amendments receiving a-1, -2 etc. suffix. Staged building work received individual building consent numbers for each stage.

Regulation 16(2)(a) System for ensuring that all information relevant to an application for a building consent is put on the application's file

Observations and comments, including good practice and performance

The BCA had documented its procedure for ensuring that all information relevant to an application for a building consent was put on the application's file in accordance with Regulation 16(2)(a).

While the system for putting relevant information on the application's file was seen to be appropriate, the BCA is recommended to clarify in its procedure where the address for services of third parties performing building control functions on its behalf would be recorded.

See Recommendation R10

Regulation 16(2)(b) System for ensuring that all information relevant to an application for a building consent is kept in a way that makes it readily accessible and retrievable

Observations and comments, including good practice and performance

While the BCA had not documented a procedure for ensuring that all information relevant to an application for a building consent was kept in a way that made it readily accessible and retrievable the Council's IT department were seen to have robust processes in place.

All required building consent files were able to be located during the assessment.

Regulation 16(2)(c) System for ensuring that all information relevant to an application for a building consent is stored securely

Observations and comments, including good practice and performance

While the BCA had not documented a procedure for ensuring that all information relevant to an application for a building consent was stored securely, the Council's IT department were seen to have a robust process in place for ensuring that files were secure, and that employees and contractors received training as required.

Regulation 17(1) A quality assurance system that covers management and operations and covers the policies, procedures and systems described in regulations 5 to 16 and 18

Observations and comments, including good practice and performance

The BCA had developed a quality assurance system that covered its management and operations. The quality assurance system covered the policies, procedures, and systems described in regulations 5 to 16 and 18.

Where omissions were detected, they have been addressed under their relevant part of this Regulation below.

Regulation 17(2)(b) The policy on quality

Observations and comments, including good practice and performance

The BCA had appropriately documented its quality policy, which included quality objectives, and quality performance indicators for its building control functions at a high level, in accordance with Regulation 17(2)(b).

Regulation 17(2)(d) Regular management reporting and review, including of the quality system

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for reviewing its management system annually (or more frequently) against the expected standards for performance and high-level performance indicators from its quality policy in accordance with Regulation 17(2)(d).

The BCA originally documented that it would undertake fortnightly meetings. The procedure was amended during the assessment to reflect the current practice of having quarterly reviews of the quality system. Although the quarterly meetings addressed the KPIs in general terms, it is suggested that the meeting minutes specifically addresses the headings in the KPIs.

See Advice Note A4

Regulation 17(2)(e) Supporting continuous improvement

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for supporting continuous improvement (CI).


During review of the records the BCA was noted to not fully record the monitoring and evaluation of any action implemented. This was intended to be discussed at team meetings, but the minutes did not fully detail consideration of appropriate monitoring and evaluation.

See GNC 18

There were a number of minor errors/missing data observed in CI records. Examples included the CI form not being fully completed in regard to the CI number and date, the CI information not being saved in Objective, the level of non-compliance not being recorded, an incorrect date being recorded in the spreadsheet, and the CI form not being fully completed in regard to the clearance date. The BCA is reminded to fully complete the CI forms and to save them immediately.

See Recommendation R11

General Non-compliance No. 18: Action Plan accepted See note Cleared 18/03/2024

Breach of requirement:	Regulation 17(2)(e)						
Breach of requirement:	Regulation(s)	<input type="checkbox"/> 5(a)	<input type="checkbox"/> 5(b)	<input checked="" type="checkbox"/> 5(c)	<input type="checkbox"/> 6(b)	<input type="checkbox"/> 6(c)	<input type="checkbox"/> 6(d)
FINDING DETAILS							
The BCA had not fully recorded the monitoring and evaluation of some of the implemented actions. This was intended to be discussed at team meetings, but the minutes did not fully detail consideration of appropriate monitoring and evaluation.							
IMPORTANT DATES							
Date this action plan was accepted by IANZ:					25 January 2024		
Final date evidence of implementation can be accepted from BCA:					5 April 2024		
PLAN OF ACTION <i>(To be provided by BCA)</i>							
Update the meeting minutes template to show how the appropriateness and effectiveness of continuous improvements is being monitored and evaluated.							
PROPOSED EVIDENCE OF IMPLEMENTATION <i>(To be provided by BCA):</i>							
Provide a copy of the new template for the meeting minutes as well as a filled in copy showing how any recent CI's have been monitored and evaluated.							
EVIDENCE OF IMPLEMENTATION AND ANY DISCUSSIONS:							
25/01/2024 IANZ AW	Action plan accepted but note that further examples may be required to clear the GNC.						
16/3/2024 BCA AL	The BCA provided, as per the action plan, a copy of the updated meeting minutes template as well as our most recent example of the meeting we had last week showing the CI section being discussed thoroughly (see highlighted section).						
18/03/2024 IANZ AW	Information as above reviewed and accepted.						
NON COMPLIANCE CLEARED							
Signed: 					Date: 18 March 2024		

