



AGENDA

Meeting of the
Risk and Audit Committee

Wednesday 13 December 2023
commencing at 1.30pm

To be held:
Clocktower Chambers,
Palmerston Street, Westport



CORE COUNCILLOR ROLE AND RESPONSIBILITIES

- The Governance role entails:
- Strategic planning and decision-making;
 - Policy and strategy review;
 - Community leadership and engagement, and stewardship;
 - Setting appropriate levels of service;
 - Maintaining a financially sustainable organisation; and
 - Oversight/scrutiny of Council's performance as one team.

The governance role focusses on the big picture of 'steering the boat' - management's role focusses on 'rowing the boat'

Our commitments to best support each other and meet the challenges and opportunities of 2023 include:

CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

- Actively listening and not interrupting;
- Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);
- Responding/answering in a timely manner; and
- Being honest, reasonable, and transparent.

TRUST AND RESPECT

We recognise that trust and respect must be earned and that a team without trust isn't really a team. Trust can be built by:

- Valuing long-term relationships;
- being honest; honouring commitments; admitting when you're wrong; communicating effectively; being transparent; standing up for what's right; showing people that you care; being helpful; and being vulnerable.

CONTINUOUS LEARNING AND IMPROVEMENT

Continuous learning and improvement are critical for growing together as a team.

We are committed to constantly reviewing what is going well and what needs to improve in relation to the way we work together, the processes we follow, and the outcomes we deliver.

NONE OF US IS AS SMART AS ALL OF US

Risk and Audit Committee

Reports to:	The Council
Chairperson:	Independent Chair - Sharon Roche
Membership:	The Mayor, all Councillors and Māori Representative
Meeting Frequency:	Monthly
Quorum:	A majority of members (including vacancies)

Purpose

The Risk and Audit Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Annual and Long Term Plans.
2. Monitoring Council's interests in its Council Controlled Organisations (CCOs).
3. Reviewing the Council's risk register and associated process for managing current and emerging risk.
4. Ensuring the independence and effectiveness of Council's External and Internal Audit processes.
5. Monitoring existing corporate policies and recommending new or amended policies as required.
6. Ensuring that council policies and practices will prevent unethical, questionable or illegal activities.
7. Providing a communication link between management, internal auditors/external auditors and Council.
8. Supporting measures to improve management performance and internal controls.

In addition to the common delegations (refer appendix attached) the Risk and Audit Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To receive regular reports regarding Council's financial and non-financial performance against Annual and Long Term Plans.
2. To consider reports related to significant expenditure outside of the Annual and Long Term Plans and make appropriate recommendations to Council.
3. To develop and monitor policy related to the following matters:
 - a) Financial management;

- b) Revenue generation;
 - c) Procurement and tendering; and
 - d) The appointment and remuneration of directors and CCOs
4. To monitor the probity of processes relating to policies developed by the Risk and Audit Committee.
 5. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
 6. To receive Quarterly reports of Council's CCOs, including board performance.
 7. To undertake any reviews of CCOs and make appropriate recommendations for approval by Council.
 8. Review CCO requests for major transaction approval and recommend appropriate actions to Council.
 9. To monitor Council's debt and investments to ensure compliance with Council policy.
 10. To monitor the Council's outstanding debtors' positions.
 11. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
 12. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Internal Audit

13. Agree the scope of internal audits.
14. Monitor the delivery of the internal audit work programme and results
15. Assess whether Internal Audit's recommendations have been properly implemented by management.
16. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

Other Matters

17. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks
18. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
19. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
20. Provide an annual review of Council's risk management framework and amend as required.
21. Review and monitor business continuity planning.

The Committee is delegated the following powers:

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.
- The Committee will provide three-monthly reports to Council on its activities with appropriate recommendations.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Chairperson will be an independent appointment, not an elected member, to strengthen the independent nature of the Committee's monitoring responsibility of Council activities.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Chief Financial Officer are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the Committee meetings, as required.
- The Chairperson of the Committee shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies and practice. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the Committee's immediate attention to any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The Chairperson shall present an annual Audit and Risk Self Review to Council summarising the Committee's activities during the year and any related significant results and findings.

Oversight of Policies:

- *Risk Management Framework*
- *Freeholding of Leasehold Land*
- *Revenue and financing*
- *Rates remission*
- *Development and financial contributions*
- *Significance and engagement*
- *Treasury Management*
- *Sensitive Expenditure*

Appendice - Common Delegations

The following delegations from Council are common to the Risk and Audit Committee, the Community, Environment and Services Committee and the Regulatory, Hearings and Planning Committee within their respective areas of responsibility.

General Principal

1. The work of these Committees will be in accordance with the priorities and work programme agreed by the Council.
2. These Committees have the powers necessary to perform the Committee's responsibilities, in accordance with the approved Long Term Plan and Annual Plan budgets. Subject to confirmation of compliance with the financial strategy.

These Committees will:

Strategy, plans and policy

1. Develop and agree to strategies, plans and policies for the purposes of consultation and/or engagement with community.
2. Recommend to Council for adoption.
3. Monitor and review as and when required.

Bylaws

1. Develop and agree to the statement of proposal for new or amended bylaws for consultation.
2. Recommend to Council new or amended bylaws for adoption.

Consultation and engagement

1. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
2. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
3. Conduct hearings, where appropriate, to consider submissions from members of the public and external organisations, making determinations on such matters unless they are reserved for Council to decide.

Submissions and legislation

1. Approve submissions to external bodies/organisations on legislation and proposals, related to the Committee's areas of responsibility, that impact governance policy or matters.
2. Monitor and oversee strategic projects and programmes.
3. Monitor Council's Asset Management Plans/Strategic Infrastructure Plan.

Contracts

1. Approve and monitor contracts and other legally binding arrangements provided that such contracts/arrangements:
 - a) Do not require the approval of the whole of Council; and
 - b) Fall within the budget approved under the Long Term Plan or Annual Plan and have a value exceeding the Chief Executive's financial delegation.

Other

1. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
2. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
3. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
4. Monitor Audit recommendations and ensure completion.

Risk and Audit Committee

Clocktower Chambers,
Palmerston Street, Westport



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RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 1

Prepared by Douglas Marshall
Chief Financial Officer

APOLOGIES

1. REPORT SUMMARY

That the Risk and Audit Committee receive any apologies or requests for leave of absence from elected members.

2. DRAFT RECOMMENDATION

That there are no apologies to be received and no requests for leave of absence.

OR

That the Risk and Audit Committee receive apologies from *name* and accepts *name* request for leave of absence.

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 2

Prepared by Douglas Marshall
Chief Financial Officer

MEMBERS INTEREST

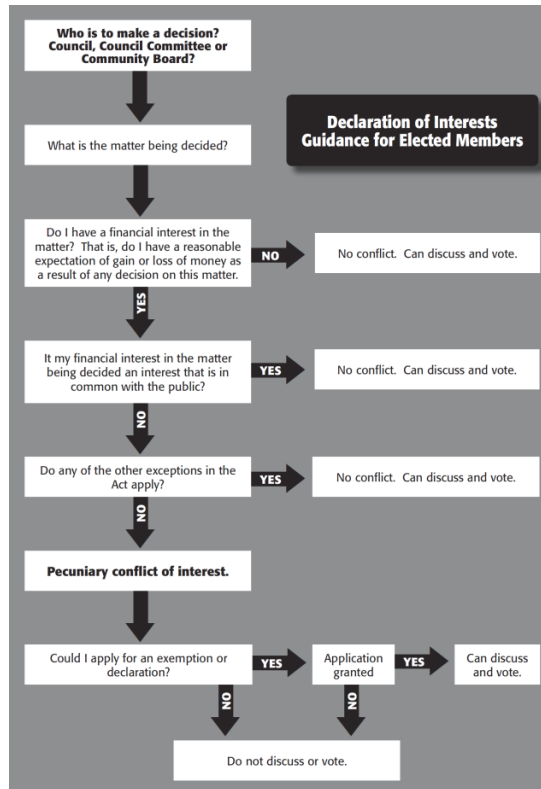
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.

The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).

DRAFT RECOMMENDATION:

That Members disclose any financial or non-financial interest in any of the agenda items.



RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 3

Prepared by Douglas Marshall
Chief Financial Officer

CONFIRMATION OF MINUTES

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive and confirm minutes from the meeting of 15 November 2023.

MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 3.30PM ON WEDNESDAY 15 NOVEMBER 2023 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.

PRESENT: S Roche (Chair), Mayor J Cleine, Councillors P Grafton, J Howard, C Reidy, T O'Keefe, A Pfahlert, G Neylon, L Webb (via Zoom), G Weston.

IN ATTENDANCE: S Gibling (CEO), D Marshall (Chief Financial Officer), L Brooks (Finance Manager), F O'Brien (Manager Information Management), D Venz (Harbourmaster), G Barrell (Governance Secretary)

MEETING DECLARED OPEN AT: 4.12pm

1. APOLOGIES (Page 10)

Discussion:

DM A Basher, Cr R Sampson and N Tauwhare.

Mayor J Cleine will be leaving shortly to attend another Council function in Karamea.

RESOLVED that the Risk and Audit Committee receive apologies from DM A Basher, Cr R Sampson and N Tauwhare. Also accepting that Mayor J Cleine will depart from the meeting early.

Cr G Weston/Cr J Howard
10/10
CARRIED UNANIMOUSLY

2. MEMBERS INTEREST (Page 11)

Discussion:

Nil

RESOLVED that Members disclose any financial or non-financial interest in any of the agenda items.

S Roche/Cr P Grafton
10/10
CARRIED UNANIMOUSLY

3. CONFIRMATION OF MINUTES (Page 12)

Discussion:

A request was made for follow up on items in the PIP update from P Bicknell. D Marshall to find response and circulate to councillors.

A question was raised regarding Action Point 220 - Strategic Risk Register. D Marshall has been unable to secure the services and knowledge of P Rossiter for the Strategic Risk Register (SRR) as he is currently out of the country. Endeavouring to meet with him upon his return.

RESOLVED that the Risk and Audit Committee receive and confirm minutes from the meeting 11 October 2023.

Cr T O'Keefe/Cr P Grafton
10/10
CARRIED UNANIMOUSLY

4. ACTION POINTS (Page 21)

Discussion:

Concern was raised that the SRR report has not been seen for some time. D Marshall advised that workshops are to be run in order to go through each of the risks and update this register. Looking to have the first draft with Councillors by March 2024.

ACTION POINT: D Marshall to bring an update on the register to the December meeting.

ACTION POINT: D Marshall to bring first draft of updated SRR to March RAC.

RESOLVED that the Risk and Audit Committee receive the Action Point Report for information.

Cr G Weston/Cr J Howard
10/10
CARRIED UNANIMOUSLY

5. RAC WORKPLAN REPORT (Page 23)

Discussion:

S Roche advised there are a number of reports that have not been able to make it to this meeting. The following discussion was held.

L Brooks noted that the Westport Airport Authority (WAA) audit work has been done but staff are awaiting the report from the auditors. The adoption will flow through to full Council and will be noted in next year's work plan.

It was noted also that the Business Continuity Plan will come to RAC in December. It is currently in draft form.

There are some timing issues relating to having the Projects in Partnership (PIP) meeting, and then turning around a valuable report in time for the RAC meeting. S Gibling advised that a month has been taken off bringing PIP to RAC to allow for better reporting.

RESOLVED That the Risk and Audit Committee receive the Risk and Audit Workplan report for information.

**Cr A Pfahlert/Cr P Grafton
9/1
Cr C Reidy against
CARRIED UNANIMOUSLY**

Mayor J Cleine departed the meeting at 4.30pm

**6. INFORMATION MANAGEMENT PROJECT - PROGRESS REPORT (Page 25)
Discussion:**

D Marshall spoke to the report and introduced F O'Brien to answer any questions.

S Roche queried how we are capturing the risk around storage of archives and information in the SRR?

F O'Brien advised that there is a possible solution in Shantytown for archive storage. They would store our copies and then as we need them, Shantytown would scan those documents on demand. Digitisation is not viable or practical for everything, but is appropriate for the information you access frequently, like property files and resource consents. It was noted that paper can last far longer than digital records. Digital lifespan of maybe 20 years, due to changes in technology and software whereas paper can last hundreds of years. Important to keep physical records also.

We are legally required to store information according to the Archives NZ standard.

When asked about resourcing and budgeting for the LTP, D Marshall advised that \$40,000 every year going forward is budgeted in Draft LTP. Important to set up for success moving forward, as well as making information available to members of the public who have interest in certain areas.

Disaster recovery plan has been put in place. Looking at the possibility of increasing staff resourcing for this.

ACTION POINT: D Marshall to put IT storage and archiving on SRR for December meeting.

Looking at creating items digitally from now forward. We are not looking to create many paper documents moving forward, however there are certain documents that

do need to be created on paper. We are unable to discard of archives which we are required to keep.

Once we have fully utilised our cloud-based storage, these changes will move forward with the changes to the cloud.

Comment was made that in 2020 record keeping was meant to be put on the SRR. Further that the SRR should be discussed in detail to ensure everyone understands the risks.

S Roche spoke that it was Councillors' responsibility to ensure they read the register and understood for themselves the risks on there. If there was anything that concerned them, they should raise this at meetings.

Clarification was sought regarding the budgets for these.

D Marshall will look to update SRR with F O'Brien to ensure clarity around these issues.

D Marshall to go back through LTPs from the beginning of this project to look at budget allocations.

RESOLVED that the Risk and Audit Committee receive the report for information.

S Roche/Cr P Grafton

9/9

CARRIED UNANIMOUSLY

**7. BULLER DISTRICT COUNCIL MULTI-YEAR PROJECTS FUNDING REPORT
(Page 40)**

Discussion:

L Brooks spoke to her report. This is a sum of total approved budgets. We are required to carry this budget through so the active work can be completed.

S Roche questioned whether withdrawing a particular project completely is something that should be directed to Full Council and not RAC.

D Marshall advised that more full information should go to Council for a final decision however, staff felt it was important to flag this information in Risk and Audit.

S Roche asked that if a recommendation came through to Council from RAC, isn't the decision already made by default through RAC?

L Brooks spoke that if this was put forward to Council to withdraw the prior year budget because it is known that the budget is insufficient due to the project scope changing, this stops spending now. What this allows for is Council to revisit and

re-budget for the project in the Long Term Plan, rather than carrying over a budget which cannot be used.

Cr A Pfahlert left the room at 5.11pm and returned at 5.14pm.

D Marshall advised that some projects may not proceed forward; and we need a carry forward position.

Suggestion that these be workshopped for further discussion. D Marshall advised it is preferred that this be brought to Council before Christmas.

S Roche felt it was not acceptable to stop a project that was consulted in an LTP, then adopted in the Annual Plan, and then remove them now as opposed to waiting to the LTP next year.

The Resolution was amended FROM:

RESOLVED that the Risk and Audit Committee recommend to the Council that the Multi Year Projects Funding Schedule (marked as Attachment 1) as at 1 July 2023 be adopted.

TO:

RESOLVED that the Risk and Audit Committee receive the report for information and discussion; with a full report going to Council with feedback around Brougham House Project being noted.

Cr G Neylon/Cr G Weston
9/9

CARRIED UNANIMOUSLY

8. PORT & DREDGE – SEPTEMBER 2023 OPERATIONS REPORT (Page 54)
Discussion:

Cr C Reidy departed the room at 5.29pm and returned at 5.31pm.

D Venz spoke to his report; noting the training programme that has been approved by Maritime NZ (MNZ) for pilotage.

D Marshall spoke of the work the dredge has been doing recently. He noted that on Page 50, under Borrowings, it may be better read as Funding Provided for Capital and then the Net Borrowings read as Total of Funding Provided for Capital.

Regarding ownership of the land, the question of why we had to borrow to purchase land we already own was asked. D Marshall will check on this and advise.

It was noted that when the dredge completes its NEMA programme in April, it is expected for it to be in a positive position and could support harbour activities.

A question was asked regarding the closed account having \$3.5m in it. Who is funding this? D Marshall advised that despite efforts to not rate this, the ratepayer effectively is funding it in the short term due to council not having that \$ level of cash now on cash deposits and therefore having the harbour account in deficit is an issue until the harbour closed account is back in credit.

RESOLVED that the RAC receive the Port & Dredge operations report as at September 2023 be received for information.

Cr C Reidy/Cr J Howard

9/9

CARRIED UNANIMOUSLY

9. BHL QUARTERLY REPORT (Page 54)

Discussion:

S Roche noted that the information for this report was received after the publication of the agenda.

RESOLVED That the Risk and Audit Committee receives the BHL Group quarterly Financial Report for the period ending September 2023 for information.

Cr C Reidy/Cr P Grafton

9/9

CARRIED UNANIMOUSLY

**10. QUARTERLY PERFORMANCE REPORT TO 30 SEPTEMBER 2023
(Page 74)**

Discussion:

S Roche requested thanks be passed on to N Engelbrecht and L Brooks for the full explanations provided around the financial variances. Also, for the non-financial reporting.

A question was raised regarding the water supplies on Page 66. Seeming to be achieved but that the KPI has been marked as Not Met.

L Brooks advised that the Key Performance Measures apply to all of the supplies, this means full compliance must be met district wide. The large supplies have achieved compliance and the smaller schemes have not met the measure.

