



AGENDA

Audit and Risk Committee Meeting Friday, 3 December 2021

Date: Friday, 3 December 2021

Time: 9.30 am

Location: Ngā Hau e Whā, William Fraser Building
1 Dunorling Street, Alexandra

Due to COVID-19 restrictions and limitations of the physical space, **public access will be available through the livestream and Microsoft Teams**. The link to the livestream will be available on the Central Otago District Council's website.

Sanchia Jacobs
Chief Executive Officer

Notice is hereby given that an Audit and Risk Committee meeting will be held in Ngā Hau e Whā, William Fraser Building, 1 Dunorling Street, Alexandra on Friday, 3 December 2021 at 9.30 am

Due to COVID-19 restrictions and limitations of the physical space, **public access will be available through the livestream and Microsoft Teams.**

The link to the livestream will be available on the Central Otago District Council's website.

Order Of Business

1	Apologies	5
2	Public Forum.....	5
3	Confirmation of Minutes.....	5
	Audit and Risk Committee meeting Meeting - 1 October 2021	7
4	Declaration of Interest	14
	21.4.1 Declarations of Interest Register	14
5	Reports	18
	21.4.2 Policy Register.....	18
	21.4.3 Risk Register	23
	21.4.4 The Staff Delegations Manual.....	38
	21.4.5 Soft review of the Fraud, Bribery and Corruption Policy and the Protected Disclosures (Whistle Blower) Policy	72
	21.4.6 Audit NZ and Internal Audit Update	82
	21.4.7 Financial Report for the period ending 30 September 2021	87
	21.4.8 Asset Management Policy	99
	21.4.9 Infrastructure Construction Projects Update	112
	21.4.10 Health, Safety and Wellbeing.....	130
6	Chair's Report	136
	21.4.11 December 2021 Chair's Report.....	136
7	Members' Reports.....	137
	21.4.12 December Members' Reports	137
8	Status Reports	138
	21.4.13 December Governance Report	138
9	Date of the Next Meeting	140
10	Resolution to Exclude the Public	141
	21.4.14 Litigation Register.....	141
	21.4.15 Otago Regional Council Issue of Abatement Notices.....	141
	21.4.16 December 2021 Confidential Governance Report.....	142

- Members** Ms L Robertson (Chair), His Worship the Mayor T Cadogan, Cr N Gillespie, Cr S Jeffery, Cr N McKinlay
- In Attendance** S Jacobs (Chief Executive Officer), L Macdonald (Executive Manager - Corporate Services), J Muir (Executive Manager - Infrastructure Services), L van der Voort (Executive Manager - Planning and Environment), S Righarts (Chief Advisor), G McFarlane (Business Risk and Procurement Manager), R Williams (Governance Manager)

- 1 APOLOGIES**
- 2 PUBLIC FORUM**
- 3 CONFIRMATION OF MINUTES**

Audit and Risk Committee meeting - 1 October 2021

**MINUTES OF CENTRAL OTAGO DISTRICT COUNCIL'S
AUDIT AND RISK COMMITTEE
HELD IN NGĀ HAU E WHĀ, WILLIAM FRASER BUILDING,
1 DUNORLING STREET, ALEXANDRA
ON FRIDAY, 1 OCTOBER 2021 AT 9.31 AM**

PRESENT: Ms L Robertson (Chair), His Worship the Mayor T Cadogan, Cr N Gillespie (via Microsoft Teams), Cr S Jeffery, Cr N McKinlay

IN ATTENDANCE: S Jacobs (Chief Executive Officer), L Macdonald (Executive Manager - Corporate Services), J Muir (Executive Manager - Infrastructure Services), L van der Voort (Executive Manager - Planning and Environment), L Fleck (Executive Manager People and Culture), S Righarts (Chief Advisor), A Crosbie (Senior Strategy Advisor), G Tetlow (Acting Information Services Manager), J McCallum (Roading Manager), A McDowall (Finance Manager), G McFarlane (Business Risk and Procurement Manager), R Williams (Governance Manager)

1 APOLOGIES

An apology was received from Cr I Cooney.

2 PUBLIC FORUM

There was no public forum.

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the public minutes of the Audit and Risk Committee Meeting held on 4 June 2021 be confirmed as a true and correct record.

CARRIED

4 DECLARATION OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. There were no additional declarations of interest.

Note: The meeting adjourned at 9.37 am and reconvened at 9.46 am due to technical issues.

Note: Cr Gillespie joined the meeting at 9.46 am.

5 REPORTS FOR INFORMATION

Note: Matthew Wilson (National Council's Regional Manager – Local Government Practice) and Deanna Macdonald (Operations Manager – Local Government Risk Practice) from Aon joined the meeting via Microsoft Teams for item 21.3.2.