Regulation 17(2)(h) Undertaking annual audits

Observations and comments, including good practice and performance

The BCA had documented its procedure for ensuring that an internal audit of every building control

function occurred annually (or more frequently) in accordance with Regulation 17(2)(h). The procedure did not fully meet the requirements as follows:

- The procedure did not require the audit to be submitted to the QA Manager (although many of the audits were undertaken by the QA Manager).
- There was no reference to technical audits. These were separate to the quality system audits but not described in the procedure.
- There was no reference to technical audit sample selection e.g., one sample from each processor/inspector/certifier for each relevant building category.

These issues were raised as GNC 19 and resolved by the BCA by amending the procedure.

Not all audits had been undertaken as the BCA had only started to undertake these according to the plan 6 months ago. As all audits planned for those 6 months had been undertaken this was not raised as a finding however, the expectation is that all audits will be carried out according to the plan and all will have been completed by the next planned assessment.

It is recommended that auditors do not audit their own work.

See Recommendation R12

Regulation 17(2)(i) Identifying and managing conflicts of interest

Observations and comments, including good practice and performance

The BCA had documented its procedure for identifying and managing conflicts of interest, however, the procedure did not provide much information regarding the identification/recording/management of pressures and threats such as pressure from upper management, bribes etc. It is recommended that more detail and perhaps examples are added to the procedure.

See Recommendation R13

Reported conflicts of interest were seen to have been recorded and managed appropriately.

Regulation 17(2)(j) Communicating with internal and external persons

Observations and comments, including good practice and performance

The BCA had documented its procedure in its quality assurance system for communicating with internal and external persons, in accordance with 17(2)(j).

While the procedure was accepted, the BCA is recommended to review the procedure to ensure that each of the required items in the MBIE checksheet are fully documented for each type of communication including to whom matters will be communicated and how the BCA ensures that agreed communications are made.

See Recommendation R14

Regulation 17(3) A quality manager

Observations and comments, including good practice and performance

The BCA had appointed a Quality Manager in its quality assurance system in accordance with Regulation 17(3). The manual did not record the name of the current Quality Manager. The BCA updated the manual during the assessment to reflect the appointment of Alix Lattey as the Quality Manager.

GNC 20 was therefore resolved during the assessment.

Regulation 17(3A) Concerns and complaints about building practitioners

Observations and comments, including good practice and performance

The BCA had documented its procedure to ensure that the BCA considered concerns raised about practitioners and decided whether to make, and made complaints to relevant occupational or professional authorities about practitioners, who were practitioners of or within an occupation or profession in accordance with Regulation 17(3A)(a).

It is recommended that the complaints about practitioners' procedure is amended to clarify when information to support a concern is collected.

See Recommendation R15

Regulation 17(4)(a) A system for ensuring that its employees comply with the authority's quality assurance system

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for ensuring that its employees complied with the authority's quality assurance system.

While there was a record of the latest employee being inducted by the Council however, this record did not include induction into the BCA's quality assurance system. Both the trainer and the new employee reported that training regarding the requirements of the BCA's quality assurance system had been undertaken. It is recommended that the BCA clearly documents all provided training according to its training procedure.