RESOLVED that the Risk and Audit Committee receive the Quarterly Report for the three months ended 30 September 2023 for information.

S Roche/Cr T O'Keefe

9/9

CARRIED UNANIMOUSLY

**11. CAPITAL RECEIPTS AND EXPENDITURE REPORT TO SEPTEMBER 2023
(Page 80)**

Discussion:

Regarding Page 70, a question was raised around flood recovery funding and the expenditure of \$19m. Has nothing been capitalised? Are these being cleared as projects are finished?

L Brooks advised that there is still a lot of external funding to come through; specifically, in the roading area. Also, a lot of Tranche 2 NEMA funding. This prediction is a best estimate at this point. Best aligned with PIP report.

D Marshall noted that the wharf repair is a large amount that is still to be done; this is expected around February/March 2024.

L Brooks advised that when a project is completed it is capitalised. This report is a prediction on what more is to flow through for the full year.

There was comment around carry over budget for Westport Plaza on Page 75 and clarification sought around what is Westport Plaza. L Brooks advised this is a name change for the next phase of the project that initially included the Toki bridge, river revitalisation, trails etc.

RESOLVED that the Risk and Audit Committee receive the capital receipts and expenditure report to 30 September 2023 for information.

Cr C Reidy/Cr P Grafton
9/9

CARRIED UNANIMOUSLY

**12. INVESTMENTS AND BORROWINGS – As at 30 SEPTEMBER 2023
(Page 78)**

Discussion:

Comment was made that the net borrowings are increasing. Initially borrowing was to finance future generations; long term assets. Seemingly to be more of a short term option now. This needs to be addressed.

L Brooks advised that the borrowings are for capital projects only. Pages 85 and 86 show the flood recovery only figures from the Westpac loan facility. This is an escalation of the capital works being done for flood recovery and shows our payment, and then the drawdown while we wait for NEMA to pay us. NEMA's turnaround may often not be as quick as we would like, due to their requirement to place their attention on other urgent matters.

D Marshall added that it is often considered what the best option is, being should we break a term deposit or use the short term facility from Westpac? June 2024, after the wharf repair is completed, will be a telling point as to how the flood recovery budget is looking.

It was noted that NEMA will not fund interest costs incurred.

RESOLVED that the Risk and Audit Committee receive the Investments and Borrowings report as at 30 September 2023 for information.

Cr C Reidy/Cr P Grafton
9/9

CARRIED UNANIMOUSLY

13. PUBLIC EXCLUDED REPORT (Page 88)

Discussion:

RESOLVED that the public be excluded from the following parts of the proceedings of this meeting.

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Douglas Marshall - Chief Financial Officer	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.

S Roche/Cr C Reidy
9/9

CARRIED UNANIMOUSLY

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 4

Prepared by Douglas Marshall
Chief Financial Officer

Attachment 1 Action Points

ACTION POINTS

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Action Point report for information.

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:																				
218	16 August 2023 Pump Stations Lifting of pump stations to be added to the Strategic Risk Register	D Marshall	This item will remain on the action point report until it is transferred to the strategic risk register when it is completed in early 2024 calendar year	13 September 2023 11 October 2023 March 2024 RAC																				
227	15 November 2023 Strategic Risk Register D Marshall to bring an update on the register to the December meeting.	D Marshall	A report on the Risk Register update is included in this Agenda	13 December 2023																				
228	15 November 2023 Strategic Risk Register D Marshall to bring first draft of updated SRR to March RAC.	D Marshall		March 2024 RAC																				
229	15 November 2023 Information Management Project D Marshall to go back through LTPs from the beginning of this project to look at budget allocations.	D Marshall	The following information was reported to the 15 February and 22 March 2023 RAC with an update to the November 2023 Committee meeting: <i>The following summary notes the financial position for this important programme of works to improve the council's information management flows. The predominant benefit is moving our paper-based systems to a digital based approach</i> Information Management Programme Financial summary as at 31 December 2022 <table border="1"> <thead> <tr> <th>Financial periods</th> <th>Forecast</th> <th>Actual</th> <th>Budget</th> </tr> </thead> <tbody> <tr> <td>To 30 June 2022</td> <td>\$102,000</td> <td>\$102,000</td> <td>\$328,000</td> </tr> <tr> <td>July 2022 to June 2023</td> <td>\$300,000</td> <td>\$153,000</td> <td>\$219,000</td> </tr> <tr> <td>July 2023 to June 2031</td> <td>\$245,000</td> <td></td> <td>\$100,000</td> </tr> <tr> <td>Total</td> <td>\$647,000</td> <td>\$255,000</td> <td>\$647,000</td> </tr> </tbody> </table>	Financial periods	Forecast	Actual	Budget	To 30 June 2022	\$102,000	\$102,000	\$328,000	July 2022 to June 2023	\$300,000	\$153,000	\$219,000	July 2023 to June 2031	\$245,000		\$100,000	Total	\$647,000	\$255,000	\$647,000	13 December 2023
Financial periods	Forecast	Actual	Budget																					
To 30 June 2022	\$102,000	\$102,000	\$328,000																					
July 2022 to June 2023	\$300,000	\$153,000	\$219,000																					
July 2023 to June 2031	\$245,000		\$100,000																					
Total	\$647,000	\$255,000	\$647,000																					

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
			<i>Mr Marshall to check original intent of IM programme to assure the committee what the original programme of work was. This information will come back to the March 2023 RAC meeting.</i>	

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 5

Prepared by: Douglas Marshall
Chief Financial Officer

Attachments: 1 - RAC Work Plan December 2023
2 – RAC Workplan 2024

RISK AND AUDIT WORK PLAN

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Risk and Audit Work Plan for information.

Risk and Audit Committee
Proposed Programme 2023 Calendar Year

Categories/Reports Proposed	SLT Member	Reporting Officer	December
Risk & Assurance Items			
NZTA Procedural Audit	IS	Manager Infrastructure Delivery	
Ernst & Young Report on BDC's Annual Report and its Preparation	CFO	Finance Manager	
Strategic Risk Register Update	CFO	CFO	
Strategic Risk Framework Review	CFO		
Health and Safety Report Update	CFO	HR	✓ report on agenda
BHL Letter of Expectation	CFO		✓ report on agenda
CCO Statements of Intent	CFO	Finance Manager	
CCO Director Appointments and Remuneration	CFO	Finance Manager	
BHL Quarterly Financials	CFO	Finance Manager	✓ included in Nov agenda
BHL Annual Report	CFO	Finance Manager	Adopt Annual Report - completed at BHL AGM
Westport Airport Authority Financials - 30 June	CFO	Finance Manager	
Westport Airport Authority Financials - Half year	CFO	Finance Manager	
Insurance	CFO	Management Accountant	Finalise - Completed at 1 November Extraordinary Meeting
Review of BDC Created Policy	CFO		
Review of Business Continuity Plan	CFO		
Internal Audits			
Dredge Activities	CFO	Project Accountant	
Harbour Activities	CFO	Project Accountant	
Follow-up on Ernst & Young Matters Raised in Their Annual Report	CFO	Finance Manager	
Monitoring Items			
BDC Quarterly / Half Yearly Financials	CFO	Finance Manager	
BDC Monthly Financial Performance Report	CFO	Financial Accountant	✓ report on agenda
BDC Investments and Borrowings	CFO	Finance Manager	✓ report on agenda
BDC Debtors	CFO	Finance Manager	✓ report on agenda
BDC Capital Receipts and Expenditure	CFO	Financial Accountant	
PIP Report	CEO	CEO	✓ report on agenda
Capital Report Multi-Year Projects			✓ was addressed in RAC November

The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work

Major Financially Based Reports to be Prepared in the 2023 Calendar Year			
Annual Plan			
Long Term Plan			Preparation
BDC Annual Report			Publish Annual Report & Summary Document
Rating Policy Review			
Rating Policy Review			Preparation and review

**Risk and Audit Committee
Proposed Programme 2024 Calendar Year**

ATTACHMENT 2

Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
Risk & Assurance Items													
Ernst & Young Report on BDC's Annual Report and its Preparation	CFO	Finance Manager		✓									
Strategic Risk Register Update	CFO	CFO			✓			✓			✓		✓
Strategic Risk Framework Review	CFO	CFO								✓			
Health and Safety Report Update	CFO	HR		✓			✓			✓			✓
BHL Letter of Expectation	CFO												✓
CCO Statements of Intent	CFO	Finance Manager		Draft				Final					
CCO Director Appointments and Remuneration	CFO	Finance Manager			Review Appointments and remuneration levels								
CCO Exemption Paper (required every 3 years)	CFO	Finance Manager	✓										
BHL Quarterly Financials	CFO	Finance Manager	✓			✓						✓	
BHL Annual Report. (adopt is required under law by 30 Sept each year)	CFO	Finance Manager								✓			
Westport Airport Authority Financials - 30 June	CFO	Finance Manager								✓			
Westport Airport Authority Financials - Half year	CFO	Finance Manager		✓						✓			
Insurance	CFO	Management Accountant						Insurance Update Report		Insurance Update Report		Finalise	
Review of Procurement Policy	IS	Manager Infrastructure Delivery			✓								
Review of BDC Created Policy	CFO	CFO				✓						✓	
Review of Business Continuity Plan	CFO	CFO	✓										
LOGIMA report	CEO	CEO	✓		✓			✓			✓		
Internal Audits													
Dredge Activities	CFO	Project Accountant	✓			✓			✓			✓	
Harbour Activities	CFO	Project Accountant				✓			✓			✓	
Follow-up on Ernst & Young Matters Raised in Their Annual Report	CFO	Finance Manager			EY Closing Report	✓		✓		✓			
Monitoring Items													
BDC Quarterly / Half Yearly Financials	CFO	Finance Manager	✓			✓						✓	
BDC Monthly Financial Performance Report	CFO	Financial Accountant		✓	✓		✓	✓		✓	✓		✓
BDC Investments and Borrowings	CFO	Finance Manager	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BDC Debtors	CFO	Finance Manager		✓			✓			✓			✓
BDC Capital Receipts and Expenditure	CFO	Financial Accountant	✓			✓						✓	
PIP Report	CEO	CEO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capital Report Multi-Year Projects										✓			

The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work

Major Financially Based Reports to be Prepared in the 2024 Calendar Year														
Annual Plan										Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft
Long Term Plan			Preparation	Preparation	Consultation	Hearings	Adoption							
BDC Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document	Publish Annual Report & Summary Document	
Rating Policy Review														
Rating Policy Review			Preparation and review - 3 waters rates	Preparation and review - 3 waters rates	Consultation part of LTP	Hearings part of LTP	Adoption part of LTP			Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates	

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 6

Prepared by Douglas Marshall
Chief Financial Officer

Attachment 1 - Buller Holdings Ltd Letter of Expectation

LETTER OF EXPECTATION TO BULLER HOLDINGS LIMITED 2024/2025 FINANCIAL YEAR

1. REPORT SUMMARY

The Letter of Expectation to Buller Holdings Limited (BHL) communicates Council's expectations of BHL and their business.

The proposed letter for the 2024/2025 financial year is consistent with the previous year.

All changes in the letter are highlighted.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee endorses the Letter of Expectation to be sent to Buller Holdings Limited.

XX December 2023

Steve Grave
Buller Holdings Ltd
80 Russell Street
WESTPORT 7825

Dear Steve

BULLER HOLDINGS LTD – LETTER OF EXPECTATION FOR 2023/2024

PURPOSE: this Letter of Expectation (the Letter) provides Buller Holding Ltd (BHL) annual direction to its subsidiary companies outlining expectations of the parties' respective accountabilities, roles, and responsibilities. The Letter confirms expectations and forms the basis and provides the draft for the development of the Statement of Intent. The Letter does not create any legal or binding obligations on the parties. It is intended to create an opportunity for dialogue between the parties and to support an open, positive, and co-operative working relationship, resulting in the achievement of BHL's policy and performance expectations in a transparent and accountable manner.

CORPORATE GOALS: we have outlined the direction of travel and options Buller District Council would like to explore with BHL:

- Working in with Council's strategic vision and Annual Plan. Aligning Council and BHL in the same direction.
- Where possible, growing the business by increasing outside business and to maximise returns for the shareholder.
- Maximising the distribution to Council as the shareholder in order to help keep district rates affordable. Provide a distribution for 2024/2025, with a target of \$1.3m or greater.
- Working in with Council's desire to have a focus on systems and process improvement opportunities, efficiencies, and customer service satisfaction.
- Providing assurance to Council that robust health and safety systems, mitigations and monitoring are in place in line with the requirements of the Health and Safety at Work Act 2015 and BHL responsibilities as a Person Conducting a Business or Undertaking (PCBU).

Council's expectations are attached in more detail as an appendix to this letter. They focus on the roles of Council and BHL and reflect the strengthening relationship between the parties with a stronger clarity on how both parties undertake business. The Risk and Audit Committee at its meeting of 13 December 2023 endorsed the letter for issue to BHL.

We look forward to working with the BHL directors throughout the 2023 year, continuing to build on the relationship foundations which have developed over the past twelvemonths.

Yours sincerely



Jamie Cleine

MAYOR/ACTING CHAIRPERSON RISK AND AUDIT COMMITTEE

APPENDIX 1
COUNCIL EXPECTATIONS OF BULLER HOLDINGS LIMITED

1. Roles and responsibilities

- a. Council:** As the shareholder Council will engage with the Board to:
- i. Ensure that the Councils strategic objectives are clear and communicated so that the company can ensure alignment with the goals of the Company.
 - ii. Build and maintain a relationship of mutual respect and trust with the Board.
 - iii. Respect that some information shared by BHL may be commercially sensitive.
- b. The Board:** The Board will run the company in accordance with the Local Government Act 2002, the Constitution and the Statement of Intent and fulfil its objective of the company being:
- i. To monitor performance of each portfolio, taking into account system and process improvement opportunities and customer service satisfaction.
 - ii. To ensure that each portfolio has in place active and effective health and safety policies and procedures which provide a safe operating environment for all employees, contractors and affected parties.
 - iii. To ensure that each portfolio operates economically and efficiently, and in accordance with an agreed Statement of Intent (SOI), and to optimise the returns from, and the value of, the portfolios within the parameters set by Buller District Council (BDC).
 - iv. To ensure, insofar as it is lawfully able and commercially practicable, that the SOI of each of BHL portfolios reflect the policies and objectives of BDC.
 - v. To keep BDC informed of matters of substance affecting BHL, insofar as it is practical and reasonable in the opinion of the directors, provide the opportunity
 - vi. To ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of BHL.
 - vii. To report to BDC on CCO establishment opportunities, and other investment opportunities that have the potential to enhance the economic and social well-being of the Buller district and the West Coast region and provide an adequate return.
 - viii. To maintain and improve good governance by regularly and constructively appraising the performance of the BHL portfolios, maintaining an appropriate monitoring framework and working with the Chair Finance, Risk and Audit, BDC to appoint new directors.

2. Ongoing expectations

- a. Council expects that the Board will operate on a no surprises basis, particularly on matters where there is a political, financial, health and safety or other risk.
- b. Regular reporting of performance to Council's Risk and Audit Committee, on at least a quarterly basis. More regular reporting may be required to ensure no surprises to Council.
- c. Reporting should consist of unique activities identified separately rather than being bundled into general activity groups.
- d. The undertaking of any activity not provided for under the SOI requires the prior approval of BDC, specifically:
 - No subsidiary companies are to be formed by BHL without the prior approval of BDC.
 - No shares are to be acquired by BHL or the subsidiaries without the prior approval of BDC.
 - No shares held by BHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of BDC.

3. Key focus areas – 2024-2025

- a. Engage with the Council to ensure alignment between the Councils strategic goals, Annual Plan and the aims of the Company.
- b. Build a relationship of mutual respect and trust with Council.
- c. Add value to the company, whilst ensuring that conduct of the company is in accordance with generally accepted standards.
- d. Ensure that the company returns a distribution to the Council in accordance with the distributions policy.
- e. Manage the BHL portfolios in accordance with sound business practice.
- f. Manage health and safety risks in a proactive manner and in line with responsibilities of a PCBU.
- g. Implement carbon use reporting to ensure that company activities are reducing their use of carbon over time. The council is working to achieve certification under the Toitu Envirocare programme which also be appropriate for BHL.

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 7

Prepared By Douglas Marshall
Chief Financial Officer

Reviewed By Steve Gibling
Chief Executive Officer

Attachment Financial Delegations Policy

REVIEW OF FINANCIAL DELEGATIONS' POLICY

1 REPORT SUMMARY

This report considers changes to the Financial Delegations Policy for consideration by the Risk and Audit Committee. If agreed, or amended, the revisions to the Financial Delegations Policy will be recommended for adoption by full Council.

Councillors should provide feedback at the Risk and Audit Committee meeting where possible or as part of the council approval process.

2 RECOMMENDATION

That the Risk and Audit Committee recommend the revised Financial Delegations Policy be adopted by Council.

3 ISSUES & DISCUSSION

3.1 Current Financial Delegations Policy

Council completed a comprehensive review of the Financial Delegations Policy in 2020.

An updated policy was presented to the October 2023 Risk and Audit Committee meeting.

No changes were made to the policy as a result of that meeting.