Note: Cr Gillespie left the meeting at 9.59 am.

21.3.2 INSURANCE UPDATE

To provide an overview on the status of Central Otago District Council insurances and the New Zealand insurance market.

The Business Risk and Procurement Manager, along with the representatives from Aon spoke to a presentation about Council's insurance programme before responding to questions.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the report be received.

CARRIED

21.3.3 LEGISLATIVE COMPLIANCE WARRANT OF FITNESS

To receive the 2021 Legislative Compliance Warrant of Fitness.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the report be received.

CARRIED

Note: Cr Gillespie returned to the meeting at 10.37 am.

21.3.4 POLICY AND STRATEGY REGISTER

To receive the updated Policy and Strategy Register. It was noted that the staff delegations manual had not been to the previous meeting as noted in the report and would be brought to the December meeting.

It was noted that soft reviews of policies that Audit and Risk had the responsibility for should be brought to the Committee.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the report be received.

CARRIED

21.3.5 AUDIT NZ AND INTERNAL AUDIT UPDATE

To provide an update on the status of the external and internal audit programme and any outstanding actions for completed internal and external audits.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: McKinlay

That the Audit and Risk Committee receives the report.

CARRIED

21.3.6 RISK REGISTER

To consider an update on the Risk Register.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

That the report be received.

CARRIED

21.3.7 PROTECTION OF INFORMATION AND INFORMATION SYSTEMS (CYBER SECURITY) POLICY AND STANDARDS SOFT REVIEW

To receive an update on the soft review carried out on the Protection of Information and Information Systems series of policies.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

That the report be received.

CARRIED

21.3.8 CYBER SECURITY PLAN 2018-2021 UPDATE

To consider an update on the 2018-2021 Cyber Security Plan.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

That the report be received.

CARRIED

Note: Cr McKinlay left the meeting at 11.18 am and returned at 11.21 am.

**21.3.9 WAKA KOTAHI NEW ZEALAND TRANSPORT AGENCY TECHNICAL INVESTMENT
AUDIT OF CENTRAL OTAGO DISTRICT COUNCIL**

To report on the Technical Investment Audit of the Central Otago District Council undertaken by Waka Kotahi New Zealand Transport Agency in October 2020.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

That the report be received.

CARRIED

21.3.10 HEALTH, SAFETY AND WELLBEING REPORT

To provide information on key health and safety risks and the measures in place to mitigate those risks at the Central Otago District Council.

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

That the report be received.

CARRIED

6 CHAIR'S REPORT

21.3.11 OCTOBER 2021 CHAIR'S REPORT

There was no update from the Chair.

7 MEMBERS' REPORTS**21.3.12 OCTOBER MEMBERS' REPORTS**

The Mayor provided an update on the Three Waters Reform process to date and also suggested that summary of procurement activity was provided to the December meeting.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the reports be received.

CARRIED

8 STATUS REPORTS**21.3.13 OCTOBER GOVERNANCE REPORT**

To report on items of general interest, consider the Audit and Risk Committee's forward work programme and the current status report updates.

COMMITTEE RESOLUTION

Moved: Robertson

Seconded: Jeffery

That the report be received.

CARRIED

9 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 3 December 2021.

10 RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Moved: Robertson
Seconded: Jeffery

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

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes of the Audit and Risk Committee	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to 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 be likely otherwise to damage the public interest.</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public.</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.14 - Review of the draft non-audited Annual Report 2020/21	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.15 - August 2021 cyber security critical incidents	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting

	official information for improper gain or improper advantage	would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.16 - Update on progress of Lake Dunstan Water Supply and Clyde Wastewater Projects and risks to the wider water and wastewater capital works programme	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.17 - Litigation Register	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.18 - Ombudsman Investigation Outcome	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.3.19 - October 2021 Confidential Governance Report	s7(2)(c)(ii) - the withholding of the information is necessary to 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 be likely otherwise to damage the public interest s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The public were excluded at 11.39 am and the Meeting closed at 12.48 pm.

4 DECLARATION OF INTEREST

21.4.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 559455

1. Purpose

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2. Attachments

Appendix 1 - Declaration of Interests Register [↓](#)