See Recommendation R16

Regulation 17(4)(b) A system for ensuring that its contractors comply with a nominated quality assurance system

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for ensuring that its contractors complied with either the authority's quality assurance system or the contractor's quality assurance system, in accordance with Regulation 17(4)(b).

The contractors were working within the BCA's quality system.

Regulation 17(5)(a) Strategic management reporting and review

Observations and comments, including good practice and performance

The BCA had appropriately documented its system for annually (or more frequently) reviewing its quality assurance system in accordance with Regulation 17(5)(a).

While the procedure did not include a requirement for the BCA to annual assess the appropriateness and effectiveness of its process to review and make changes in its quality assurance system, this was clearly covered by the meeting minutes. A discussion was held regarding the lack of correlation between the MBIE Guidance and Checksheet for this Regulation and MBIE have undertaken to address the apparent difference between the Guidance and Checksheet requirements.

Regulation 17(5)(b) Making appropriate changes in the quality assurance system

Observations and comments, including good practice and performance

The BCA had documented its system for making appropriate changes in the quality assurance system as part of its Continuous Improvement procedure.

Regulation 18(1) Technical qualifications

Observations and comments, including good practice and performance

The BCA had appropriately documented its system for ensuring that each employee and contractor who performed the authority's building control functions by doing a technical job held an appropriate technical qualification or was working towards one (unless exempted from the requirements).

All employees and contractors were recorded as holding an appropriate qualification of to be working towards a qualification.

Regulation 18(3) Technical qualifications

Observations and comments, including good practice and performance

The BCA had appropriately documented its procedure for establishing circumstances of employees and contractors that would make it unreasonable and impractical to require technical qualifications in accordance with Regulation 18(3)(a) and (b).

There were no employees or contractors exempt for the requirements.

SUMMARY OF RECOMMENDATIONS

Recommendations are intended to assist your BCA to maintain compliance with the Regulations. They are **not** conditions for accreditation but a failure to make changes may result in non-compliance with the Regulations in the future.

It is recommended that:

- R1 Regulation 7(2)(d)(v)** The Building consent lapse template letter required applicants to provide a response within 20 working days. As there is no requirement in the Act for an applicant to respond to the BCA within 20 working days (the consent just lapses if work has not started within 12 months after the date of issue) the BCA is recommended to reconsider the wording in its template letters to align with the requirements of the Act.
- R2 Regulation 7(2)(f)** The BCA is recommended to ensure the description of work on CCCs accurately describes the work for which the building consent has been issued.
- R3 Regulation 7(2)(f)** The 23 month CCC notification letter template required the applicant to respond within 20 working days. There is no requirement in law for the applicant to respond within 20 days, so the BCA may wish to reconsider the wording of the letter template.
- R4 Regulation 7(2)(f)** It is recommended that the BCA consider the following to improve their Compliance Schedules:
- Version table on compliance schedules to be completed in more detail explaining what systems are being installed with each building consent particularly where the compliance schedule is amended or involves fit outs.
 - All page numbers are listed e.g., 5/25 pages and descriptions / version numbers are noted in the footer of the document.
 - Reference to interfaced systems is removed if this statement does not apply.
 - Remove reference to NZBC where acceptable solutions are referenced as acceptable solutions are not part of the Building Code but means of meeting the requirements of the code.
- R5 Regulation 11(2)(b)** The training procedure referred to both saving records in Laserfiche and Objective. The BCA is recommended to remove the sentence with the old reference to Laserfiche.
- R6 Regulation 11(2)(b)** The training procedure stated that records of experience would be kept in the individual's training folders, but these were actually recorded in competence assessments, with only certificates and qualifications saved in individual folders. The BCA is recommended to amend the procedure.
- R7 Regulation 12(2)(c)** It was noted that two of the contracts were well expired. These were not being currently being used but one contractor had been called on after the recorded expiration date. The BCA is recommended to check the currency of contracts before allocating any work to a contractor.
- R8 Regulation 12(2)(e)** One contract required the contractor to provide a number of documents, including the accreditation report, as part of an annual review however, it appeared this had not occurred. It is recommended that the next review is specific regarding each of the required performance items and that any documents required under the contract are provided and considered during the contractor performance review.
- R9 Regulation 15(2)** The BCO job description did not include a requirement for a BCO to hold a qualification, be enrolled for a qualification, be working towards, or to be exempt. The BCA is recommended to add this to the Job Description for any new BCOs.
- R10 Regulation 16(2)(a)** The BCA is recommended to clarify in its procedure where the address for services of third parties performing building control functions on its behalf would be recorded.