3.2 Requirement to have a Financial Delegations Policy

Council is required by law to ensure all dealings are ethical, transparent and conducted within a strong financial control environment. All of Council must comply with the Delegations policy which supports this requirement.

In the interests of effective governance, encouraging delegation of decision- making to the lowest competent level is advised. This achieves the best use of the abilities of elected representative and officers, ensures cost effectiveness, good use of resources and promotes the development of efficient and effective management.

Delegations provide authority and grant responsibility for a task or function to be undertaken by a person acting in a role other than Councillors or Chief Executive.

Delegations cannot however remove from Council and the Chief Executive Officer the ultimate accountability for the affairs of Council. This is why it is important that Council review and adopt this policy.

3.3 Changes made to This Version of the Financial Delegations Policy

Changes to this policy are designed to give clarity on a number of matters where the current policy is deemed to be deficient.

Some "position" descriptions have been updated to reflect the current operating structure of Council.

A new section, 4.9 has been added to give clarity where the council may wish to generate new income.

New income sources are welcome but care needs to be taken to ensure that in seeking and obtaining new income, agreed/adopted budgets/plans must also be delivered unless the council decides otherwise.

Clarity has been added by documenting that the creation of purchase orders can be by any approved staff, with the key being the authorisation of an officer who has the appropriate \$ value delegation.

3.4 Strategic Issues

A key strategy of Council in the 2021-2031 Long Term Plan is for building and promoting resilience in the community as well as facilitating growth and assisting with a transition to a diversified and sustainable economy. This strategy was agreed in recognition of the decline in the mining industries and the significant impact this has on our district. Ensuring Council has sound and up to date delegations policy is in line with this core strategy. Council must be efficient and accountable, and this policy assists with those requirements.

3.5 Values

The Buller District Council Values are: Community Driven, One Team, Integrity, Future Focussed, and We Care.

Buller District Council must ensure the Financial Delegations Policy is written in line with the above values.

3.6 Significance Assessment

The Buller District Council Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant.

The revised Financial Delegations Policy is not deemed significant.

3.7 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Revising the Delegations Policy reduces risks around delegation for the organisation as a whole.

3.8 Policy / Legal Considerations

Council is required by law to ensure all dealings are ethical, transparent and conducted within a strong financial control environment. Council must comply with a Financial Delegations Policy which supports this requirement. Council must be aware of, and comply with public law.

The Local Government Act (2002) Schedule 7, Clause 32 sets out the powers that cannot be delegated with respect to the conduct of a local authority's business. This includes such powers as making rates, bylaws and the power to appoint a chief executive among other things. It is appropriate for Council to confirm this revision to the Financial Delegations Policy at a monthly meeting of Council.

Examples of public law legislation:

- Public Finance Act 1989
- Public Audit Act 2001
- Public Records Act 2005
- Official Information Act 1982
- State Sector Act 1988
- Ombudsmen Act 1975
- Public Bodies Contracts Act 1959

The Buller District Council is charged with playing a broad role in meeting the current and future needs of our community for good-quality local infrastructure, local public services and performance of regulatory functions by the Local Government Act (2002). Included in that role is ensuring financial matters are conducted in an appropriate manner.

3.9 Tangata Whenua Consultation Considerations

The contents of the report are not a matter requiring consultation with tangata whenua.

3.10 Views of Those Affected

Ratepayers expect Council to provide good quality services and infrastructure at a fair price and a revised delegations policy supports that outcome.

3.11 Costs

There is no additional cost to the community for the revised Financial Delegations Policy. The policy revision has funded out of existing operating budgets of Council, with staff time used for the review in addition to their daily tasks.

3.12 Benefits

Council should use best practice to procure goods or services and pay for them. Good policy outlines expectations and provides guidance to staff for day-to-day operations such as payment of creditors as well as more technical one-off delegations such as committing Council to a contract, and ensures appropriate checks and balances are achieved.

3.13 Media / Publicity

It is expected there would be little media interest in the revised Financial Delegations Policy.



FINANCIAL DELEGATIONS POLICY (as at 5 December 2023)

<i>Creation Date:</i>	<i>April 2019</i>	<i>Date for Review:</i>	<i>October 2026</i>
<i>Author:</i>	<i>Management Account</i>	<i>Authorised by:</i>	<i>Chief Financial Officer</i>
<i>Adopted by Council: on:</i>		<i>Version:</i>	<i>Three</i>

1. BACKGROUND

The Financial Delegations Policy is one of a series of documents adopted by Council to define methods and means of operation and managerial and administrative relationships.

This annual review of the Financial Delegations Policy has been updated to recognise staff complement changes and to set staff expenditure authorisation limits to practical and appropriate levels. The expenditure limits have been set to keep pace with inflation to ensure efficient Council operations.

2. FINANCIAL DELEGATIONS

The Financial Delegations Policy is a subsection within the full Delegations Policy. Financial Delegations must be read in conjunction with other policies such as:

- Procurement Policy
- Treasury Management Policy
- Delegations Policy
- Rates Remission Policies
- Human Resources Policies

These are delegations of powers and responsibilities to facilitate the effective and efficient financial management of the Council. The powers may be limited in some respects at lower levels of delegation.

3. DELEGATION INCLUDED WITHIN THIS SUB-SECTION ARE:

- Expenditure approval relating to procurement of goods, services and materials within the funding and budget limits approved by the relevant Annual Plan document
- Binding Council to a contract
- Delegation to authorise budget variances
- Write-off of Bad Debts excluding rates
- Delegation of various rating decisions
- Treasury management decisions and actions
- Disposal of Asset decisions, and associated calculations of losses or gains

4. LEVELS OF AUTHORITY AND ACCOUNTABILITY

Buller District Council's financial delegations align with the organisational structure and levels of accountability. The delegations framework is set against broad functional accountabilities as detailed in the table below:

Level	Functional Accountability	Titles
1	<ul style="list-style-type: none"> • Strategic Leadership of the organisation as a whole. • Accountability for overall achievement of strategic outcomes. • Whole of organisation staff management responsibilities. • Whole of organisation delivery of services. • Transition-related matters. 	Chief Executive Officer.
2	<ul style="list-style-type: none"> • Collective strategic leadership of the organisation through membership of the Senior Leadership Team. • Whole of group staff management responsibilities. • Whole of group financial management responsibilities. • Whole of group delivery of services. 	Group Manager. (including Chief Financial Officer)
3+	<ul style="list-style-type: none"> • Accountability for a prescribed area of the organisation which requires a higher delegation limit to ensure effective day-to-day operation of the organisation. 	Manager Infrastructure Delivery.
3	<ul style="list-style-type: none"> • Collective operational leadership of the organisation through membership of the Tier 3 Management Group. • Accountability for delivery in a prescribed area of the business. • Full financial and staff responsibilities within their defined area (where this is delegated to them). 	<ul style="list-style-type: none"> • Manager Infrastructure Planning, • Coordinator Property and Facilities • Coordinator Three Waters including Coordinator Drinking Water, • Coordinator Waste Water and Coordinator Storm Water. • Coordinator Transport. • Coordinator Rooding. • Team Leader Planning • Team Leader Building • Manager Community Engagement • Manager Customer Experience • Airport Manager

		<ul style="list-style-type: none"> • Finance Manager • Harbourmaster
4	<ul style="list-style-type: none"> • Accountability for delivery of team results within a single function of the organisation or Annual Plan/ Long Term Plan, such as professional administration services. • Has limited financial responsibilities. 	<ul style="list-style-type: none"> • Executive Assistant/ Personal Assistant. • Management Accountant • Financial Accountant • Coordinator Asset Planning • Coordinator Asset Programmes. • Animal Control Officer. • Compliance Officer. • Planner • Coordinator Waste Management. • Community Facilities Officer • Project Officer Capital Work • Senior Building Inspector • Technical Support Officer. • Human Resources Advisor

Delegations that are set out in the table are not determined just by the “Title” in the table above, but by the functional accountability that the staff member is responsible for.

In any instance when a new position or a new title is created at Level 3 or 4 and the title does not appear in the title List, then Level 1 shall have authority to confirm what the level of delegated authority shall be for that new title position.

In any instance when a new position/title is created at Level 3+ or above authority to set the delegation limit shall be required by Council resolution.

Under this delegation, the Chief Executive Officer is able to appoint a consultant/contractor to any of the above named roles if they believe that is the most appropriate manner to undertake the role.

4.1 Expenditure approval relating to the procurement of goods & services, materials and equipment within the funding limits approved by the relevant Annual Plan

The authority under this delegation is to approve generally recurring types of expenditure on behalf of the Council, up to the limits set out below, where the expenditure is provided/budgeted for in the relevant Annual Plan or Long Term Plan.

Level	Limit
1	\$ 750,000 provided/budgeted for in the relevant Annual Plan or Long Term Plan, or any amount if it is part of a contract that has been adopted by a previous Council resolution.

Level	Limit
2	\$500,000 provided/budgeted for in the relevant Annual Plan or Long Term Plan
3+	\$250,000 provided/budgeted for in the relevant Annual Plan or Long Term Plan
3	\$25,000 provided/budgeted in the relevant Annual Plan or Long Term Plan
4	\$7,500 provided/budgeted in the relevant Annual Plan or Long Term Plan

Any staff member with delegated authority to approve expenditure must declare any conflict of interest to their respective manager prior to approval of this expenditure, or in the case of the CEO approval must be given by the Mayor.

For clarity, various positions within the council staff structure will be able to initiate purchase orders but the authoriser of the purchase order must have the appropriate \$ value level as noted above.

4.2 Binding Council to a Contract awarded by publicly advertised tenders:

Binding Council to a contract awarded by publicly advertised tenders are restricted to: the Chief Executive Officer, Group Manager Regulatory Services, Group Manager Community Services, Group Manager Infrastructure Services and Chief Financial Officer

Delegated authority to accept tenders up to \$500,000 provided that the lowest conforming tender meeting specification (for purchases and works contracts)

All tenders exceeding \$500,000 are to be approved by Council. All tenders accepted are to be reported to Council.

For the sake of clarity, contract payments may be authorised by the appropriate Officer for those contracts awarded by Council provided the contract payments do not exceed the approved contract amount.

The sale of land and building and other assets over the value of \$50,000 must be approved by the council. Other assets under the value of \$50,000 can be approved for sale by the Chief Executive Officer.

All land/buildings to be sold must be supported by a registered valuation while all other assets to be sold must use a publicly available sales process (eg trademe) to provide indicative sales value.

4.3 Power to authorise budget variances

The Council agrees to the following delegations of financial powers pursuant to the delegations policy to the CEO:

The power to authorise an officer to approve budget variances in an activity where that activity is able to be funded by additional income or reduced expenditure within the activity and in so doing will better meet the objectives set out in the relevant Annual Plan.

4.4 Bad Debts

Delegated authority to write-off bad debts excluding rates is as follows:

- (a) Council - amounts over \$5,000 on any single account.
- (b) Chief Executive Officer - amounts up to \$5,000 on any single account.
- (c) Group Managers/Chief Financial Officer - amounts up to \$2,500 on any single account.
- (d) Finance Manager, District Librarian; Senior Building Inspector; Manager Infrastructure Delivery Theatre Manager; Manager Reefton Service Centre - up to \$200 on any single account.

4.5 Rating Delegations

Sec	Details for Power	Delegations
27	The decision on whether to divide rating units and the methodology for division	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Management Accountant • Finance Manager
28	The decision on whether the disclosure of the name of any person is necessary to identify a rating unit	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant • Rates Officer
29	Authority to determine objections to the Rating Information Database	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant
35	Authority to remove a name from the Rating Information Database	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant • Rates Officer
39	Authority to determine objections to rates records	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant
40	Authority to correct errors in the Rating Information Database and Rate Records	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant • Rates Officer
54	Authority not to collect small amounts	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer

Sec	Details for Power	Delegations
		<ul style="list-style-type: none"> • Finance Manager • Management Accountant
61	Authority to collect unpaid rates from the owner	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant • Rates Officer • Revenue Officer
62	Authority to collect unpaid rates from persons other than the owner (including authority to send a ratepayer to debt collection, or to Mortgagee)	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant
63	Ability to commence legal proceedings for the recovery of rates that are in default	<ul style="list-style-type: none"> • Chief Financial Officer • Finance Manager • Management Accountant
67	Commencement of rating sale or lease provisions	<ul style="list-style-type: none"> • Chief Executive Officer
77,	Authority to commence abandoned land procedure	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer
79	Authority to sell abandoned land including setting the reserve price	<ul style="list-style-type: none"> • Chief Executive Officer
114-	Authority to administer "Remission of Rate Penalties", "Policy for Rates Relief on Maori Freehold Land", "Policy on Uneconomic Balances", "Policy on Remission on General Rates – land used and/or occupied by community, sporting and other organisations" policies.	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant • Rates Officer • Revenue Officer
114-	Authority to administer "Policy on remission for rates and charges in times of extenuating circumstances"	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer • Finance Manager • Management Accountant
99	Authority to apply for charging orders	<ul style="list-style-type: none"> • Chief Executive Officer • Chief Financial Officer
135	Authority to sign documents for court proceedings	<ul style="list-style-type: none"> • Chief Executive Officer

Where any individual position changes or is replaced, the delegated power will be transferred to the equivalent position.

This transfer of delegation shall be ratified by full Council where the delegation relates to the Chief Executive Officer or the Chief Financial Officer.

When the transfer of delegation relates to the Management Accountant, Finance Manager, the Rates Officer, or Revenue Officer, the Chief Executive Officer shall ratify this change in delegation.

4.6 Treasury Management Delegations

Council has the following authorities in place within the Treasury Management Policy:

Activity	Delegated Authority	Limit
Approving & changing policy	<ul style="list-style-type: none"> • Council 	Unlimited

Activity	Delegated Authority	Limit
Borrowing limits	<ul style="list-style-type: none"> Council 	Borrowings limits are approved in the Long Term Plan by Council
Approving and setting up borrowing arrangements	<ul style="list-style-type: none"> Chief Financial Officer] 	Subject to the limits approved in the relevant Long Term Plan or Annual Plan
Drawing down debts & re-financing existing debt	<ul style="list-style-type: none"> Chief Executive Officer Chief Financial Officer 	Subject to Council set limits
Approving transactions outside policy	<ul style="list-style-type: none"> Council 	Unlimited (Subject to Council resolution)
Approving credit counterparty limits	<ul style="list-style-type: none"> Chief Financial Officer 	Subject to Council set limits
Adjust interest rate risk profile on borrowing	<ul style="list-style-type: none"> Chief Financial Officer 	Fixed/floating ratio between 55% and 95%
		Fixed rate maturity profile limit as per risk control limits
Managing funding maturities in accordance with Council approved facilities	<ul style="list-style-type: none"> Chief Financial Officer 	Per risk control limits
Authorising lists of signatories	<ul style="list-style-type: none"> Chief Executive Officer 	Unlimited and reviewed as and when required
		Annual letter to lender
Opening/closing bank accounts	<ul style="list-style-type: none"> Chief Executive Officer 	Unlimited
Ensuring compliance with policy	<ul style="list-style-type: none"> Chief Financial Officer 	Ongoing
Review key performance measures	<ul style="list-style-type: none"> Risk and Audit Committee 	Quarterly Reports

Approval of changes to the Council Treasury Management Policy will authorise an equivalent update to this section of the Financial Delegations Policy.

4.7 Human Resources

Buller District Council's Human Resources delegations framework is set against broad functional accountabilities as detailed in the table below:

Level	Functional Accountability	Titles
Level 1	<ul style="list-style-type: none"> Strategic Leadership of the organisation as a whole. Accountability for overall achievement of strategic outcomes. Whole of organisation staff management responsibilities. Whole of organisation delivery of services. Transition-related matters. 	Chief Executive Officer.
Level 2	<ul style="list-style-type: none"> Collective strategic leadership of the organisation through membership of the Senior Leadership Team. Whole of group staff management responsibilities. Whole of group financial management 	Group Manager.

Level	Functional Accountability	Titles
	responsibilities. <ul style="list-style-type: none"> Whole of group delivery of services. 	
Level 3+	<ul style="list-style-type: none"> Accountability for delivery of Human Resources Management throughout the organisation. 3+ Delegations will only be undertaken in conjunction with authorisation from Level 2 or Level 1. 	Human Resources Advisor.
Level 3	<ul style="list-style-type: none"> Collective operational leadership of the organisation through membership of the Tier 3 Management Group. Accountability for delivery in a prescribed area of the business. Full financial and staff responsibilities within their defined area (where this is delegated to them). 	Team Leader. Manager.