Name	Member's Declared Interests	Spouse/Partner's Declared Interests	Council Appointments
Tim Cadogan	Alexandra Musical Society (member) Otago Chamber of Commerce Central Otago Advisory Group member Dunstan Golf Club (member) Alexandra Squash Club (member)	Two Paddocks (employee) Blossom Festival Committee member FarmFresh (Family member sells for this entity)	Airport Reference Group Maniototo Curling International Inc Eden Hore Steering Group Tourism Central Otago Advisory Board Ministerial Working Group on Responsible Camping LGNZ Governance and Strategy Group
Neil Gillespie	Contact Energy (Specialist - Community Relations and Environment) Clyde & Districts Emergency Rescue Trust (Secretary and Trustee) Cromwell Volunteer Fire Brigade (Deputy Chief Fire Officer) Cromwell Bowling Club (patron) Otago Local Advisory Committee - Fire Emergency New Zealand		Lowburn Hall Committee Tarras Community Plan Group Tarras Hall Committee
Stephen Jeffery	G & S Smith family Trust (Trustee) K & EM Bennett's family Trust (Trustee) Roxburgh Gorge Trail Charitable Trust (Chair) Roxburgh and District Medical Services Trust (Trustee) Central Otago Clutha Trails Ltd (Director) Teviot Prospects (Trustee)		

	Teviot Valley Community Development Scheme Governance Group Central Otago Queenstown Network Trust		
Nigel McKinlay	Transition To Work Trust (Board member) Gate 22 Vineyard Ltd (Director) Everyday Gourmet (Director) Central Otago Wine Association (member) Long Gully Irrigation Scheme (member)		

I, **Linda May Robertson**, hereby disclose the following 'interests' and am to be regarded as interested in any transaction involving the following entities:

Nature of interest	Appointment date	Details of relevant entities	Monetary Value of Interest (other than director fees, if quantifiable)
Director & Shareholder	January 2008	RML Consulting Ltd	Company I charge my director fees through
Director	October 2013	Dunedin City Holdings Limited	Nil
Director	October 2013	Dunedin City Treasury Limited	Nil
Chair	November 2015	Crown Irrigation Investments Ltd (Chair from April 2019)	Nil
Director	November 2015	New Zealand Local Government Funding Agency	Nil
Chair	June 2016	Audit & Risk Committee, Central Otago District Council	Nil
Chair	December 2017	Central Lakes Trust (Chair from October 2018)	Nil
Director	July 2018	Dunedin Stadium Property Limited	Nil
Director	September 2018	Central Lakes Direct Limited	Nil
Member	February 2019	Capital Markets Advisory Committee – The Treasury	Nil
Member	March 2019	Risk and Audit Committee – The Treasury	Nil
Director	July 2020	Dunedin Railways Ltd (subsidiary of DCHL)	Nil
Director	August 2020	Alpine Energy Ltd	Nil
Member	May 2021 – effective Jan '22	Audit and Risk Committee – Office of the Auditor-General and Audit New Zealand	Nil
Director	July 2021	Kiwi Wealth companies comprising of; Kiwi Wealth Management Limited, Kiwi Wealth Investments General Partnership Limited, Kiwi Investment Management Limited, Kiwi Wealth Limited, Portfolio Custodial Nominees Limited	Nil

Signed:



Date: 12 July 2021

5 REPORTS

21.4.2 POLICY REGISTER

Doc ID: 555872

1. Purpose

To consider the updated Policy and Strategy Register.

Recommendations

That the report be received.

2. Discussion

The following updates were made to the register:

People and Culture

- Smoking Policy (for staff) to be rolled into future Drug and Alcohol Policy
- Adverse Weather Policy removed from register – will roll into the Leave Management Policy and Health and Safety Framework
- Staff Interests Policy review delayed until next meeting due to pressures on the Human Resources team workload.

Information Services

- Two policies delayed due to staff medical leave:
 - LGOIMA Policy now delayed until the next Audit and Risk meeting
 - Privacy Policy delayed until after completion of the LGOIMA Policy

Parks and Property

- Smokefree and Vapefree Policy has been updated and presented to Council on 3 November 2021. It was moved on the register from 'Regulatory' to 'Parks and Property'
- Clutha River Mata-au Plan removed from register as not a council owned plan
- Public Toilet Strategy review has begun with new timeframe added for completion early next year.
- There are several pieces of future work listed in the Parks and Property department
- The timeframes will be reset following onboarding of new staff member currently under recruitment to assist in managing these projects.

Infrastructure

- Fingerboard Policy removed from register – to be part of Rooding Policy
- Low Cost, Low Risk Rooding Improvements Policy removed from register as no longer in operation
- Speed Limit Bylaw has been workshopped with all four community boards. The date has been updated to reflect consultative process timeframes

Community and Engagement

- Arts Strategy has been reviewed and updated by the arts community

Regulatory

- Dangerous and Insanitary Building Policy review underway and expecting completion early next year

General

- Asset Management Policy is on the agenda for this meeting
- District Plan timeframes updated to reflect work plan that has been approved by Council

3. Attachments**Appendix 1 - Policy and Strategy Register** [↓](#)

Report author:

Reviewed and authorised by:



Alix Crosbie
Senior Strategy Advisor
19/11/2021



Saskia Righarts
Chief Advisor
22/11/2021

Name	Date Issued / Review Beginning	Due for Review / Completion	Responsibility
People and Culture			
Equal Employment Opportunity (EEO), Discrimination, Harassment and Bullying Policy	September 2021	September 2023	CEO
Performance Management Policy	August 2021	August 2023	CEO
Staff Interests Policy	July-2020	December-2021	AR > CEO
Working From Home Guidelines	August-2020	August-2023	CEO
Respect at Work Guidelines	February-2020	February-2022	CEO
Leave Management Policy	December-2020	December-2023	CEO
Vehicle User Policy	February-2020	February-2023	CEO
Future Work Items			
Child Protection Policy		December 2021	CEO
Drug and Alcohol Policy		2022 (second quarter)	CEO
Information Services			
Acceptable Use of Public Wi-Fi Policy	March-2019	March-2022	Council
Copyright Policy	September 2021	September-2024	CEO
Cyber Security Policy	August 2021	August 2024	AR > Council
Information Management Policy	June-2019	October-2021	Council
Future Work Items			
Digital Strategy		June-2022	Council
Privacy Policy		May-2022	AR > CEO
LGOIMA Policy		February-2022	AR > CEO
Drone Policy		December 2021	CEO
CCTV Policy		December 2021	Council
Governance			
Appointment and Remuneration of Directors Policy	October-2019	October-2022	Council
Code of Conduct	October-2019	October-2022	Council
Delegations Register (incl. Audit and Risk Terms of Reference)	August-2020	October-2022	Council
Elected Members Allowances and Reimbursements Policy	October-2019	October-2022	Council
Standing Orders	October-2019	October-2022	Council
Parks and Property			
Outdoor Recreation Strategy	June-2012	June-2022	Council
Council-owned Earthquake-prone Buildings Policy	June-2020	June-2023	Council
Cemeteries Bylaw	November-2020	November-2025	Council
Community Leasing and Licensing Policy	February-2021	February-2024	Council
District Tree Policy	August-2020	February-2022	Council
Public Toilet Strategy	July-2008	March-2022	Council
11x Reserve Management Plans	Various	Various	Council
Smokefree and Vapefree Policy	September-2021	September-2024	Council
Future Work Items			
Playground Strategy		2022	Council
Reserve Management Plans		2022	Council
Reserve Naming Policy		2022	Council
Responsible Camping Strategy		Hold pending government policy decision	Council
Plaques and Memorials Policy		2022	Council
Overdue			
Regulatory			
Alcohol Restrictions in Public Places Bylaw	May-2019	May-2024	Council
Dangerous and Insanitary Building Policy	September-2013	January 2022	Council
Dog Control Bylaw	December-2020	December-2025	Council
Dog Control Policy	December-2020	December-2025	Council
Easter Sunday Trading Policy	July-2018	July-2023	Council
Gambling and Board Venue Policy	June-2020	June-2023	Council
Lighting Policy	March-2019	March-2022	Council
Litter Offences	July-2019	July-2022	Council
Psychoactive Substances Policy	June-2019	June-2024	Council
Smokefree Policy	June-2018	October-2021	Council
Future Work Items			
Enforcement Strategy		Late 2021	Council