- R11 Regulation 17(2)(e)** There were a number of minor errors/missing data observed in CI records. The BCA is reminded to fully complete the CI forms and to save them immediately.
- R12 Regulation 17(2)(h)** It is recommended that auditors do not audit their own work.
- R13 Regulation 17(2)(i)** The procedure for identifying and managing conflicts of interest did not provide much information regarding the identification/recording/management of pressures and threats such as pressure from upper management, bribes etc. It is recommended that more detail and perhaps examples are added to the procedure.
- R14 Regulation 17(2)(j)** The BCA is recommended to review the procedure for communications to ensure that each of the required items in the MBIE checksheet are fully documented for each type of communication, including to whom matters will be communicated and how the BCA ensures that agreed communications are made.
- R15 Regulation 17(3A)** It is recommended that the complaints about practitioners' procedure is amended to clarify when information to support a concern is collected.
- R16 Regulation 17(4)(a)** It is recommended that the BCA clearly documents all provided training according to its training procedure, including records of induction into the BCA's systems.

R17 SUMMARY OF ADVISORY NOTES

Advisory notes are intended to assist your BCA to improve compliance with accreditation requirements based on IANZ's experience. They are **not** conditions for accreditation and do not have to be implemented to maintain accreditation.

IANZ advises that:

- A1 Regulation 6A** The BCA had documented its system for notifying the building consent accreditation body and the Ministry of any of the matters listed within Regulation 6A(1) within 20 working days of the matter taking place. While the procedure was considered to be appropriate, the BCA could consider changing the IANZ email contact to bca.info@ianz.govt.nz to allow more efficient notification to the IANZ BCA assessment team.
- A2 Regulation 6A** The 6A Notification procedure included information for BCAs that are not TAs. The BCA could consider removing the information not relevant to the Opotiki District Council BCA.
- A3 Regulation 14** Photos of moisture meters being tested showed that the meters were displaying a reading "at risk". The BCA is advised to investigate what "at risk" means in relation to moisture meter readings.
- A4 Regulation 17(2)(d)** Although the quarterly meetings addressed the Quality Policy KPIs in general terms, it is suggested that the meeting minutes specifically address the headings in the KPIs.

SUMMARY TABLE OF NON-COMPLIANCE

The following table summarises the non-compliance identified with the accreditation requirements in your BCA's accreditation assessment. Where a non-compliance has been identified, a Record of Non-compliance template has been prepared detailing the issue, and to enable you to detail your proposed corrective actions to IANZ. You must update and return a template for each non-compliance identified.

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of Regulation 5/6? Enter "Y" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recommendation	Advisory Note	
6(A)(1)	Choose item.												A1, A2	
6(A)(2)	Choose item.													
Regulation 7														
7(1)	Choose item.													
7(2)(a)	General	GNC 1			Y			No	19/04/2024	13/2/2024				
7(2)(b)	General	GNC 2	Y	Y				Yes		30/11/2023				
7(2)(c)	General	GNC 3	Y	Y				No	19/04/2024	13/2/2023				
7(2)(d)(i)	General	GNC 4	Y	Y				Yes		30/11/2023				
7(2)(d)(ii)	Choose item.													
7(2)(d)(iii)	Choose item.													
7(2)(d)(iv)	General	GNC 5	Y	Y	Y			No	19/04/2024	8/3/2024				
7(2)(d)(v)	General	GNC 6	Y	Y	Y			No	19/04/2024	31/3/2024	R1			
7(2)(e)	General	GNC 7	Y	Y				Yes		30/11/2023				
7(2)(f)	General	GNC 8	Y	Y	Y		Y	No	19/04/2024	5/4/2023	R2, R3, R4			
7(2)(g)	Choose item.													
7(2)(h)	General	GNC 9	Y	Y				Yes		30/11/2023				
Regulation 8														
8(1)	General	GNC 10	Y	Y				Yes		30/11/2023				
8(2)	General	GNC 11			Y		Y	No	19/04/2024	31/3/2024				
Regulation 9														
9	General	GNC 12	Y	Y										
Regulation 10														
10(1)	Choose item.													
10(2)	Choose item.													
10(3)(a)	General	GNC 13			Y	Y	Y	Y	No	19/04/2024	7/4/2024			Regulations 10(3)(a) to (f) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.
10(3)(b)														
10(3)(c)														
10(3)(d)														
10(3)(e)														
10(3)(f)														
Regulation 11														
11(1)	Choose item.													
11(2)(a)	Choose item.													
11(2)(b)	Choose item.										R5, R6			
11(2)(c)	Choose item.													
11(2)(d)	Choose item.													
11(2)(e)	Choose item.													
11(2)(f)	Choose item.													
11(2)(g)	Choose item.													
Regulation 12														
12(1)	Choose item.													