4.8 Human Resources Delegations

Council has the following authorities in place for the Human Resources:

Activity	Delegation
Wholesale Changes to the Organisational Structure (within approved budgets)	Level 1
Create a new position or significantly change a position (within approved budgets)	Level 1, Level 2, Level 3+
Appoint permanent positions (within approved budgets)	Level 1, Level 2, Level 3+
Appoint temporary or fixed term positions (within approved budgets)	Level 1, Level 2, Level 3+
Sign Employment Agreements	Level 1, Level 2, Level 3+
Approve variations to employment agreements	Level 1, Level 2, Level 3+
Decide any appeal against appointment	Level 1
Agree Remuneration	Level 1
Agree Remuneration for positions within their business group	Level 2, Level 3+
Higher Duties Allowance Approval	Level 1, Level 2, Level 3+
Extra Duties Allowance Approval	Level 1, Level 2, Level 3+
Approve Annual Leave	Level 1
Approve Annual Leave for positions within their business group	Level 2, Level 3+, Level 3
Conduct Performance Reviews	Level 1
Conduct Performance Reviews for positions within their business group	Level 2, Level 3+, Level 3
Cash Up any balance of Long Service Leave	Level 1 Level 2
Cash Up to two (if five week's entitlement) annual leave approval	Level 1 Level 2, Level 3+
Cash Up to one week's annual leave approval	
Using Sick Leave in arrears approval	Level 1 Level 2, Level 3+
Bereavement Leave approval – note to do – table to be set up so that each line is on ONE PAGE not spanning across two - -	Level 1 Level 2, Level 3+, Level 3

Activity	Delegation
Working on Public Holidays approval	Level 1 Level 2, Level 3
Leave Without Pay approval For Greater than 2 days per Annum Leave Without Pay approval For Less than 2 days per Annum	Level 1, Level 2 Level 3
Study Leave approval	Level 1 Level 2, Level 3+
Approval of taking leave under the Staff Wellness Policy	Level 1
Parental Leave Approval	Level 1 Level 2, Level 3+
Health and Safety Leave and Domestic Violence Leave	Level 1 Level 2, Level 3+
Employment relations leave approval	Level 1 Level 2, Level 3+
Special leave for jury service approval, for travel, for sporting or cultural purposes, Outward Bound,	Level 1 Level 2, Level 3+
Training, Conference, Seminar approval	Level 1 Level 2, Level 3+, Level 3
Special Leave for Search and Rescue, Volunteer Fire Brigade, Civil Defence and St John's Ambulance Services	Level 1 Level 2, Level 3+
Early Retirement approval and payment of Retirement Leave	Level 1
Dismissal or suspension of staff	Level 1
Initiate disciplinary action	Level 1 Level 2, Level 3+
Approval to undertake other work or secondary employment outside of Buller District Council (due to conflict of interest considerations)	Level 1 Level 2, Level 3+
Approve a conflict of interest decision	Level 1 Level 2, Level 3+
Refer a staff member to Employee Assistance Programme for counselling (for the first three appointments there is no requirement for any employee to seek authority to attend those sessions, greater than three requires permission)	Level 1 Level 2, Level 3+
Initiate staff misconduct investigation	Level 1 Level 2, Level 3+
Initiate fraud or corruption investigation	Level 1, Level 2, Level 3+

4.9 Contracting Council to income not included in the Long Term Plan or Annual Plan

Opportunities arise occasionally for the council to generate income from sources/activities not considered when the Long-Term Plan or Annual Plan were adopted by the council.

Such opportunities, if appropriate should be encouraged. The most obvious example is when the Council could apply for grants from Central Government. The generating of such income opportunities will most likely attract additional costs or require existing council resources to be reprioritised from other activities that have been agreed to in the Long-Term Plan/Annual Plan.

Accordingly, all opportunities to create additional income that has not been identified as an activity in the Long Term Plan or Annual Plan that exceed \$50,000 requires council approval

ATTACHMENT 1

to allow the appropriate application to be made or ratify any decision made by the Chief Executive Officer.

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 8

Prepared by Linda Eggers
Human Resources and Health & Safety Support Officer

Reviewed by John Salmond
Senior Project Lead

HEALTH AND SAFETY REPORT

1. REPORT SUMMARY

This Health and Safety report is intended to provide the Committee with insight into initiatives and activities including their progress as part of our organisational commitments to providing a safe and healthy workplace.

2. RECOMMENDATION

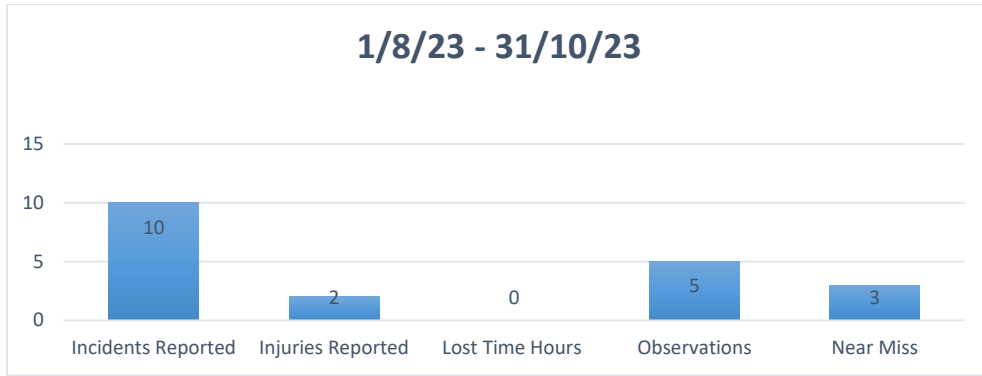
That the Risk and Audit Committee receive the Health and Safety report for information.

3. ISSUES AND DISCUSSION

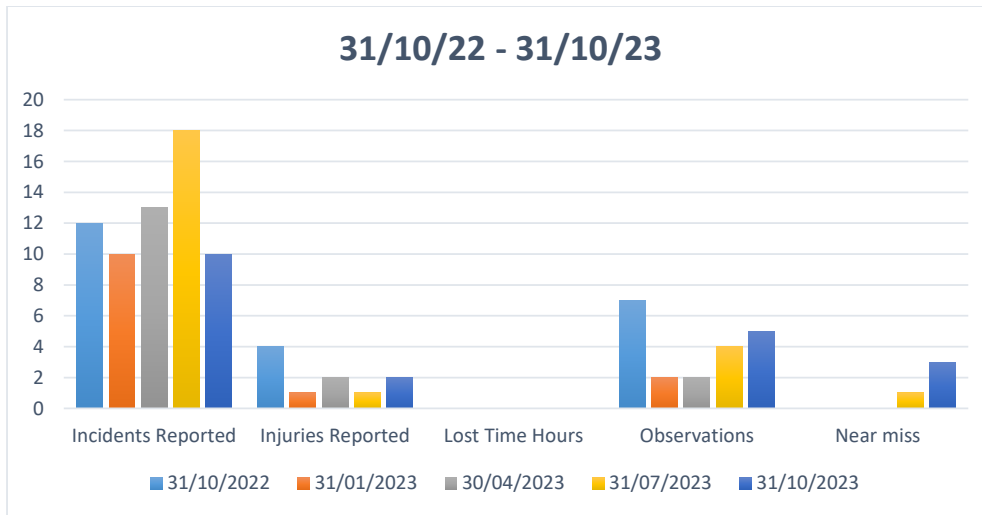
Health, Safety and Wellbeing in the Workplace

Council adopted the new Health and Safety Management System July 2021, with implementation occurring across all of council's operations. Employees were recently given the opportunity to attend further training on Damstra to assist them with some challenges they were experiencing in relation to certain aspects of its functionality.

The quarter from 1st August 2023 to 31st October 2023, there have been a range of incidents reported:



Overall incidents in previous 12 months:



Incidents reported relate to public interaction of a moderate nature, plant and equipment, security breach and property damage incidents of a minor nature.

The Injury reported was of a minor nature, with first aid treatments applied.

Five observations were submitted in respect from Community Services and Regulatory, mainly in relation to maintenance items:

- Abusive phone call from member of public
- Health & Safety Audit on building (Reefton) noted a couple of issues, these were resolved almost immediately.
- Carpet at Library starting to get a bit thin in areas, could cause tripping.
- Lights switches seem to control all lights in area of work.
- Private conversation can be heard from Regulatory area in Customer Service reception, we have accepted a quote for a wall and door to be built to eliminate this.

Incidents

- NBS Theatre had one incident where the Ambulance got called to a patriot (History of Hypertension)

- Ellery's building entranceway slippery when wet, have now installed non-slip mat.
- Airport incidents
 - Electric Fence Stopped Working
 - Medical flight pickup – patient had to climb fence to enter terminal for pickup.
 - Sign coming loose and on the ground.
 - Radio transmission to flight was difficult to hear, either WSZ or Aircraft radio needs adjusting.
 - Toilet issue with septic tank/soak pit

Near Misses

- Brougham House/Clock Tower – Unsecured doors at end of shifts.
- Airport – Lawn Mower blade became loose and flew off mower.

CCTV Policy and Procedure is currently being drafted for employee consultation and implementation. Protocols and contact details of the relevant emergency services required for the management of difficult situations will be implemented in the business areas we feel require this.

Employee Welfare

As we recognise that BDC employees may be impacted by various internal and external welfare factors, we have made the decision to form a Wellness Committee which we plan to have in place by the end of 2023. The Wellness Committee will assist with planning and executing the BDC Wellness Plan which will be centred around the needs of our employees, as well as the business needs.

Current welfare initiatives are provided by the availability of:

- Employee Assistance Programme, which offers free counselling and a dedicated staff supporter.
- WARN (Wellness, Awareness, Resilience & Negotiation) e-learning.

We are also in the process of having a number of employees trained and engaged as Mental Health First Aiders.

BDC has several current risk mitigations in place for employees, varying from:

- Health & Safety Inductions and new starter Risk Assessments.
- Development of workers working with angry and aggressive customers.
- Scenario training for workers working with angry and aggressive customers.

- Security screens and doors.
- CCTV installed including signage for the public to reduce the likelihood.
- Immediate Support via activation of the Green Button.

There are further control measures required to be implemented to enable a safer environment for BDC workers to ensure that we are meeting our obligations:

- De-escalation training of workers.
- Review of policy and procedures for post incident trauma.
- Redesign of reception area at brougham house that allow standing to greet away from counter, privacy, space and triaging.
- Secure parking and quality lighting for all BDC parking areas.
- Risk assessments prior to risk activity occurring.
- Dynamic risk assessment training and development.
- Public Meeting security.

Whilst considerable progress has been made there still significant improvements required which include the imbedding of training and development, culture transformation and understanding of Health & Safety process and procedures.

Health and Safety Committee

The health and safety committee meet on a monthly basis. Over the past few months there have been two Health & Safety meetings, with actions and follow up requirements being dealt with promptly and tracked accordingly. There is H&S Representative training scheduled for the end of November which will be completed from Safety in Action

Site Audits

During this quarter we have undertaken a site audit on the Reefton Visitors Centre, and any findings which were established have been reported and dealt with accordingly.

Health and Safety Organisational Next Steps

In recent months, we have undertaken a comprehensive evaluation of our approach to Health and Safety within the organisation. This involved an in-depth internal assessment of our Health and Safety protocols, where we meticulously identified potential risks and devised a strategic roadmap to progress. Our findings highlighted that we needed to look at the leadership of Health and Safety, we had to enhance our training, we need to streamline our approach to it as well as other internal measures that will drive the way forward.

Consequently, we've established all our risks and came up with a strategy which outlines our future course of action. This blueprint involves heightened emphasis on visibility, entailing strategies to enhance the prominence of Health

and Safety across all facets of our operations. Additionally, substantial investments are earmarked for bolstering Health & Safety training initiatives, ensuring that our workforce is equipped with the necessary knowledge and skills.

The first thing that we will undertake is ensuring that the leadership of Health and Safety starts from the manager/team leader of each area. They will be responsible for ensuring that health and safety becomes business as usual, with a viewpoint to report back to the senior leadership team on a monthly basis. This will then drive an overall quarterly report to come to Risk and Audit Committee with a breakdown of each area.

As part of these process' they will be doing more audits of their areas, taking necessary steps to mitigate any risks, and of course resolving any issues that may arrive.

Furthermore, recognising the criticality of expert guidance, we're about to start a process of recruiting a dedicated Health and Safety advisor. This role will serve as a critical need to enhance our commitment to Health and Safety, aligning with our broader mission to create a secure and safe working environment which focuses on the well-being of our employees.

These steps signify our proactive stance in our Health and Safety commitments, underlining a comprehensive approach aimed at ensuring future success.

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 9

Prepared by Douglas Marshall
Chief Financial Officer

STRATEGIC RISK REGISTER UPDATE DECEMBER 2023

1. REPORT SUMMARY

The Strategic Risk Register was endorsed by the then, Finance Risk and Audit Committee (FRAC), 17 July 2019. This register identifies the organisational strategic risks and is monitored monthly by Senior Leadership Team and the Risk and Audit Committee.

The register will be updated quarterly or when new strategic risks are identified or require changes.

2. RECOMMENDATION

That the Risk and Audit Committee note the updates received for the strategic risk register as at December 2023.

Changes to this report since the last report in September 2023 are in red.

1. Coastal Erosion and Sea Inundation of Westport Airport Runway

A seawall has been put in place to reduce possibility of effect of erosion from sea surge. A review of the effectiveness of the seawall will occur July 2023.

The resource consent issued for this work requires monitoring reports to be provided to the Regional Council. These reports are prepared by using drones to take aerial photographs which are then compared with the previously taken photographs. This process also informs the Council's risk. The monitoring report will shortly be prepared and a report on findings made to the Council.

Nothing further to report at the date this report prepared.

Progress update March 2024.

2. Climate Change and Flooding Impacts on Council Assets and Infrastructure (Other Than Airport)

A large amount of the Stormwater assets have been repaired or are currently in the process of remediation. NEMA have also now approved several “betterment proposals” submitted by BDC, which will be undertaken in 2023. Waka Kotahi have now confirmed \$13.2 million of funding for repairs on local roads and the Karamea SPR.

Bundles of tender work now being issued to the contracting market per procurement process approved by Waka Kotahi. Update report to Council and PIP due in October 2023.

The last Risk and Audit Committee noted the challenges with protecting old landfills in riverbeds and that every time there is a major flood event, there is a higher than desirable possibility of a old landfill being exposed if material covering/protecting the landfill is removed by the flood. Further work on identifying this risk is required.

Progress update March 2024.

3. Major Flooding of Westport Township

Following the August 2022 red weather warning declaration, additional bund works were carried out under emergency work. Tranche 2 funding activity has commenced, and a programme of work developed to repair infrastructure from July/February floods.

Central Government have reviewed the Co-Investment Business Case and announced on the 12 May that funding of \$22.9 million would be provided to assist with mitigating future Westport flooding. This was significantly less in \$ terms than requested. The Council is represented on the Buller Flood Resilience Group which has commenced its work and will respond to this funding proposal.

Further flood mitigation assessments are being undertaken by BDC / WestReef staff to Coates Street and a cost benefit analysis is being undertaken to ascertain the purchase of pumps versus hiring of pumps. Part of the business case request was for stormwater infrastructure upgrade of \$12 million which was declined but it would be considered as part of the Government’s Affordable Water programme. It is important to remember that the mitigation options for Westport stormwater range as high as \$41.5 million but this option has been selected due to its lowest financial cost.

Progress update March 2024

4. Central Government Three Waters Reform

No changes to control plan.

The Water Services Entities Act 2022 was amended in late August 2023 to establish 10 water services entities based on existing regional boundaries. This legislation allowed a staggered timeframe for establishing the entities with entity 1, being the Canterbury/West Coast regional entity, commencing on 1 July 2025.

The above legislation is shortly to be repealed by the new coalition government. No commentary exists as to whether Councils will receive any financial support from the Government to implement the water reforms. Accordingly, this Council will now need to address the issue of operating and funding its 3 waters activities.

Progress update March 2024

5. Climate Change Impacts Public Safety

A Westport flood evacuation plan has been developed, peer reviewed and made publicly available for feedback. During the response to the August 2022 red weather warning river flooding event, this plan was a draft but allowed the Emergency Operations Centre (EOC) actions to be more effective demonstrating that lessons have been learnt from previous events.

Civil Defence are working with local Civil Defence community groups on more evacuation plans. Active plans exist for Karamea, Northern Buller, Carters Beach, Punakaiki, Reefton, Maruia/Springs Junction and Charleston. A plan for Waimangaroa is currently being progressed.

A group comprising of Council staff, lifeline services, emergency services, key suppliers of consumable goods, contractors and Civil Defence volunteers are enhancing planning and knowledge in how to respond to the Alpine fault occurring. This work is currently Westport focused but will extend to the balance of the district in 2024.

Further work related to evacuation procedures for Westport is being undertaken as part of the Buller Flood Resilience Group.

Progress update June 2024.

6. Information Management

Project is progressing with the appointment of a staff resource to project manage the day-to-day issues with document management, while Information Leadership have been engaged to lead the development of the systems and processes needed for the document management system.

As reported in December 2022, this project will extend into the 2023/2024 financial year. Although quotes have been obtained to advance much quicker, the digital capture of the Council's property files, the cost exceeds budgets and thus will continue to be done on as part of business as usual.

A report on progress to 30 June 2023 was presented to the October RAC meeting.

Progress update June 2023.

7. Failure to Attract Business and Industry to the District

Partnership Programme Governance Group is transitioning towards oversight of the Tranche 2 funding programme. The Co-Investment business case for multi model adaptations has been submitted to Central Government. BDC is a strategic operational partner with The Alliance Coastal Shipping Group.

The partnership will generate income associated with the Kawatiri dredge and port. Buller Environmental Improvement & Prosperity strategy continues with partnerships Kotahitanga mō te Taiao (KMTT) and the Nature Conservancy.