Environmental Engineering			
Development and Financial Contributions Policy	June-2021	June-2024	Council
Subdivision Engineering Standards	September-2019	September-2024	Council
Sustainability Strategy	April-2019	April-2024	Council
Waste Management and Minimisation Plan	June-2018	June-2023	Council
Waste Management and Minimisation Bylaw	March 2021	March 2026	Council
Three Waters			
Leakage Remissions Policy*	June-2021	December-2023	Council
Sewer Lateral Policy	July-2016	December 2022	Council
Drinking Water Quality Policy Statement	March-2020	March-2023	Council
Trade Waste Bylaw	June-2001	To be replaced by Water Bylaw	Council
Water Supply Bylaw	May-2008	To be replaced by Water Bylaw	Council
Future Work Items			
Water Bylaw		December 2022	Council
Water Policy		December 2022	Council
Roading			
Roading Bylaw	November-2020	November-2025	Council
Roading Policy	January-2016	January-2022	Council
Speed Limit Bylaw	November-2007	June-2022	Council
Transportation Procurement Strategy	May-2020	May-2025	AR > Council
Libraries			
Cataloguing Policy	July-2018	December-2021	CEO
Collection Development Policy	October-2018	December-2021	CEO
Deselection Policy	March-2019	March-2022	CEO
Donations Policy	August-2018	December-2021	CEO
Interloans Policy	May-2020	May-2023	CEO
Lost Property Policy	May-2019	May-2022	CEO
Community and Engagement			
Arts Strategy	April-2013	April-2024	Community Owned
14x Community Plans	Various	Various	Community Owned
Grants Policy	June 2021	August-2022	Council
Heritage Strategy	April-2018	April-2023	Community Owned
Film Friendly Policy	June-2018	June-2023	Council
Media Policy	January-2020	January-2023	Council
Sector lead Museum Strategy	August 2020	August 2025	Community Owned
Significance and Engagement Policy*	June-2021	December 2023	AR > Council
Social Media Policy	January-2020	January-2023	Council
Community Development Strategy	March 2021	May 2023	Council
Future Work Items			
Wellbeing Strategy		Expected Completion: June-2022	CEO
Communications and Engagement Strategy		Expected Completion: April-2022	Council
Council lead Museum Investment Strategy		Expected Completion: June 2022	Council
Finance			
Credit Card Policy	June 2021	June 2024	AR > CEO
Financial Reserves Policy	July 2021	June 2024	Council
Financial Strategy*	June-2021	December-2023	Council
Fixed Asset and Disposal Policy	June 2021	June 2024	AR > CEO
Fraud Bribery and Corruption Policy	October 2021	October-2022	AR > Council
Investment Policy*	June-2021	December-2023	AR > Council
Liability Management Policy*	June-2021	December-2023	AR > Council
Procurement Policy	August-2020	June 2022	AR > Council
Protected Disclosures (Whistleblowing) Policy	May-2020	June 2022	AR > Council
Rates Remission Policy*	June-2021	December-2023	AR > Council
Rating Policy*	June-2021	December-2023	AR > Council
Revenue and Financing Policy*	June-2021	December-2023	AR > Council
Risk Management Policy and Process	August-2020	June-2022	AR > Council
Sensitive Expenditure Policy	June 2021	June 2024	AR > Council
Staff Delegations Manual	June 2021	June 2024	AR > Council

Travel Policy Vehicle Procurement Maintenance and Disposal Policy	June 2021 October-2020	June 2024 October-2023	AR > Council CEO
Future Work Items			
Health, Safety and Wellbeing			
Health and Safety Policy Statement	September-2021	September-2022	CEO
Future Work Items			
Health and Safety Framework		Expected Completion: December 2021	CEO
General			
Annual Plan/LTP	June-2021	June-2022	Council
Asset Management Policy	February-2014	November 2021	AR > Council
District Plan	April-2008	December-2022	Council
Economic Development Strategy	May-2019	May-2024	Council
Infrastructure Strategy*	June-2021	December-2023	AR > Council
Tourism Strategy	June-2019	June-2024	Council
Future Work Items			
Housing Strategy		Expected Completion: December 2021	Council

*Updated through Long-term plan process

21.4.3 RISK REGISTER

Doc ID: 555930

1. Purpose

To consider an update on the Risk Register.

Recommendations

That the report be received.

2. Discussion

The Risk Register is a tool to identify key risks across the organisation. The register also includes mitigations for these risks.

At the October 2021 meeting, the Committee requested the Strategic Risk Register be brought to subsequent meetings as a standing item on the agenda. The Risk Register remains under development; progress so far includes the inclusion of risk drivers, current controls and treatments and related risks in a number of strategic risk areas. The next step requires the information within the dashboard to be completed, the risk owner to be identified and a workshop to be undertaken with the Executive Team to determine risk ratings.

The Risk Register information to date is attached.

3. Attachments

Appendix 1 - Strategic Risk Register - Dashboard [↓](#)

Appendix 2 - Risk Register - 2021 (under separate cover)

Report author:



Gabi McFarlane
Risk and Procurement Manager
18/09/2021

Reviewed and authorised by:



Leanne Macdonald
Executive Manager - Corporate Services
18/09/2021

Internal Operating Environment		
1. Health, Safety and Wellbeing		Risk Owner: XXXX
Risk Description: <i>Failure to meet health and safety obligations, leading to increased incidents impacting on the safety of employees and stakeholders.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Attitude and organisational culture toward health and safety practices • Workplace processes and practices • Insufficient resourcing • Non-compliance with the Health and Safety at Work Act 2015 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Reputational damage • Litigation • Financial loss • Low staff morale • Lost time injury • Physical and/or emotional harm • Death (Loss of life) 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Culture • SiteWise requirement for suppliers and evaluation of contractor and culture H&S • Ongoing development and review of Health and Safety Framework and policies • Staff training and induction • Health and Safety committee and representatives in place • Task level inspections, observations and checklists • Health & Safety function performance management 		Owner: <ul style="list-style-type: none"> • CEO • H&S Advisor • H&S Advisor • H&S Advisor • EM-P&C • H&S Rep • H&S Advisor
Planned mitigation actions: <ul style="list-style-type: none"> • Capacity building for managers and employee representatives • Managed resourcing for health, safety, and wellbeing functions (time, equipment, training, budget) • Prioritising the treatment of critical health, safety, and wellbeing risks • Sector collaboration through new Local Government Health and Safety Forum 		Owner: Health & Safety Advisor Due date:
Related Risks <ul style="list-style-type: none"> • Procurement and contract management • Project management 		Projected Outlook Risk may increase in the medium term due to COVID-19 related uncertainties