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of Regulation 5/6? Enter "Y" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recommendation	Advisory Note	
12(2)(a)	Choose item.													
12(2)(b)	General	GNC 14	Y	Y				Yes		30/11/2023				
12(2)(c)	Choose item.										R7			
12(2)(d)	Choose item.													
12(2)(e)	Choose item.										R8			
12(2)(f)	Choose item.													
Regulation 13														
13(a)	General	GNC 15	Y	Y				Yes		30/11/2023				
13(b)	Choose item.													
Regulation 14														
14	General	GNC 16	Y	Y	Y			Yes		30/11/2023		A3		
Regulation 15														
15(1)(a)	Choose item.													
15(1)(b)	General	GNC 17			Y			Yes		30/11/2023				
15(2)	Choose item.										R9			
Regulation 16														
16(1)	Choose item.													
16(2)(a)	Choose item.										R10			
16(2)(b)	Choose item.													
16(2)(c)	Choose item.													
Regulation 17														
17(1)	Choose item.													
17(2)(a)	Choose item.													
17(2)(b)	Choose item.													
17(2)(c)	Choose item.													
17(2)(d)	Choose item.											A4		
17(2)(e)	General	GNC 18			Y			No	19/04/2024	18/3/2024	R11			
17(2)(h)	General	GNC 19	Y	Y				Yes		30/11/2023	R12			
17(2)(i)	Choose item.										R13			
17(2)(j)	Choose item.										R14			
17(3)	General	GNC 20	Y	Y				Yes		30/11/2023				
17(3A)(a)	Choose item.										R15		Explanatory Note: Regulations 17(3A)(a) to (c) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.	
17(3A)(b)														
17(3A)(c)														
17(4)(a)	Choose item.										R16			
17(4)(b)	Choose item.													
17(5)(a)	Choose item.													
17(5)(b)	Choose item.													
Regulation 18														
18(1)	Choose item.													
18(3)(a)	Choose item.												Explanatory Note: Regulations 18(3)(a) and (b) is considered as ONE GNC only regardless of which sub regulation(s) the GNC(s) are applied to.	
18(3)(b)														

RISK AND ASSURANCE REPORT

Date : 24 April 2024
To : Risk and Assurance Committee Meeting, 6 May 2024
From : Group Manager Finance and Corporate Services, Peter Bridgwater
Subject : **IT SECURITY WORKPLAN UPDATE**
File ID : A1222955

EXECUTIVE SUMMARY

- On 11 December 2023 the Risk and Assurance Committee received a report on the Information Risk and Security Review undertaken by IT security specialist, Theta. This review identified 62 issues as warranting attention; 22 are serious, 25 moderate, and 15 low risk.
- At the 11 December 2023 meeting, the Committee directed staff to report back with a workplan to address these risks, including associated timelines.
- This report provides an update on the progress of the developing the workplan, and highlights the consideration required around Council's IT security risk profile.

RECOMMENDATIONS

- 1) **That the report titled "IT Security Workplan Update" be received.**
- 2) **That the Committee provide direction on the acceptability of the organisation's unaddressed risks within this report.**

PURPOSE

1. This report provides an update on the development of an IT Security Workplan, and highlights considerations around Council's unaddressed risks due to under-resourcing in this area.