Other projects have created up to \$2m funding and creation of local jobs. Westland Mineral Sands progressing the extractive business associated with Westport port. Local employment opportunities are created. The Mayors for Jobs Taskforce has been funded for a further 12-months albeit in a different format however this still provides opportunities to support apprenticeships etc.

The Mineral Sands project is advancing with the first load of sands leaving New Zealand via Nelson Port due to the delay in their barge arriving in New Zealand. Council has commenced the process of having pilots trained to transit the barges out of Westport, while plans for installing the equipment on the Council's crane wharf will shortly be available for review.

Progress update March 2024

8 Financial Loss from Depreciate Assets and Unrealised Opportunities at Westport Port

Tranche 2 funding for the dredging of the harbour and river areas have been approved by Central Government, that projects funding totals \$4.7 million. A further dredge funding programme for the Westport harbour and river areas has been secured from Buller Port Limited totalling just over \$1.5 million.

These two funding programmes provide income until **April 2024** while contracts with Nelson Port for dredging (currently being undertaken) provide further cash to keep the dredge operational.

The Marpol regulations, which anticipated the dredge not being able to be operated after March 2025 with the current engine emissions, have been

amended allowing the dredge to continue. More detail was included in the dredge report to the May 2023 Risk & Audit committee meeting.

Condition assessments for the dredge to remain operational over the next 10 years have now been received and reports being prepared for Council consideration early in 2024.

Progress update March 2024

9. Lack of Key Infrastructure for Growing Tourism Demands

Council to consider through the District Plan (TToPP) and additional regulations. Other infrastructure options and funding opportunities to be explored, alongside strategic planning for growth and development, with considerations to reforms, rebuild programmes, resilience and climate change. **No change to above commentary.**

Progress update March 2024

17. Legal Compliance for Reserves

Regular meetings held with subcommittees. Terms of Reference in place for most, the others are under review. Health and safety requirements discussed, and any volunteer work now have records and risk assessments completed.

Currently working on developing AMPs / RMPs for all subcommittees – two members of BDC staff now have ongoing communications with the groups with oversight from Group Manager.

No change to above commentary.

Progress update March 2024

18. Reefton Water Supply Non-Chlorination

With budget agreed in the 2022 / 2023 Annual Plan, work is currently underway to proceed with this project.

A community engagement session held on 12 April in Reefton as part of roll-out of the Reefton Chlorination project.

There was a smallish crowd who were well engaged.

Significant communication will be ongoing, particularly when the chlorination units are switched on.

The national regulator for water services Taumata Arowai, will be providing an update to the water sector entities, and their communities, in the coming months on progress with regulation compliance.

Progress update March 2024.

New items identified by elected member and Council to be considered for the next strategic risk review that have been included in this report for completeness.

SCADA system

These systems allow the Council to monitor and thus more effectively manage its water and water supply activities on a 24 hour 7 day a week basis. A recent outage resulted in consideration by 3 waters staff about the risks that the Council faces from a SCADA outage the following note captures staff thoughts and will be progressed further with the next strategic review.

2 scenarios that need to be addressed:

- Minor outages, hardware or software failures, comms issues, general issues that are usually resolved in a few days.
- Major outages, eg AF8 - Brougham House destroyed, cell sites incapacitated, roads blocked, infrastructure damage, not resolved for weeks or months

Minor outages

Having solutions like the secondary alerts which run in conjunction with existing systems. They would have less functional alerting, but still provide alerting when other forms are unavailable. (Note: all SCADA systems still work and show alerts on screens no matter what the alerting is doing)

The ability to fail over to the disaster recovery (DR) site in Auckland and keep access available, and backup comms e.g.: a portable starlink and a laptop might suffice. Maybe using existing call care service to monitor and alert SCADA during after-hours etc.

Major Outage

As the SCADA systems can run in the DR site, the plants will still be monitored (assuming comms at the sites still working), and if civil defence is operating, we could allocate resources to monitor the SCADA screens from in the EOC, sending alerts manually via whatever methods available. Below are some points of resiliency we discussed and while all might not be achievable, they are starting points for discussion:

- All critical staff having mobiles capable of Cell over wifi tech on their phones, if cell towers are down, no calls or texts are working, but cell over wifi can work with e.g.: starlink.
- Portable Starlink device(s) that can be taken to site with a laptop to manage plant (or starlinks permanently at all sites with auto failover).
- Multiple licensing of SCADA alerting systems? Then if needed to run from the DR site, we can license the systems on the spot. Also ensuring multiple recipients for any important licensing/support emails etc.

- Multiple alerting systems with third party contractors (eg call care) able to supply staff to have eyes on glass 24/7 – support agreements setup ahead of time
- Laptops set up for controlling plants ready to deploy (combined with above starlink device in a box)
- Resilience of comms and devices at sites like Westreef. Should our main contractor have similar setups to us? Would they operate from civil defence etc? (civil defence has multiple resilient comms and backup power available)
- Having a clear ‘run book’ of what to do in these scenarios, so everyone know what needs to be done, who needs to do it and how to do it.

Disaster Recovery/Business Continuity Plan (DR/BCP)

This process has undergone significant enhancements, with ongoing efforts to finalize additional functionalities, notably automation for testing and the transition to the new process will provide a seamless DR process.

Our service provider is located in a facility in the North Island with a sister DR site for replication purposes.

BDC is actively sending data to this facility to achieve recovery points at different intervals. All this data is immutable, and if required, we can run our entire environment from the north island facility using their infrastructure.

We will be implementing four automated tests per year for the DR site to ensure our environment meets expected standards and data accessibility. One successful manual test has already been completed.

Lifting of Pump Stations effected by flooding July 2021

Only 3 pump stations have been able to be lifted based on the budget available for this work. The risk therefore remains that the balance of the pump stations bot lifted are susceptible to future floods which create the impact that July 2021 did.

3. ISSUES AND DISCUSSION

Council developed and adopted a Risk Management Framework based on the International Standard ISO 31000:2018 Risk Management – Guidelines, and the previous version AS/NZS ISO 31000:2009 Risk Management Standard, as well as benchmarking against select local government authorities’ Risk Management Frameworks.

An effective and efficient Risk Management Framework must be adequately resourced and supported at the very top of an organisation's hierarchy. The Risk and Audit Committee (comprising of full Council) has been established with the purpose of endorsing management's risk approach, as well as assessing, monitoring and reporting on key risks. Effective risk management also requires a 'no blame' culture as well as clear lines of accountability and pathways for risk escalation.

Discussions have been had with the company that helped prepared the original Buller District Council's Risk Management Framework to work out a work programme and timing for updating the register.

Staff have had an initial discussion on the work programme to be completed early next year with the contractor.

This review will also involve an update of the risk schedule for the Council and a review of how we report risk in the future.

Risk Assessment Matrix to Enable Easy Review.

Table 7: Risk Assessment Matrix

		Risk Assessment Matrix				
Consequence	Catastrophic (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
	Likelihood					

RISK AND AUDIT COMMITTEE

13 December 2023

AGENDA ITEM 10

Prepared by: Neil Engelbrecht
Financial Accountant

Lynn Brooks
Finance Manager

Reviewed by: Douglas Marshall
Chief Finance Officer

Attachment 1: BDC Monthly Financial Performance Report as at 31 October 2023

MONTHLY FINANCIAL PERFORMANCE REPORT – as at 31 October 2023

1. REPORT SUMMARY

This report provides the Committee with an update on the financial performance for the fourth month of the financial year ending 31 October 2023. To help explain the variances this report is presented in three sections including “operational business as usual”, “additional grants”, and “flood event” sections.

Business-as-usual

The business-as-usual result to date is a deficit of \$3.136m (against a budgeted deficit of \$2.984m, a negative variance of \$0.152m). This difference is mostly due to a timing variance relating to the estimate when the budget was established compared to when the actual transaction has occurred. This affects the following activities: Roading work program, Community Services, Infrastructure Services, timing of consultants on Solid Waste and Harbour Activity dredge engine repairs.

Regulatory Services are showing an increase in revenue and expenditure due to an increase in building activity. A full year prediction that there will be \$200k additional revenue and expenditure is included in this report. This will be updated as the year progresses.

Grant revenue and expenditure

The additional grant revenue and expenditure shows a surplus of \$0.858m against a budgeted surplus of \$0.573m, a positive variance of \$0.285m. A portion of grants relate to capital expenditure which is not included in this operations report.

Flood recovery revenue and expenditure

The flood event result to date is an overall surplus of \$1.416m, it should be noted a portion of the flood event revenue relates to capital expenditure which is not included in this operations report. The deficit relates to outstanding claims at period end.

Whole of Council

The total reported deficit to October 2023 of \$0.863m compared to a budgeted deficit of \$2.411m, a positive variance of \$1.548m. The main reason for this variance is due to flood recovery revenue and additional grant revenue received. The full year prediction is to achieve a small surplus for Council excluding flood recovery.

The report includes an interim prediction for additional grant revenue for flood recovery which results in an end of year positive variance of \$11.7m because the costs associated with the flood grants are mostly capital. The additional flood recovery grants will be updated throughout the year as more information comes to hand.

2. RECOMMENDATION

That the Risk and Audit Committee receive the operational performance report to 31 October 2023 for information.

3. OPERATIONAL FINANCIAL PERFORMANCE

A summary of the results is set out below, along with greater details in the following pages.

	Actual YTD	Annual Plan	YTD Variance		Projected Full Year	Annual Plan Full Year	Projected Variance Full Year
Operational Revenue	9,756,582	8,378,895	1,377,687	●	34,955,943	34,432,403	523,540
Operational Expenditure	12,893,032	11,362,888	(1,530,144)	■	36,582,657	36,010,332	(572,325)
TOTAL OPERATIONAL VARIANCE			(152,456)	■			(48,785)
Additional Grant Revenue	1,434,005	577,338	856,667	●	3,866,741	2,351,003	1,515,738
Additional Grant Expenditure	576,285	4,232	(572,053)	■	590,288	14,004	(576,284)
TOTAL ADDITIONAL GRANT VARIANCE			284,614	●			939,454
Flood Event Revenue	1,913,849	0	1,913,849	●	12,232,463	0	12,232,463
Flood Event Expenditure	498,095	0	(498,095)	■	498,095	0	(498,095)
TOTAL FLOOD EVENT VARIANCE			1,415,755	●			11,734,369
TOTAL PROFIT / (LOSS)			1,547,912	●			12,625,038
Net Profit / (loss)	(862,975)	(2,410,887)	1,547,912	●	13,384,108	759,070	12,625,038

Key: ■ Favourable Variance + \$50k ■ Unfavourable Variance - \$50k ▲ Neutral Variance +/- \$50k

3.1 Operational Performance Report – Summary of Results to October 2023 and Projection for the Year Ahead

Overall, operating revenue is \$1.378m higher than budgeted. The variance is mainly due to additional dredging work performed in Nelson and above budgeted NZTA income due to a timing difference.

Operational expenditure is \$1.530m higher than budgeted mainly due to the rebuild of one of the dredge engines and the contractor costs for the crew undertaking the repairs, climate control expenditure incurred and timing differences on various activities including the roading program.

To date, additional grant revenue consists of funding from DIA for funding relating to National Transition Unit work, Mayors Task force for Jobs income and DIA flood resilience income received.

Council will continue to receive significant funding over the next period for transition and flood recovery works.

The is funding from the National Emergency Management Agency (NEMA) (Tranche 2) projects for the port projects.

NEMA and DIA are also funding flood recovery water infrastructure projects, and Ministry of Business and Innovation are providing funding for the temporary housing development at Alma Rd.

Waka Kotahi have funded flood recovery roading costs for both capital and operational costs.

RISK & AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM: 11

Prepared by Lynn Brooks
Finance Manager

Reviewed by Douglas Marshall
Chief Financial Officer

Attachments 1 – Sundry Debtors Management Report
2 – Rates Debt Management Report

DEBT RECOVERY REPORT 31 OCTOBER 2023

1 REPORT SUMMARY

This report presents and classifies the outstanding balances of rates and sundry debtors as at 31 October 2023 for monitoring and information purposes.

There are no customers with arrears that require a decision of Council to progress the debt recovery process. This is because all debt recovery processes are delegated to staff and are part of the business-as-usual activities of Council.

2 DRAFT RECOMMENDATION

That Risk and Audit Committee receive the debt recovery report as at 31 October 2023 for information.

3. ISSUES AND DISCUSSION

3.1 This report is presented to provide monitoring information on debt trends for Council.

Council requires a high-level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects of the financial results provides a full view of the financial performance and financial position of Buller District Council.

3.2 Rates

Rates Debtors arrears balances to date shows a small decrease of \$20k (from \$673k to \$653k) since last quarter and a increase in number of debtors of 89 (From 549 to 638). Debt follows the usual pattern whereby every third month when the rates are charged the rate debt increases, then it decreases for the following two months.

The total rates debt as at October 2023 has decreased slightly since the last quarter. At the report close-off date of 31 September 2023 there has been a slight decrease across most categories.

All debt is being closely monitored. Staff are mindful that a number of ratepayers have been significantly affected by the 2021-2022 flooding events along with cost-of-living increases. Tailored payment arrangement plans have been made with this in mind.

Council have noticed a changing trend, whereas more direct debits are missed and there is an increase in number of cancelations of direct debit authorities. This can result in an increased risk that debt will not be recovered. Council staff are aware of this and will monitor this trend over the coming months.

In-house debt collection is proving to be more effective than handing collection to an external debt collection agency unless this action is absolutely necessary.

Rates debt is managed in a two-fold way. Firstly, the serious defaults category is systematically reviewed and each case at review is targeted with additional debt collection measures. Where consent is received from the ratepayer, Council works alongside them as well as their bank (if relevant), Budget Advice, and other support services. This produces some positive outcomes where the ratepayer has the support they need and has independent advice about their debt and obligations.

Secondly, early intervention is made when ratepayers miss one or two instalments. This is to try and prevent ratepayers falling behind and then not being able to clear the arrears.

Council promotes the Rates Rebate scheme and talks to customers in arrears about their possible eligibility for it. Council encourages direct debits as a payment method and the number of ratepayers using this service has increased significantly over the past two years.

The number of ratepayers on payment plans remains high compared with prior years and this early intervention made with ratepayers who start to fall behind is showing long term benefits for both the ratepayers in arrears and Council.

The average year on year debtors have remained relatively consistent. The balance of serious default debtors has decreased slightly over the past three months. The average arrears per outstanding debtor has decreased by \$580 in the last quarter, along with the total arrears decreasing by \$75k since July 2023.

3.3 Sundry Debtors

Sundry Debtors arrears balances to date shows a decrease of \$75k since last quarter and an increase in number of debtors by 10. The monitoring graph shows one month-end significant item as at October 2023. This large balance relates to one flood recovery claim amount owing from a Government Agency in the Sundry Income Category. This relates to a timing issue and is not expected to hold risk around collection of funds.

The serious default category indicated in red in the graph is mainly due to non-payment of leasehold property. This continues to be an area of focus and increasing collection measures including staff working closely on target cases. The twenty percent discount on purchase option provided by Council can provide assistance for these long-term lease arrears, either encouraging the lessee to purchase and refinance, or for them to sell the lease with the new owner wishing to freehold.

The ongoing maintenance category of debtors are well monitored and the debt collection measures in place are appropriate for this group.

4. CONSIDERATIONS

4.1 Strategic Impact

Council has key strategies of being resilient, growing the economy, providing quality infrastructure, investing in our towns and being affordable by growing non-rates income.

Debt recovery strategies are essential for effective collection of customer arrears and to ensure fair and equitable interaction between Council and our customers.

Keeping Council customers' debt levels in check and reporting on the level of debt provides a measure against the strategies of Council and provides an overview of the cost impact on our community.

This report also assists with understanding the current local economic climate along with the impacts of Council charges, and the community ability and willingness to meet those charges.

4.2 Significance Assessment

The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

- a) The District;
- b) The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
- c) The financial impact of the proposal or decision on the Council's overall resources; and
- d) The capacity of the Council to perform its role and carry out its activities, now and in the future.

The Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of Council.

4.3 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

When credit is extended by Council a risk arises that the amounts owing are not recovered when due, or that over time total debt owing grows to an unsustainable level and puts pressure on cash flow.

This risk is mitigated by requiring staff to monitor and recover debt therefore acting on indebtedness early on which yields better results, and regular reporting to Council to ensure oversight.

4.4 Values

The Buller District Values are: Integrity, Future Focussed, Community Driven, One Team and We Care. Monitoring debt and undertaking debt collection processes most closely aligns to the values of integrity and future focussed.

4.5 Policy / Legal Considerations

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986 and the Resource Management Act 1991.

The Financial Delegations Policy, Treasury Management Policy and Rates Remission Policies also apply to the collection of Council debt.

4.6 Tangata Whenua Consultation Considerations

The contents of the report are not a matter requiring consultation with tangata whenua.

4.7 Views of Those Affected

It is equitable for all our ratepayers, the public and individual debtors to ensure that all amounts outstanding should be collected through consistent processes. Council follows policy and in-house debt collection procedures to ensure this is achieved.

4.8 Costs

There are no extraordinary costs for debt recovery and the costs for continuing debt recovery are included in the annual plan budget.