Internal Operating Environment		
2. Operational and project delivery		Risk Owner: XXXX
Risk Description: <i>Poor planning and decision making.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Project Management framework • Development around project management specialist capabilities • Focus on embedding project planning • Appropriate contingency plans • Staff training and development around legislation and practice • Quality management systems • Project resource capacity and capability • Audits • Internal departmental collaboration and coordination 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Inadequate project, programme management and delivery • Service delays • Adverse environmental impacts • Health and safety implications • Reputational damage • Financial loss 	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Project Management framework • Development around project management specialist capabilities • Focus on embedding Project Planning • Appropriate contingency plans • Staff training and development around legislation and practice • Quality management systems • Audits • Identify capacity and resource needs • Project governance group • Project advisory group 	Owner:	
Planned mitigation actions: <ul style="list-style-type: none"> • Training and utilisation of Sentient 	Owner:	Due date:
Related Risks <ul style="list-style-type: none"> • Financial Management • Service delivery and fit for purpose community assets / asset management 	Projected Outlook	

Internal Operating Environment		
3. Major event impacting on operational delivery		Risk Owner: XXXX
Risk Description: Significant unplanned events.		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Management of emergency resources • Limited scenario testing • Natural or man-made events, including but not limited to terrorism, flood, climate change, widespread public health event, natural hazards etc. • Civil unrest 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Inability to deliver business objectives and service Levels/statutory services • Health and safety implications • Loss of life • Financial loss • Reputational damage • Direct impact on service delivery both internally across the Council and externally to residents of Central Otago • Availability of staff to deliver key services if trained volunteers are taken away to deal with a major incident • Potential for contractor's business continuity plans to be unfit for purpose. 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Training on Emergency Management processes and procedures • Appropriate contingency plans and Risk Identification • Coordination with Civil Defence Emergency Management Otago and other regional councils • Contractual relationships enabling response • Asset and service monitoring capability • Infrastructure Strategy has been produced, part of which outlines significant challenges, risks and their mitigations 		Owner:
Planned mitigation actions: <ul style="list-style-type: none"> • Creation of effective Business Continuity Framework • Response Planning • Organise regular testing of plans in partnership with CDEM, including both desktop and live exercises. 		Owner: Due date:

Related Risks <ul style="list-style-type: none"> • Climate change • Operational and project delivery • Health, Safety and Wellbeing 	Projected Outlook Likelihood of major natural events occurring may increase in the short to medium term due to scientific developments and longer term due to climate change.
---	---

Internal Operating Environment		
4. Treaty of Waitangi obligations		Risk Owner: XXXX
Risk Description: <i>Ineffective relations with local Iwi and failure to meet legislative requirements</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Relationship with Iwi is inconsistent due to the lack of formal processes in place • Non-compliance with legislative requirements due to interpretation • Capacity of Hapū/Iwi to respond and engage in decision making processes of Council • Pressure on Hapū/Iwi to provide input into Council decisions • 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Adverse impacts relating to community trust • Environmental outcomes • Financial loss • Litigation • Reputational damage 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Continuing to look for opportunities with local Iwi • Consult through relevant consenting policy and other projects • Te Reo training – cultural competency 		Owner:
Planned mitigation actions: <ul style="list-style-type: none"> • Review of policies, processes and plans for cultural alignment 		Owner: Due date:
Related Risks <ul style="list-style-type: none"> • Service delivery and fit for purpose community assets / asset management • Statutory and Regulatory Reform and Compliance 		Projected Outlook Likelihood may increase in the short to medium term due to scientific developments

Internal Operating Environment		
5. Information management practice and technology risk		Risk Owner: XXXX
Risk Description: <i>Poor management and practice.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Failure of data security measures • Information Technology systems inadequate or ineffective • Capacity to deliver due to workloads 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Data breach • Loss of information • Compliance breaches • Potential disruption or closure of services • Litigation • Reputational damage 	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Cyber Security system • Awareness of technological advancements within the varying sectors • Information services policies and processes • Regular targeted training • Audit • IS BCP 	Owner:	
Planned mitigation actions: <ul style="list-style-type: none"> • Cyber Security Plan – ALGIM cyber security framework and actions • Information and records management plan – archives NZ information management maturity assessment framework and actions • Privacy Plan – internal affairs privacy and maturity framework and actions - Work in progress • ICT disaster recovery plan • Physical records disaster recovery plan – process of being created • IS AMP 	Owner:	Due date:
Related Risks <ul style="list-style-type: none"> • Service delivery and fit for purpose community assets / asset management 	Projected Outlook	