STRATEGIC ALIGNMENT

2. The matters detailed in this report relate to the following priorities from Opōtiki District Council's Long Term Plan 2021-2031:
 - Development and protection of the natural environment.
 - Services and facilities meet our needs.

- Fair and efficient leadership.
- A strong and effective community spirit.
- Purposeful work and learning opportunities.
- Development supports the community.
- Culture and history are treasured.

TOTAL ASSURANCE

3. Ōpōtiki District Council recognises that there are many factors that contribute to assurance. The



matters contained in this report relate closely to the following factors of assurance.

Elements of Assurance			
Business Continuity Management	Internal Audit	Quality Assurance/ Quality Standards & Compliance	Portfolio/ Programme/ Project office
Other Independent audit/ review	External Audit	IT Assurance	Investigation
Legislative Compliance	Large Project Assurance	Probity Assurance	Risk Management

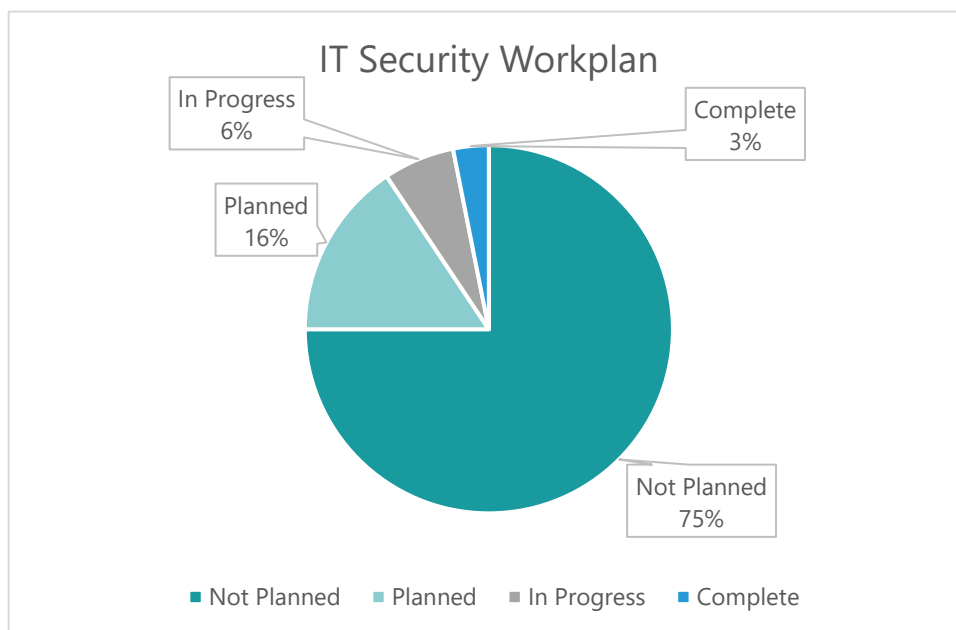
BACKGROUND

4. In 2023 Council engaged an IT security specialist, Theta, to undertake a review of Council's security environment. This report was presented to the Risk and Assurance Committee on 11 December 2023.
5. The review from Theta identified significant areas of risk and improvement for Council's information technology governance and security. A total of 62 issues were identified as warranting attention, categorised into governance and technical risks; 22 were considered serious risk and priority, 25 moderate, and 15 low.
6. The review assessed that resourcing was a critical issue, stating specifically that "addressing current gaps and then maintaining an acceptable security posture will require more resources than ODC is currently applying."
7. At the 11 December 2023 meeting, the Committee directed staff to investigate a workplan addressing the issues and risks outlined in the Theta review.