4.9 Benefits

The benefits to collection of debt is the cash flow of Council is maintained. There is also fairness and equity for all ratepayers and service consumers in that everyone is paying their portion of the cost.

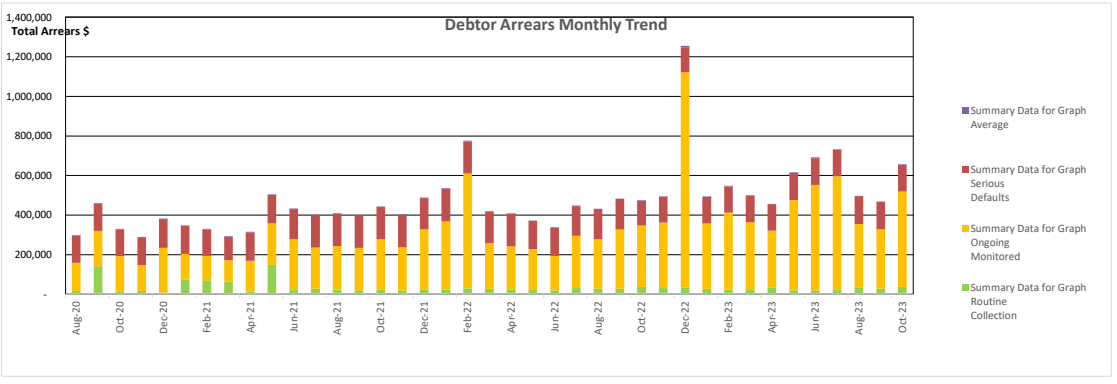
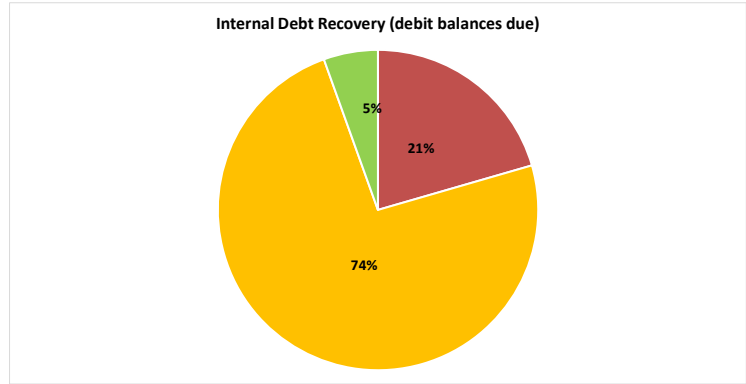
4.10 Media / Publicity

There are no media or publicity opportunities with the content of this report.

Sundry Debtors - Debt Recovery Report

Report cutoff date 31 October 2023
 Ageing cycle - current due 31 October 2023

Status Flag	Debtor Type	Age of Debt 31 October 2023		Age of Debt 31 July 2023		Variance 23 vrs Oct 23		No. of Account Holders per Debt Thresholds			Further Action to Commence					Comments
		No. of Debtors	Overdue	No. of Debtors	Overdue	No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
🔴	Leasehold Properties	14	134,000	14	132,120	0	1,880	5	6	3	✓			✓	✓	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
🟡	Orowaiti Connection	2	6,750	2	6,750	0	0	0	2	0				✓		Long standing arrears collected when property transfers.
🟡	Libraries	0	0	0	0	0	0	0	0	0						Small amounts monitored.
🟡	Water	16	34,300	8	23,965	8	10,335	11	4	1	✓			✓		Payment plans promoted for those with long standing debt.
🟡	Resource Management	16	46,199	13	51,304	3	(5,105)	11	3	2	✓	✓		✓		Long standing arrears receiving increased collection measures.
🟡	Rentals	21	63,851	18	46,760	3	17,090	15	5	1		✓		✓		\$27k debtor in Liquidation, this debt remains on Council records until final notification of wind up. The balance is under routine monitoring.
🟡	Regulatory Licences e.g. Food Premises	30	9,700	27	8,957	3	743	30	0	0						Timing of Annual Licences billing.
🟡	Sundry	35	284,418	43	405,840	(8)	(121,422)	26	4	5			✓			Instalment arrangements entered into for those with long standing debt.
🟡	Westport Harbour	28	38,079	29	31,270	(1)	6,809	22	6	0						Annual payment plans in place. Rents, Berthage etc
🟢	Trade Waste	12	18,515	6	11,242	6	7,273	9	3	0					✓	Annual invoicing cycle in June of each year.
🟢	Airport Parking	1	40	1	40	0	0	1	0	0					✓	Small amounts monitored.
🟢	Building Consents	10	13,579	18	8,310	(8)	5,269	7	3	0						Where overdue, this represents inspections not yet completed due to timing of building process.
🟢	Swimming Pools	2	170	3	330	(1)	(160)	2	0	0						
🟢	Cemetery	7	2,657	3	1,103	4	1,554	7	0	0						
🟢	LIMs	3	900	2	550	1	350	3	0	0						
	Totals	197	653,157	187	728,542	10	(75,385)	149	36	12						



Rates Accounts - Debt Recovery Report

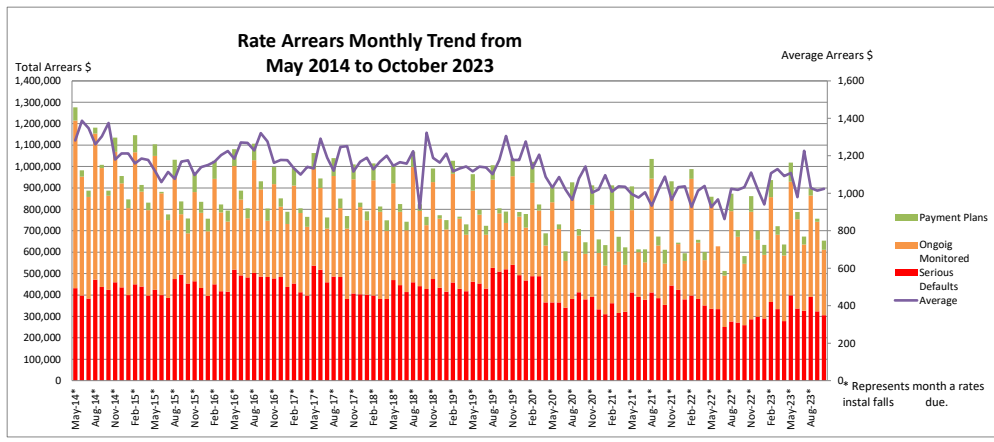
ATTACHMENT 2

Report cutoff date 31 October 2023
 Last rates instalment due date 28 August 2023
 Next rates instalment due date 28 November 2023

Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence					Comment	
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter		Continue Sale Process
Red	Placed with External Debt Collection	10	87,278	9,210	78,068	13%					J		Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		J					Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	5	20,491	4,566	15,925	3%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	42	181,513	37,994	143,519	24%	√		√				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	11	16,205	6,311	9,894	2%					J		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	25	53,551	20,094	33,457	6%	J				J		Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	32	14,981	10,481	4,500	1%				J	J		Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	32	80,001	26,972	53,029	9%	J						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
Orange	No Payments - Property on Market	12	34,133	8,770	25,363	4%	J						Annual Review.
Orange	Missed May & August 2023 instals	32	41,510	22,092	19,418	3%					J		Letters sent - monitoring.
Orange	Missed one instalment only	189	81,518	75,150	6,368	1%					J		Letters sent - monitoring.
Green	Payment plans	248	42,182	29,667	12,515	2%				J			Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	40	200,333	16,048	184,285	31%						J	Report to June 2019 Council Meeting.
	Totals	678	853,696	267,355	586,341	100%							

Internal Debt Recovery		
Red	305,487	35.8%
Orange	305,694	35.8%
Green	42,182	4.9%
Abandoned land	200,333	23.5%
	853,696	100.0%



RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 12

Prepared by Neil Engelbrecht
Financial Accountant

Lynn Brooks
Finance Manager

Reviewed by Douglas Marshall
Chief Financial Officer

INVESTMENTS AND BORROWINGS – As at 31 October 2023

1. REPORT SUMMARY

This report summarises Council's cash investments and borrowings for the month of October 2023, and compliance with Council treasury management policy.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Investments and Borrowings report as at 31 October 2023 for information.

3. ISSUES AND DISCUSSION

3.1 Term Investments

Total term investments (Including call account and other loans) have decreased by \$1.5m since the last report to 30 September 2023. The balance decreased from \$16.208m at 30 September 2023 to \$14,708m at 31 October 2023.

3.2 Bank Balance

Council's main trading account closing balance was \$0.282m as at 31 October 2023. The balance decreased by \$0.514m since the last report to 30 September 2023. All of Council trading account closing balances at the end of October were \$0.303m. A retentions holding bank account has been opened and the October month end balance of retentions has been transferred to this account in early November.

3.3 Interest Revenue

Interest revenue to the end of October is \$213k against a year to date budget of \$236k.

Council has renegotiated its bank charges and credit interest rates with Westpac. This resulted in a decrease in bank fees and an increase in interest rates received on all of Council's bank accounts. The renegotiated terms came into effect during August 2023. The resulting increase in interest received will result in a positive variance to budget throughout the year.

3.4 Borrowings and Net Debt Position

Total borrowings increased by \$0.42m since the last report to 30 September 2023. The total borrowings increased from \$36.65m at 30 September 2023 to \$37.07m at 31 October 2023. This was due to a short-term borrowing from Westpac which has increased by \$0.42m since last reported from \$3.44m to \$3.86m. The funds borrowed was used for additional flood recovery expenditure incurred, while Council was waiting on the grant from external funders claims to be paid. This is a timing difference.

Net debt (borrowings less term investments and call account balance) has increased by \$1.92m since last reported from \$22.041m to \$23.961m due to the increase of \$0.42m in borrowings and the decrease of \$1.5m in term deposits noted above.

3.5 Compliance with Treasury Management Policy

The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution. The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base.

Currently investments in NBS total \$3.468m representing 28% of the total investment portfolio. This is an increase of 3% since last reported, due to the term deposits not reinvested noted above.

3.6 Compliance with Financial Strategy Net Debt Limit set in the Long Term Plan

The Financial Strategy of Council is that net debt is not more than \$25m at any given time. Currently Council's net debt is \$23.961m.

4. CONSIDERATIONS

4.1 Strategic Impact

It is important that Council retains suitable cash holdings and credit facilities to ensure its activities and capital projects can be funded in a timely and affordable manner.

4.2 Significance Assessment

The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of council.

4.3 Values Assessment

The Buller District Councils values are: One Team; Community Driven; We Care; Future Focussed; and Integrity.

Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity. Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

Public reporting of investments and borrowings encourages open and honest discussion and decision making.

4.4 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans.

This risk is mitigated by establishing policies and procedures, engaging staff to manage investment and borrowings and regular reporting to Council to ensure high level oversight.

4.5 Policy / Legal Considerations

The Local Government Act 2002 and associated regulations prescribe prudent financial management and nationwide benchmarks. The financial prudence benchmarks are now compulsory sections included in Council Long Term/Annual Plans and Annual Reports.

Council's Investment Policy and Treasury Policy govern the management of cash assets and borrowings. The following tables and graphs compare the monthly results to the parameters set out in the policy.

4.6 Tangata Whenua Considerations

None identified.

4.7 Views of Those Affected

Council's financial strategies, investment levels and borrowing projections are included in the Long-Term Plan and Annual Plan consultation processes.

4.8 Costs

There are no extraordinary costs relating to investments and borrowings.

4.9 Benefits

The benefits of structured Treasury management include risk minimisation, prudent cash management and long-term financial stability.

4.10 Media / Publicity

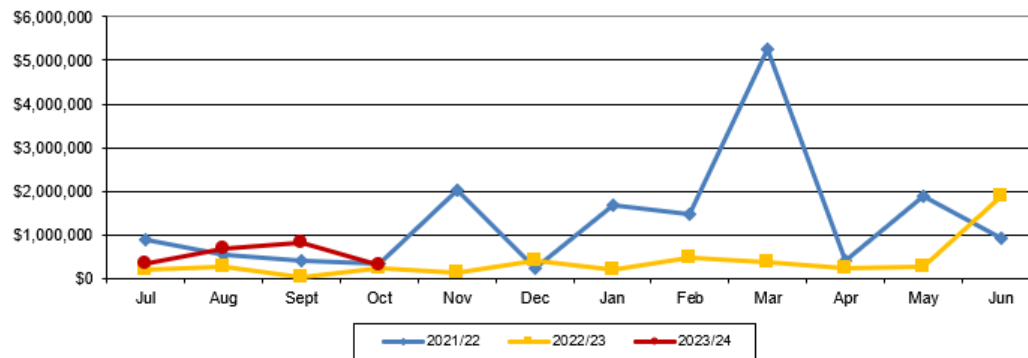
None identified.

INVESTMENTS AND BORROWINGS REPORT

1. BANK BALANCE

	This Month 31-Oct-23	Last Report 30-Sep-23	Last Year 30-Jun-23
Trading Account Council	\$303,109	\$830,079	\$223,974

2. MONTH END BANK BALANCES



3. SUMMARY OF INVESTMENTS

	This Month 31-Oct-23	Last Report 30-Sep-23	Last Year 30-Jun-23
Term deposits	12,607,472	14,107,472	14,107,472
LGFA Borrower Notes	500,000	500,000	500,000
Call Account	-	-	-
Balance before other loans	13,107,472	14,607,472	14,607,472
Other investments (Includes loan to Holding Company)	1,600,982	1,600,982	1,600,982
Total Investments	\$14,708,454	\$16,208,454	\$16,208,454

3.1 Term Deposits

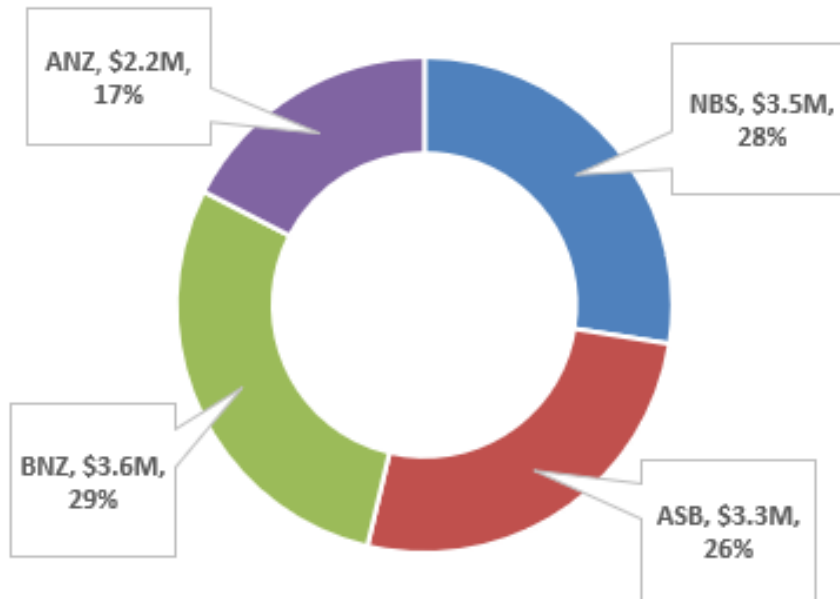
Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	BNZ	1,000,000	10-Mar-2023	5-Nov-2023	4.70%
Term Deposit	BNZ	1,636,800	4-Mar-2023	29-Nov-2023	5.25%
Term Deposit	NBS	534,038	13-Jun-2023	13-Dec-2023	5.30%
Term Deposit	ASB	977,775	23-Jun-2023	23-Dec-2023	6.09%
Term Deposit	ANZ	1,000,000	4-May-2023	29-Jan-2024	5.50%
Term Deposit	ASB	1,325,000	13-Sep-2023	13-Mar-2023	5.85%
Term Deposit	ASB	1,000,000	26-Aug-2023	28-Mar-2024	5.75%
Term Deposit	NBS	400,000	07-May-2023	6-May-2024	5.75%
Term Deposit	BNZ	1,000,000	30-Jun-2023	30-Jun-2024	5.80%
Term Deposit	NBS	1,000,000	29-Jun-2023	01-Jul-2024	5.75%
Term Deposit	NBS	1,534,038	18-Jul-2023	18-Jul-2024	5.85%
Term Deposit	ANZ	1,199,821	09-Oct-2023	08-Oct-2024	6.00%
Total Term Deposits		12,607,472			

The objective of this table is to show a trend of rising interest rates over the past 12 months.

There were two term deposits maturing during November:

- BNZ - \$1,000,000 reinvested for a period of 240 days until 02 July 2024 at a rate of 6.00% per annum and
- BNZ - \$1,636,800 reinvested for 270 days until 25 August 2024 at a rate of 6.10% per annum.