Internal Operating Environment		
6. Financial management		Risk Owner: XXXX
Risk Description: <i>Poor financial governance or lack of financial planning and management.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Unplanned / unbudgeted costs • Covid – 19 uncertainties • Reduced income from subsidies decreasing • Government policy changes negatively impact Council's income streams • Incorrect budgeting from staff • Fraud • Global financial crisis 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Inability to deliver business objectives and service levels/statutory services • Litigation • Inability to plan effectively due to lack of clarity around funding support from Government • Budgets exceeded and/or reserves depleted • Debt management • New legislative requirements not met • Uncertainty over future large projects • Reputational damage 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Council policies and processes • Financial and work planning • Financial Strategy • Training • Forecasting • Transparent financial reporting • Audits • Quality data informing decisions and reporting • Governance and Executive oversight • Segregation of duties • Financial authority delegations • Pre-employment checks 		Owner:
Planned mitigation actions: <ul style="list-style-type: none"> • Ongoing audit in potential risk areas • Mitigations arise from audit actions 		Owner: Due date:

Related Risks <ul style="list-style-type: none"> • Health, Safety and Wellbeing • Service delivery and fit for purpose community assets / asset management • Statutory and Regulatory Reform and Compliance 	Projected Outlook Short term to medium term increase in risks due to impacts of COVID-19 and changing Council directives.
---	---

Internal Operating Environment		
7. Culture	Risk Owner: XXXX	
Risk Description: Failure to maintain good workplace culture.		
Risk Drivers – existing and potential causes <ul style="list-style-type: none">Inadequate workplace communicationLack of collaboration between departmentsFailure to address poor performance and behaviour		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none">Increased staff turnoverAdverse impacts to schedule and budgetsFinancial loss	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none">Ongoing development of Council processes and policiesStaff engagement surveyStaff Support initiatives (i.e. EAP, flu shots)Values1:1 meetingsFair payWorkload managementDevelopment opportunitiesOngoing coaching and support for leaders and managersOpportunities for social connectionsFlexible working arrangementsEffective allocation of resources	Owner:	
Planned mitigation actions: <ul style="list-style-type: none">Development of organisational valuesStrategic Pay – banding projectReward and Recognition Policy	Owner:	Due date:
Related Risks <ul style="list-style-type: none">Succession and resource challenges	Projected Outlook	

Internal Operating Environment		
8. Succession and resource challenges		Risk Owner: XXXX
Risk Description: <i>Failure to provide adequately skilled and experienced resource and succession planning.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Lack of workplace planning in relation to challenging demographics of staff • Ineffective management of employee performance • Failure to address increased workloads, conflict, political pressure etc. • Difficulty recruiting and retaining staff due to challenging market conditions 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Decreased levels of service • Operational failure • Loss of continuity • Reputational damage • Poor staff culture • Increased costs of recruiting • Council unprepared for changes, putting pressure on resources, in turn could lead to the council struggling to meet changes in demand for services • Increased organisational stress • Increases in liability claims and weaknesses in internal controls could result due to there being insufficient staff resources to carry out essential roles and responsibilities. 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Offer apprenticeship/cadet positions • Provision of training and support • Development of recruitment and retention strategies • Policies and processes in place 		Owner:
Planned mitigation actions: <ul style="list-style-type: none"> • Recruitment and Onboarding Framework and Policy • Succession Planning • HR/IS system implementation 		Owner: Due date:
Related Risks <ul style="list-style-type: none"> • Culture • Financial Management • Liability from not meeting compliance and regulatory standards 		Projected Outlook

Internal Operating Environment		
9. Service delivery and fit for purpose community assets / asset management		Risk Owner: XXXX
Risk Description: <i>Failure to understand community needs, effectively deliver, manage and maintain Council owned assets and align service delivery to meet requirements.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> Financial constraints on spending or investment surrounding assets Age and condition of assets requires further investment Increased community demand due to population growth Asset performance is not monitored against determined criteria and service levels Lack of specialist asset management knowledge Legislative requirements and changes to standards require increased investment 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> Financial loss Health and safety implications Reputational damage Loss of community trust 	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none"> Adhering to Long Term and Annual Plans Engagement with the community Community Board involvement Reporting against results Advanced procurement models for longer term maintenance contracts 	Owner:	
Planned mitigation actions: <ul style="list-style-type: none"> Monitoring developments around 3 waters reform Reviewing and updating the Asset Management Policy Consolidate the asset register across Council Monitoring developments around Three Waters reforms 	Owner:	Due date:
Related Risks <ul style="list-style-type: none"> Health, Safety and Wellbeing Financial Management 	Projected Outlook	