DISCUSSION

8. Staff have begun work to pull together an IT Security Workplan. Crucially, this workplan addresses only the most critical risks identified in the Theta review. There remains a significant number of high-risk issues which are not planned to be addressed as the current resourcing in this area is not adequate to do so.
9. The budgets being established for the 2024-34 Long Term Plan do not include additional resources in this area, as per direction from Councillors. As such, there is no additional resources allocated or planned to be allocated in this area of the organisation. This means the unaddressed risks are planned to remain unaddressed for the foreseeable future.
10. Of the 62 issues identified in the Theta review, staff have identified 32 (from the serious and moderate risk level) for inclusion in the workplan based on the severity of their risk level. However, based on the resourcing available in this area of the organisation, 75% (24 key issues) of this workplan is not currently planned to be addressed. This is in addition to the 30 low-to-moderate risk issues which are not included in the workplan.
11. The 75% of issues planned to remain unaddressed is included in the workplan in acknowledgement of the severity of their risk level. However, with current resources available and no planned additional resource, they cannot be attended to.
12. 16% (5) of the 32 issues in the workplan are planned to be addressed. 6% (2) of the issues have work currently in progress, and 3% (1) have been completed.

13. This is visualised below.



14. Work to produce a more detailed and realised workplan is underway and is intended to be presented to the Committee at the next Risk and Assurance Committee meeting, currently scheduled for 8 July 2024. It is intended that this update will have an initial analysis of the quantification of risk that Council is carrying.

15. A result of this Theta review and IT Security Workplan is an acknowledgement of Council's IT security risk profile, a significant portion of which is planned to remain unaddressed. Without further resourcing allocation directed by Council, this risk profile will not change. This report seeks direction on the acceptability of the organisation's position relating to IT security risk.

Financial/budget considerations

16. As identified in the Information Risk and Security Review from Theta, Council's current resourcing is not adequate to establish and maintain acceptable security controls.

17. The 2024-34 Long Term Plan is in development and at this stage no additional resourcing or budget have been allocated for this item.

Policy and planning implications

18. The review from Theta assessed Council's policy maturity to be between level 1 and 2; a mixture of policies being overdue for review and lack of policies where they would be beneficial.

19. It is considered the Policy Review Cycle, adopted by Council on 19 March 2024, will work to gradually address this consideration alongside the work discussed in this report.

Impact on mana whenua

20. There are no identified impacts on mana whenua.

Climate impact considerations

21. There are no climate considerations.

Risks

22. There are significant risks in relation to the matters discussed in this report, including privacy, security, and legal risks. For details of specific risks see the Information Risk and Security Review from Theta. Additionally, a more comprehensive workplan will be brought to the Risk and Assurance Committee at the 8 July 2024 meeting.

23. Although this initial workplan has been developed, there are many risks not planned to be addressed. In addition, multiple risks included in the workplan are only being addressed at the minimal level. These are both due to resourcing constraints and result in Council being exposed to a high-risk profile for an extended period of time.

24. It is thought this may be outside of Council's appetite for risk and direction on this is sought.

Community wellbeing considerations

25. The purpose of Local Government includes promotion of social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four well-beings').

26. The subject matter of this report has been evaluated in terms of the four well-beings during the process of developing this report as outlined below.

Social, Economic, and Environmental

27. The matters in this report inform the social, economic, and environmental well-beings as the risks identified in the Theta review relate primarily to these areas.

CONCLUSION

28. On 11 December 2023 the Risk and Assurance Committee received a report on the Information Risk and Security Review undertaken by IT security specialist, Theta. This report identified 62 issues as warranting attention; 22 are serious, 25 moderate, and 15 low risk.

29. At the 11 December 2023 meeting, the Committee directed staff to report back with a workplan to address these risks, including associated timelines.

30. This report provides an update on the progress of the developing the workplan, and highlights the consideration required around Council's risk profile.

Peter Bridgwater

GROUP MANAGER FINANCE AND CORPORATE SERVICES

RISK AND ASSURANCE REPORT

Date : 2 April 2024
To : Risk and Assurance Committee Meeting, 6 May 2024
From : Financial Controllor, Billy Kingi
Subject : **KOHA REPORT**
File ID : A1215353

EXECUTIVE SUMMARY

This purpose of this report is to provide details of Koha payments made from 25 April 2023 to 31 March 2024.

RECOMMENDATION

1. That the report titled "Koha Report" be received.

PURPOSE

The purpose of this report is to provide details to the Audit and Risk Committee of Council, of koha payments made from 25 April 2023 to 31 March 2024.