3.2 Term Deposits Summary by Trading Bank

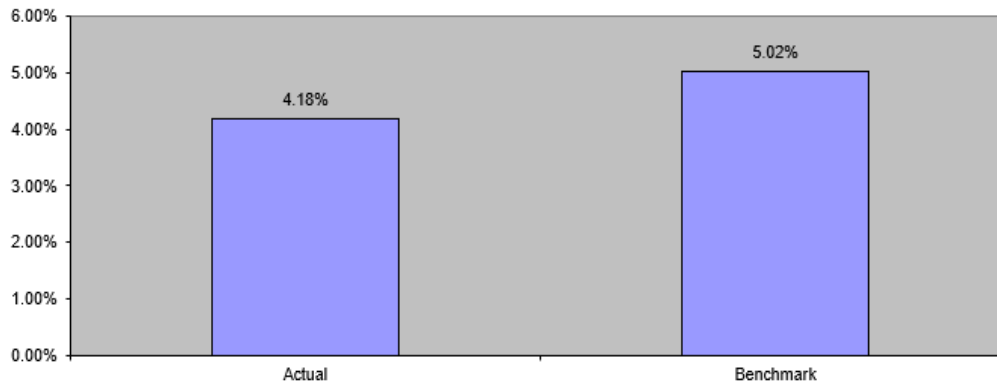


The maximum allowable investment per issuer is \$10m.

3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	1-Mar-2024	5.89%
LGFA Borrower Note	LGFA	125,000	1-Mar-2025	5.92%
LGFA Borrower Note	LGFA	125,000	1-May-2026	5.88%
LGFA Borrower Note	LGFA	125,000	1-Mar-2027	6.08%

4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



5. INTEREST REVENUE AND EXPENSE

	Actual YTD	Budget YTD	Full Year Budget
Interest Revenue	\$213,467	\$236,136	\$1,237,802

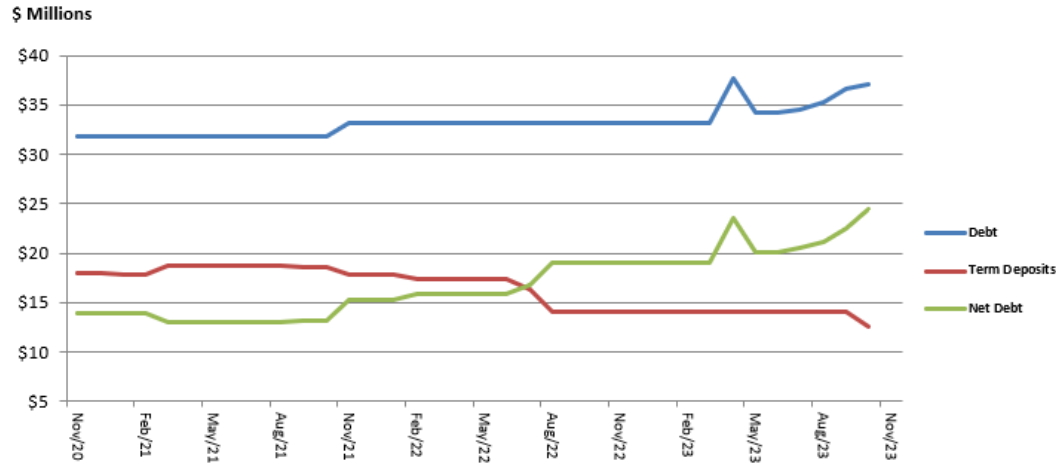
	Actual YTD	Budget YTD	Full Year Budget
Interest Expense	\$573,705	\$666,130	\$1,833,247

6. SUMMARY OF BORROWINGS

	This Month 31-Oct-23	Last Report 30-Sep-23	Last Year 30-Jun-23
External Debt			
Westpac Loan Facility	13,213,860	13,213,860	13,213,860
Westpac Loan Facility – Flood recovery	3,855,000	3,435,000	1,030,000
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	\$37,068,860	\$36,648,860	\$34,243,860
Weighted Average Interest Cost	5.27%	5.25%	5.13%

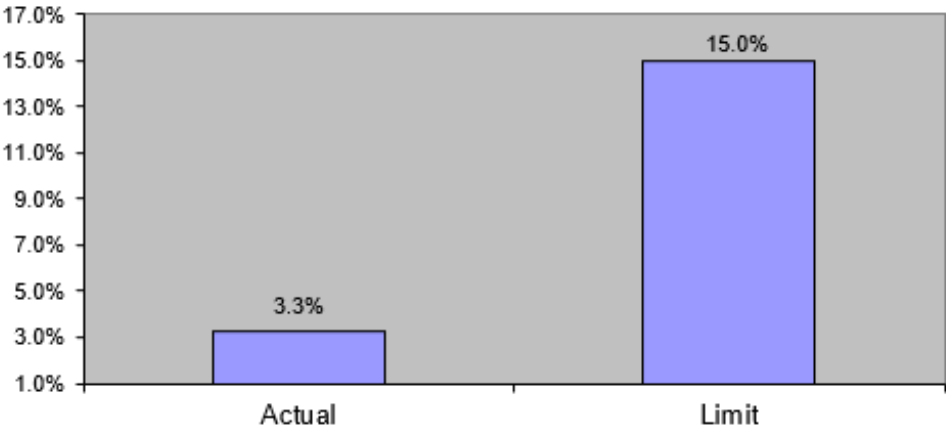
Net Debt			
Total Borrowings	36,648,860	36,648,860	34,243,860
Less: Term deposits (including Call Account)	13,107,472	14,607,472	14,607,472
	\$23,961,388	\$22,041,388	\$19,636,388

7. DEBT AND INVESTMENTS 3-YEAR TREND

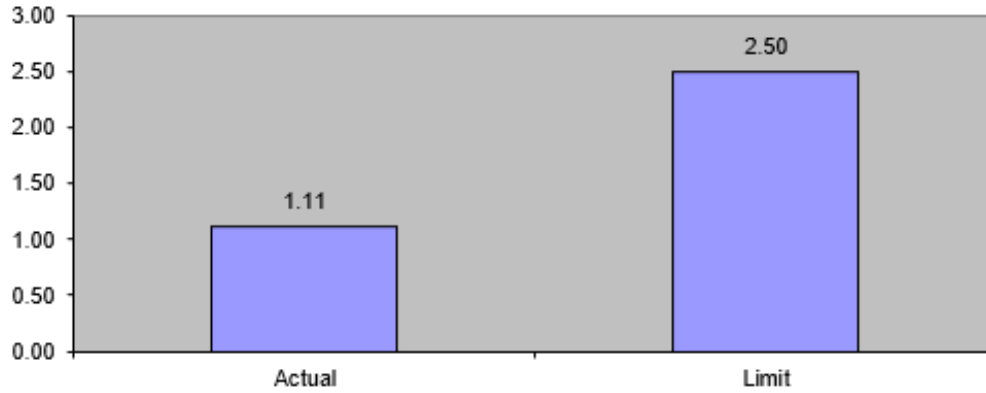


The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council’s Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account. The increase shown in the net and gross debt above for the month of April is due to the short-term borrowings of \$4.4m related to flood recovery costs. This loan was repaid during May 2023. The increase shown since October is due to short-term borrowings that are being utilised as needed and increased since the last report, in conjunction with the decrease in term deposits, resulting in a decrease in net debt.

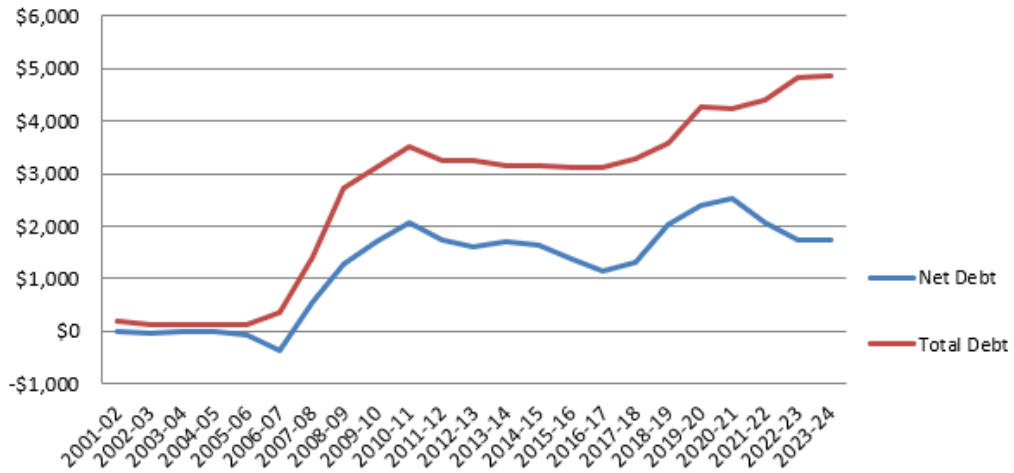
7.1 Interest Expense / Total Income



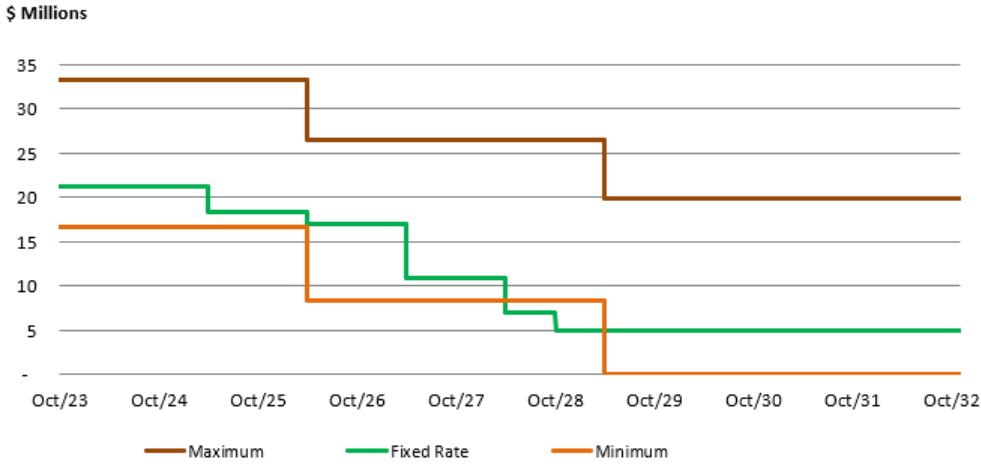
7.2 Gross Debt / Total Income



7.3 Debt and Net Debt per Rateable Property



7.4 Fixed Rate Debt - Compliance with Treasury Policy



RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 13

Prepared by Penny Bicknell
Programme Manager

Reviewed By Steve Gibling
Chief Executive Officer

Attachment 1. NEMA Projects Status Report October 23
2. Better Off Funded Projects Status Report October 23
3. Minutes of November Meeting – Projects in Partnership

NEMA and Better Off Funding Project Status Report Summaries from Projects in Partnership

1. REPORT PURPOSE

The purpose of this report is to bring the Risk and Audit Committee a summary of the Project Status Reports for NEMA and Better Off Funded projects for month end October 2023 and the Minutes of the November Meeting.

2. DRAFT RECOMMENDATIONS

That Risk and Audit Committee receive the Reports and Minutes from the November meeting.

3. SUMMARY

Key points to note from each of the Programmes of Work for October:

3.1 NEMA Projects

- 3 Waters work package 1-5. The final wastewater project in this work package is the repair to the Brick Arch which runs below Brougham Street. The contract was awarded to True Line Civil from a tender process with work due to commence in November. Additional costs of \$160k were approved by the Projects in Partnership Group and NEMA. These funds to be drawn from the contingency fund for the 3 Waters package of work. The project will be completed by the end of January 2024. On completion of this final project in the work package there will still be a remaining contingency of approximately \$284k.
- Wastewater Betterment project – the raising of 3 pump stations – community engagement took place through letter drops and a media release prior to the commencement of work in November.
- Stormwater Betterment project – Coates Street. WestReef completed trial digs to ascertain the constructability of the design. These tests failed due to the high ground water level. The project team will reconsider the approach with the remaining \$140k to mitigate flooding in the area.
- Westport Port Repairs – the peer review is being concluded with no indication of any issues. Building and Resource consents being lodged.
- Reefton Historic Landfill – final river training to take place after bird survey completed. Project will be completed by early November. The project will be delivered under budget for both NEMA and BDC. Final costs by end of November. A media release will be prepared on completion.

3.2 Better Off Funded Projects

- Council approved 6 projects for application to DIA for the unallocated funds of \$650k. These will be submitted to DIA for approval in November.
- DIA approved claims submitted for \$262,134
- All projects are on track with no issues to report

- Karamea Reserve Water supply project was completed with final report to be submitted to DIA (\$65k funding was drawn down from DIA in the initial 10% of funds released)

4. CONSIDERATIONS

5.1 Strategic Alignment

Not relevant to this report

5.2 Significance Assessment

Not relevant to this report

5.3 Tangata Whenua Considerations

The contents of the report are not a matter requiring consultation with tangata whenua.

5.4 Risk Management Implications

All projects/initiatives carry a low-risk threshold for Council and a full risk register for each project is completed.

5.5 Policy Framework Implications

Council must comply with the relevant policy and legal requirements of the “Better Off” funding agreement, including the Water Services Act 2021, Health Act 1956, the Health and Safety at Work Act 2015, the Resource Management Act 1991, Local Government Act 2002 and Council’s own Procurement Policies and Delivery Guidelines.

5.6 Legal Implications

No legal implications are foreseen.

5.7 Financial / Budget Implications

All eligible costs for these projects are funded through NEMA and DIA funding agreements.

5.8 Media/Publicity

Publicity is expected across these projects through the delivery phases.

5.9 Consultation Considerations

The team will work to ensure affected parties and stakeholders will be included and consulted throughout the programme delivery process.

Project Status Report – NEMA Projects overview – October 2023



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$17.1 million of which \$10.6 million is for 'out of policy' repairs. Eligible infrastructure repairs are covered under the normal policy of 60% Govt/40% Council. Cabinet approved 'out of policy' for Betterment projects, Dredging and the 40% Council share. BDC share is the threshold payments for each event and any insurance claim deductions.
Reporting Period:	October 2023 (Financials to 30 September 2023)
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Programme Manager:	Penny Bicknell
Programme Outcomes:	<p>Flood Recovery Infrastructure repairs relating to the July 2021 and February 2022 weather events. The Programme of Works covers Infrastructure repairs approved by Cabinet for Tranche 2 in June 2022.</p> <p>The Programme of works includes the following work packages (WP):</p> <ul style="list-style-type: none"> • WP 1-5: 3 Waters repairs • WP 6 Betterment Projects (out of policy) • WP 7 Westport Port Repairs • WP 8 Westport Dredging Project (out of policy) • WP 9 Inangahua River Projects <ul style="list-style-type: none"> ○ Reefton Historic Landfill land ○ Reefton Stopbank repairs (completed)) • WP 10 Tiphead repairs (completed) • Programme Manager

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)

Aspect	Status	Comments
Overall:	A	<ul style="list-style-type: none"> Overall, the programme is progressing well. Wharf repairs are behind schedule due to implementing a Peer review requested by NEMA. 4 Betterment projects are behind schedule but will be completed by the end of the financial year
Budget:	G	<ul style="list-style-type: none"> \$17,144,191
Scope:	A	<ul style="list-style-type: none"> One scope issue in the Betterment portfolio to be addressed
Resource:	G	<ul style="list-style-type: none"> Resource to be assigned to each project as required
Schedule:	A	<ul style="list-style-type: none"> Schedule for each project - see page 4. Currently all scheduled to be completed by the end of the financial year
Risks / Issues:	G	<ul style="list-style-type: none"> All programmes have a Risk and Issues matrix. Risk of Wharf repair project not being completed in this financial year will require Ministerial approval to extend the funding.

State of Play

Last Month (October)

- WP1-5 One final project to complete – Brougham Street Brick Arch – Additional costs of \$160k approved by NEMA to be taken from contingency. Contract awarded to True line Civil. Work commenced.
- WP6 Betterment:
 - WW Pump stations – community engagement
 - WW Grit & Sediment – RFT to market
 - Alt Drinking Water options – completed report on cost comparison of selected water sources
 - Coates Street – WRS� completed trial digs to ascertain constructability
- WP7 Westport Port Repairs. Peer review to be completed by end October. Statutory approvals reviews and assessment of environmental affects completed. Applications for Resource consents from BDC and WCRC completed. Independent cost check completed to inform budget adequacy produced a total project estimate of approx. 10% above budget. The design will be put to market to validate pricing
- Reefton Historic Landfill. Rosco provided a price to complete the river training as required in the WSP report. Funding split for this work: NEMA \$99,427; BDC \$9,542

Next Month (November)

- WP1-5 -Brick Arch Physical construction works to commence.
- WP6 Betterment:
 - Pump stations – material procurement and fabrication
 - Grit & Sediment – evaluation of tenders
 - Alt drinking water options – costs for undertaking boring a well to test water quality and quantity.
 - Coates Street – Constructability test failed due to high ground water. Next steps to be discussed as to what can be achieved with remaining budget of \$140k.
- Conclude peer review of design. Receive resource consents. Prepare procurement documentation for construction. Lodge building consent exemption application with BDC.
- Bird survey to be completed prior to commencement of works due to possibility of nesting Banded Dotterels. Rosco Contractors to complete stage 2 of river training early November. The project will then be complete.