STRATEGIC ALIGNMENT

The matters detailed in this report relate to the following priorities from Opotiki District Council's Long-Term Plan 2021-2031:

- Development and protection of the natural environment.
- Services and facilities meet our needs.
- Fair and efficient leadership.
- A strong and effective community spirit.
- Purposeful work and learning opportunities.
- Development supports the community.
- Culture and history are treasured.

TOTAL ASSURANCE

Ōpōtiki District Council recognises that there are many factors that contribute to assurance. The matters contained in this report relate closely to the following factors of assurance.



Elements of Assurance			
Business Continuity Management	Internal Audit	Quality Assurance/ Quality Standards & Compliance	Portfolio/ Programme/ Project office
Other Independent audit/ review	External Audit	IT Assurance	Investigation
Legislative Compliance	Large Project Assurance	Probity Assurance	Risk Management

BACKGROUND

Audit New Zealand considers koha to be sensitive expenditure. To ensure transparency of the size of koha and the occasions for giving koha, the Audit and Risk Committee receives regular reports on koha payments made, disclosing the following information:

- The amount of koha
- The purpose of the payment
- The reason or justification for the amount.

There have been the following Koha payments made from 25 April 2023 to 31 March 2024:

Date	Amount (\$)	Details	No. Attendees
17 August 2023	250	Pararaki Marae (Waihau Bay consultation hui)	20
20 December 2023	100	Facilitation of unveiling of carving at Whitikau Reserve	35

Financial/budget considerations

1. Koha payments are authorised by Tier 1 and 2 managers and charged to existing available operational budget of that respective manager.

Policy and Planning Implications

2. The recommendations in this report are consistent with Councils policies and plans.

Impact on mana whenua

3. The recommendation in this report has no specific impact on Mana Whenua.

Climate impact considerations

4. The recommendation in this report has no specific climate impact.

Risks

5. There are no identified risks associated with the recommendations in this report.

Community wellbeing considerations

6. The purpose of Local Government includes the promotion of social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings'). In promoting the four wellbeings, it is incumbent that the Council consider the effective and prudential use of its limited public resources. Having transparency with regards to such sensitive expenditure helps to ensure such transactions are held to public scrutiny.

SIGNIFICANCE AND ENGAGEMENT ASSESSMENT

Assessment of significance

7. On every issue requiring a decision, Council is required to determine how significant a decision is to the community, and what the corresponding level of engagement should be. Council uses the Significance Flowchart in the Significance and Engagement Policy to determine the level of significance.
8. The level of significance related to the decision of the matter in this report is considered to be **low**. Because the decision is determined to have low significance in accordance with the policy, the corresponding level of engagement required is **inform**.

Assessment of engagement

9. As the level of significance has been determined to be **low**, the level of engagement required is **Inform** according to the Engagement Framework of the Significance and Engagement Policy:

INFORM

To provide balanced and objective information to assist understanding about something that is going to happen.

10. The tools that Council will use for the 'Inform' level of engagement include a report in the public agenda of the Risk and Assurance Committee meeting and may include a combination of public notices in the newspaper and/or on Council's social media.

CONCLUSION

This report provides details of koha payments made within the stated period, to ensure such sensitive expenditure is transparent both in quantum, nature and purpose.

Billy Kingi

FINANCIAL CONTROLLER

RESOLUTION TO EXCLUDE THE PUBLIC

Date : 26 April 2024
 To : Risk and Assurance Committee Meeting, 6 May 2024
 From : Chief Executive Officer, Stace Lewer

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

8. Confirmation of In-Committee Minutes – Risk and Assurance Committee meeting 26 February 2024.

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	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
8.	Confirmation of In-Committee Minutes – Risk and Assurance Committee meeting 26 February 2024.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	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 or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

8.	Protect the privacy of natural persons Protect information (commercial sensitivity) Protection from improper pressure or harassment Carry out negotiations Prevent disclosure or use of official information Carry out commercial activities	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(f)(ii) Section 7(2)(i) Section 7(2)(j) Section 7(2)(h)
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