Project Schedule

NEMA T2 Project Schedule																				
Project	2022						2023												Comments	
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
WP 1-5 3 Waters	Construction continued from emergency repair works																			Final project to be completed - Brougham St. Brick Arch - January 2024
WP 6 Betterment Projects						Planning and Design		Construction											4 projects completed, 2 to complete in December, 1 project to be completed January 2024, 1 project jointly funded with IAF project March/April 2024	
WP7 Westport Wharf				Planning and Design															Current indication of completion June 2024, but final date will not be known until procurement completed	
WP8 Dredging						Dredging commenced													Schedule to March 24	
WP9 - Reefton Stopbank	River training							River training											Project Complete	
WP 9 Reefton Landfill			Planning and Design					Construction											Construction completed August 2023, final river training November 2023	
WP10 Tiphead Revetment				Planning and Design			Construction												Project Complete	

Financials (30 September 2023)

Budget and Expenditure Summary.

NEMA Tranche 2 Programme						
For Period 2023/24- September						
	CURRENT BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION
WP1-5 3 Waters Repairs	0	2,007,191	(1,919,359)	(4,655)	(83,177)	0
Expenses	2,511,751	2,007,191	0	0	504,560	2,511,751
Revenue	(2,511,751)	0	(1,919,359)	(4,655)	(587,737)	(2,511,751)
WP6 3W Betterment Projects	0	494,774	(367,455)	(99,821)	(27,498)	0
Expenses	1,582,000	494,774			1,087,226	1,582,000
Revenue	(1,582,000)		(367,455)	(99,821)	(1,114,725)	(1,582,000)
WP7 Westport Port Repairs	0	251,068	(169,939)	(50,088)	(31,041)	0
Expenses	5,920,000	251,068			5,668,932	5,920,000
Revenue	(5,920,000)		(169,939)	(50,088)	(5,699,974)	(5,920,000)
WP8 Westport Dredging Project	0	2,236,500	(2,236,500)	0	0	0
Expenses	4,716,000	2,236,500			2,479,500	4,716,000
Revenue	(4,716,000)		(2,236,500)	0	(2,479,500)	(4,716,000)
WP9 Inangahua River Projects	0	896,239	(439,509)	(449,552)	(7,178)	0
Expenses	1,224,000	896,239			327,761	1,224,000
Revenue	(1,224,000)		(439,509)	(449,552)	(334,939)	(1,224,000)
WP10 Tiphead Repairs	0	759,419	(732,064)	0	(27,355)	0
Expenses	1,000,000	759,419			240,581	1,000,000
Revenue	(1,000,000)		(732,064)	0	(267,936)	(1,000,000)
Programme Management	0	115,611	(88,891)	(15,978)	(10,741)	0
Expenses	190,440	115,611			74,829	190,440
Revenue	(190,440)		(88,891)	(15,978)	(85,570)	(190,440)
TOTAL						
Expenses	17,144,191	6,760,801		0	10,383,390	17,144,191
Revenue	(17,144,191)		(5,953,716)	(620,093)	(10,570,381)	(16,795,427)
Deductions	348,764				0	
Total	348,764	6,760,801	(5,953,716)	(620,093)	(186,991)	348,764

Claims to NEMA

	Costs	Threshold	on Hold	Ineligible	Invoiced	Paid	Paid from \$1mil advance
Pre Tranche 2 (60%)	457,843.15	- 173,850.00			-		283,993.15
Claim 1	957,121.42	- 174,914.00			782,207.42	782,207.42	
Claim 2 (40%)	179,231.32				179,231.32	179,231.32	
Claim 3	632,903.36		91,028.25	4,297.23	537,577.88	537,577.88	
Claim 4	1,104,415.37		18,088.36	1,353.80	1,084,973.21	1,084,973.21	
Claim 5	739,294.89				739,294.89	739,294.89	
Claim 6	55,404.93				55,404.93	55,404.93	
Claim 7	938,898.80		24,009.49*		962,908.29	962,908.29	
Claim 8	661,350.94		13,495.00	285.00	647,570.94	647,570.94	
Claim 9	578,429.84		4,027.50		574,402.34	574,402.34	
Claim 10 in progress	620,093.45						
Balance to be Claimed/Onhold/Ineligible	186,991.03						
	6,654,135.35	- 348,764.00	102,629.62	5,936.03	5,563,571.22	5,563,571.22	283,993.15

* includes \$52,170 resolved from Claim 3

Claim 7 costs decreased as it previously included the \$52k that was in the claim 3 costs

Answers to questions from September RAC meeting:

- Claim 4 – there was an error in the ‘on hold’ column – this line now adds through
- Claim 7 – the invoice included the \$52,170 resolved from ‘on hold’ invoices in Claim 3. On hold now a +ve sum which reflects this.

NEMA T2 Programme Surplus Report	Budget	Final Cos	Surplus	40%
Completed Project				
Tiphead (final report July 2023)	\$ 1,000,000	\$ 759,419	\$ 240,581	\$ 96,232
Reefton Campground (financial report updated September 202	\$ 150,000	\$ 59,238	\$ 90,762	\$ 36,305
Total surplus available for recommendation for reappropriation to another T2 project, subject to eligibiity and approval by NEMA				\$ 132,537

Communications

An update on media, marketing and communication activity for the programme/project

- Community engagement and media release for lifting of pump stations
- Media release prepared on benefits of WaStops

Project Status Report – Better Off Funding Projects overview –October 2023



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$3,500,000
Reporting Period:	October 2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	DIA (Crown Infrastructure)
Programme Manager:	Penny Bicknell
Programme Outcomes:	The scope is made up of 9 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes. 6 projects approved by Council in September (2 of these projects are additional funding for existing projects in the portfolio) – seeking approval from Crown Infrastructure/DIA

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)		
Aspect	Status	Comments
Overall:	G	The programme was prioritised by Council and approved by Crown Infrastructure
Budget:	G	\$3,500,000
Scope:	G	<p>The Programme of works includes the following approved projects:</p> <ul style="list-style-type: none"> • Three Waters projects • Reefton Wastewater/Stormwater modelling • Climate Change Adaptation and Master Planning • Community Hub Feasibility Study (additional funds awaiting DIA approval) • Civil Defence Procurement • Airport Relocation options study • Karamea Reserve Water Supply • Westport Emergency Water supply (additional funds awaiting DIA approval) • Reefton Campground Accommodation • Ngakawau Swimming Pool improvements (awaiting DIA approval) • Granity Fundraising Centre (awaiting DIA approval) • Westport Stormwater/wastewater work (awaiting DIA approval) • Test bore and sampling for non-compliant water supplies - Little Wanganui and Mokihinui (awaiting DIA approval)
Resource:	G	Resource to be assigned to each project as required
Schedule:	G	Schedule for each project to be determined. Final deadline for Crown Infrastructure projects programme is 30 June 2027
Risks / Issues:	G	Scope of works may need to be reduced in some projects to ensure they remain in budget

State of Play

Last Month (October)	Next Month (November)
<ul style="list-style-type: none"> • Council approved 6 projects for application to DIA for the unallocated funds of \$650k • DIA approved the claims submitted last month totalling \$262,134 • 3 Waters – Work on RFQ documentation for bundle 2 – Wastops, Bundle 2, Heley East outfall and Bundle 4B Inangahua SW • Reefton modelling – RFP to consultants to price from an approved consultants list. • Climate Change Adaptation – Risk Explorer tool workshops held • Master Planning - Stage 1 – Vision – project - contract awarded to Isthmus • Community Hub Feasibility Study - Feldspar held workshops with the working group at the end of October to discuss final location and requirements for fundraising • Civil Defence – Bulk of procurement complete • Airport Relocation Options study - draft report received and circulated to SLT – no comments received • Karamea Reserve Water – project completed. • Westport Emergency Water supply – pilot study underway. Application for additional funds for placement of water tanks • Reefton Campground cabins - Project progressing with working group. Site confirmed and preliminary designs approved. Federation Mining timing now March/April. 	<ul style="list-style-type: none"> • Draft applications for the 6 approved projects for the unallocated funding for Crown Infrastructure/DIA approval • Get the RFQs out to market, complete QS pricing and procurement for the backflow protection project , provision design engineers for Bundle 4B. Work with design engineers on bundle 2 to get the solution required engineered prior to sending to market. • Reefton modelling and report to be completed by February 2024. • Confirm timing of Community engagement - contingent on Council workshop. Continuing work with UC. • Workshop with Council and field visits/stakeholder meetings on site in Westport • Community Hub – finalise report – late November, governance, and fundraising opportunities. • Balance of funds to be committed. • Finalise report. • Final report required for DIA portal. • Westport Emergency Water supply – complete final procurement. • Next stage of detailed designs to be contracted and investigate services/legal advice required.

Project Road Map/Schedule (Deadline for completion 30 June 2027)																			
Project task	Feb 2023	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Jul	Comments
3 Waters																			Construction to commence Oct 2023 and be complete by July 2024
Reefton WW/SW modelling																			Modelling and Report to be completed by February 2024
Climate Change Adaptation																			Ongoing – linked to other funding
Master planning																			Workshops in Westport first week November
Community Hub feasibility study																			Feldspar contracted complete by December 2023
Civil Defence																			Complete in November
Airport relocations options study																			Study completed – draft received
Karamea Reserve Water																			Completed
Westport emergency Water Supply																			Final procurement
Reefton Campground																			Project planning/scope approved

Financials (30 September 2023)						
Budget and Expenditure Summary.						
Project	Budget	Actual Cost to date	Claim submitted	Revenue to date	Forecast Cost to complete	To claim
3 Waters	\$1,095,000	\$13,931		\$5,000	\$1,081,069	\$8,931
Programme Management	\$165,000	\$92,403		\$0	\$72,597	\$92,403
Reefton Wastewater modelling	\$150,000	\$0			\$150,000	\$0
Climate Change adaptation	\$250,000	\$130,000	\$130,000		\$120,000	\$0
Master planning	\$250,000	\$13,638			\$236,362	\$13,638
Community Hub Feasibility	\$150,000	\$88,047	\$71,258	\$5,000	\$61,953	\$11,789
Civil Defence	\$275,000	\$219,597		\$275,000	\$55,403	\$0
Airport Relocation options study	\$50,000	\$15,408			\$34,592	\$15,408
Karamea Reserve Water	\$65,000	\$65,000		\$65,000	\$0	\$0
Westport Critical Water	\$100,000	\$60,876	\$60,876		\$39,124	\$0
Reefton Campground	\$300,000	\$6,940			\$293,060	\$6,940
Unallocated Funding	\$650,000	0			\$650,000	\$0
Total	\$3,500,000	\$705,840	\$262,134	\$345,000	\$2,794,160	\$142,169

Communications

An update on media, marketing and communication activity for the programme/project

Westport News reported on the request to reprioritise funding from Waimangaroa and Westport smoke testing projects and the subsequent discussions at the April Council meeting. Better off Funding Tranche 2 funding has been withdrawn by Government.

Westport News reported on the additional funding available of \$950k from the Westport Wastewater/stormwater smoke testing project and Waimangaroa water project discontinuation.

Westport News reported on the allocation of \$300k to Reefton Campground Accommodation

Westport News reported on the Council workshop in September and the outcome of the Council meeting for the unallocated funding of \$650k

Projects in Partnership Meeting – Minutes
Monday 13 November 2023
4.00 – 5.00 pm, Clocktower Chambers and via Zoom

Present:

- Chairperson and Mayor Jamie Cleine (JC); BDC CEO Steve Gibling (SG); BDC CFO Douglas Marshall (DM); Minute Taker Kirstin McKee
- Attending via Zoom; BDC Group Manager Infrastructure Services Mike Duff (MD); BDC Programme Manager Recovery Penny Bicknell (PB); NEMA Suzy Paisley (SP); BDC Contractor Steve Garner (SGa)
- Apologies; NEMA Simon Chambers, Ngāti Waewae Ned Tauwhare (NT), Kainga Ora Suresh Ram (SR); BDC Councillor Phil Grafton (PG);

1. Welcome and Introduction

Meeting started at 4.51 pm.

2. Previous Meeting Minutes

Pg 2 correct “Community **Health** Feasibility Study” to “Community **Hub** Feasibility Study”.

Minutes accepted as tabled with the above correction.

Minutes accepted as tabled

3. NEMA Tranche 2 Funding**NEMA financials**

P Bicknell – report taken as read. There were a couple of questions from October RAC meeting. Clarification as follows:

Claim 4 – did not add up, this now adds up (a discrepancy in the On Hold and Ineligible columns).

Claim 7 – was invoiced for more than was set out as costs. (a discrepancy with the On Hold line). The On Hold line is now a positive number because there was \$52K which resolved from Claim 3 that went through on that invoice.

Now updated and corrected.

NEMA T2 Programme Surplus Report

PB – September number for the Reefton campground is slightly different. Last month’s Final Cost was \$60,658, this month’s Final Cost is \$59,238. This decreased as there were some costs for Reefton Landfill in here.

4. NEMA FUNDED PROJECTS**Work package 1-5 - 3 Waters repairs**

Last project remaining - Brick Arch Brougham Street, construction should start prior to Christmas.

At the end of this project, potentially looking at the contingency being around \$287K giving an additional \$114K to add to the surplus number.

Once a timeframe is known for the Brick Arch, a media release will go out. There have been regular updates on this work from the time of the emergency through the Infrastructure updates.

All other projects are closed off.

WP6 Betterment Projects - STORMWATER & DRAINAGE

- **Pump Stations** – now in progress.
- **Grit and Sediment** – went out for tender last month, no submissions were received.* Davis Ogilvie (DO) are putting together next steps as parts need to be ordered by the end of month due to very long lead times. Last timeframe was looking at end of April.

\$250K of this project is IAF funding, meeting tomorrow to discuss this funding.

* No tenders were received as this went out as a design build package. Contractors were unsure how they would share liability for a design and build, with a third party designing the kit. Now exploring an early contractor involvement approach. Build costs are unknown as IAF won't fund design until we satisfy the TTPP conditions.

- **Alternative Drinking Water** – now undertaking boring to test the water quality. \$73K left in budget, have requested costs on this, to be reviewed when the costs come in.
- **Coates Street** – Calibre design is not feasible. DO are looking at this to see what can be done to mitigate flooding in Coates Street. \$140K left in this budget.

JC queried was there any come back with designs that were not going to work.

PB commented - Calibre did first designs, DO were asked to review them and advised designs were not possible. The understanding is that Coates Street is more complex than previously thought with very high ground water. It was only once constructability tests and boring some holes that they realised the designs wouldn't work. There is no come back with Calibre, as they delivered on the brief. Discussion re this.

Wharf Repair

PB - Consents are now completed, peer review has been completed. No report to provide as yet. Phil Rossiter is preparing procurement documentation.

Reefton Historic Landfill

PB – now completed, paperwork being finalised, will look to have a final account by next month. Potentially a surplus of \$48.5K. Media release can be done once final paperwork done.

The reports were accepted as tabled

S Paisley left the meeting at 5.10 pm

5. BOF FUNDING - DIA

PB spoke to the report. Another 6 projects have been added. Draft applications for the approved projects - 3 are now drafted and with DIA for approval, 3 more waiting for more information as follows;

- Ngakawau swimming pool
- Granity Fundraising Centre, now have funding from Lotteries, can reallocate the \$25K to final repairs.
- Little Wanganui and Mokihinui bores.

DIA has approved claims of \$262K.

PROJECTS updates - see page 3 of the BOF report.

S Gibling queried reporting around these projects and the different approaches between council controlled projects and community led projects.

Discussion around this and level of detail that are expected from internal projects, which shouldn't necessarily be expected from community organisations, however they will require an agreement to be put in place that gives this committee/council confidence that they are going to deliver to the scope and time, and to the funding application put in.

Discussion re payments, no lump sums will be provided as it is done on reimbursement upon receiving receipts.

Noted that it is important to keep control of these projects with checks and balance. Discussion re potential council project management of the community projects, risks associated with this, and public perception should the project fail. Also noting that the BOF funding is coming via council, and is a substantial piece of money, therefore it is important to ensure success with Better Off funding projects. Council needs to be satisfied the group has a project plan, or the funding agreement is contingent on satisfying council as to the success of the project.

More details are required, and look to put funding agreements around projects to ensure liabilities are covered. PB and SG to review and report back with some options.

The report was accepted as tabled

6. IAF Funded projects Public Excluded

Public Excluded finished

7. Other business

SGi – noting there are two sets of minutes for reporting to December RAC meeting, no PiP report to November RAC meeting due to the fast turnaround.

Cover report for the RAC papers going forward will include a succinct summary of progress, risks, key issues and costs. Deadline for first report around 1 December.

There will be a public set of minutes and Public Excluded set of minutes to be reported and received separately. This ensures that we can get the key messages out to the media through reporting and that good progress is being made.

S Gibling acknowledged and thanked the teams for the amount of amount of work that goes into these reports.

Information noted

No other matters were raised. The meeting closed at 5.38 pm

RISK AND AUDIT COMMITTEE

13 DECEMBER 2023

AGENDA ITEM 14

Prepared by Douglas Marshall
Chief Financial

PUBLIC EXCLUDED

1. REPORT SUMMARY

Subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA) s48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

2. DRAFT RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Douglas Marshall - Chief Financial Officer	Confirmation of Previous Public Excluded Minutes	<p>(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or</p> <p>(s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.</p>
PE 2	Douglas Marshall - Chief Financial Officer	Projects in Partnership – IAF Funded Projects - October	<p>(s 7(2)(c)(i)) – Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:</p> <p>Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;</p> <p>(s 7(2)(i)) - enable any local authority holding the information to carry on, without</p>

			prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
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