Internal Operating Environment		
10. Fraud, bribery and corruption		Risk Owner: XXXX
Risk Description: <i>Risk of fraud, bribery or wrongdoing.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Opportunity for fraud to occur – ineffective controls and checks • Inadequately managed conflicts of interest • Complacency • Poor organisational culture 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Financial loss • Reputational damage • Operational risk • Impacts to organisational culture and morale 	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Council Processes and Policies • Fraud awareness training • Mechanisms for reporting Fraud • Electronic Purchase Order System implemented • Internal and external audits • Financial reporting • Gift and hospitality register • Conflict of interest register • Internal top-down messaging • Audit 	Owner:	
Planned mitigation actions: <ul style="list-style-type: none"> • Fraud audit • Creation of Fraud Risk Assessment • Monitoring of third-party relationships in the supply chain • Regular Oversight of Fraud risk management via reporting to the Audit and Risk committee • Improving employee fraud awareness training • Greater use of technology to enhance fraud detection and deterrence 	Owner:	Due date:
Related Risks <ul style="list-style-type: none"> • Financial management • Procurement and contract management • Information management practice and technology risk • Organisational culture 	Projected Outlook Potential short term increases due to the economic environment resulting from COVID-19	

Statutory and Regulatory Reform and Compliance		
11. Significant statutory reform and compliance		Risk Owner: XXXX
Risk Description: <i>Growing volume and complexity of demand across services increases risk of failure to meet statutory requirements.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Central government changes the regulatory standards for compliance in numerous areas • Community service level expectations not being met • Audit identifying multiple/major areas of non-compliance within Council operations • Continual breaches resulting in increased compliance requirements or regulation • Uncertainty around Council's obligations 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • compliance failure • increased workloads across the organisation • Financial loss • Litigation • Reputational damage • adequate financial planning and exploiting potential opportunities may be missed • Changes in strategic direction of Council 	Add risk matrix here	
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Intentional participation by key staff and EM in the sector reform programme • Proactive engagement with partner agencies • Community consultation • Business continuity planning • Council processes and policies ensure regulatory standards are communicated and met • Reporting, ensuring ongoing monitoring and compliance 	Owner:	
Planned mitigation actions: <ul style="list-style-type: none"> • Quality advice sought and prepared, to support Council decision making 	Owner:	Due date:
Related Risks <ul style="list-style-type: none"> • Health, Safety and Wellbeing • Financial Management • Service delivery and fit for purpose community assets / asset management 	Projected Outlook	

Statutory and Regulatory Reform and Compliance		
12. Liability from not meeting compliance and regulatory standards		Risk Owner: XXXX
Risk Description: <i>The organisation is unable to appropriately deliver statutory and regulatory obligations.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Employees not complying with statutory requirements • Incorrect advice being provided to Council from employees and/or contractors • Political decisions made against professional advice 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Operational risk • Health and Safety implications • Financial loss • Litigation • Reputational damage • Environmental impacts 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Adhering to policies and procedures • Reporting processes • Audits • Skilled and qualified employees • Training • Engaging appropriate and qualified external consultants to support work programmes • Environmental scans • Project planning • Insurance 		
Planned mitigation actions: <ul style="list-style-type: none"> • Increased internal and external audits 		Owner: Due date:
Related Risks <ul style="list-style-type: none"> • Service delivery and fit for purpose community assets / asset management • Significant statutory reform and compliance • Health, Safety and Wellbeing 		Projected Outlook

Environmental Considerations		
13. Local natural environment and biodiversity		Risk Owner: XXXX
Risk Description: <i>Failure to develop, implement and effectively resource environmental policy and operational controls.</i>		
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> Failure to manage the Council's environmental performance 		
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> Statutory non-compliance Financial loss Litigation Reputational damage Environmental impacts Health and Safety impacts on the community Loss of amenity and disruption to the provision of key services 		Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> Software monitoring external consents Sustainability strategy Compliance monitoring Administering the District Plan and meeting the RMA Skilled and qualified employees 		
Planned mitigation actions: <ul style="list-style-type: none"> Seek funding and alternate sources of revenue where appropriate to implement programs of work 		Owner: Due date:
Related Risks <ul style="list-style-type: none"> Significant statutory reform and compliance Service delivery and fit for purpose community assets / asset management Liability from not meeting compliance and regulatory standards 		Projected Outlook

Environmental Considerations	
14. Climate Change	Risk Owner: XXXX
Risk Description: <i>Failure to deliver on climate change initiatives and/or manage weather events, which could impact infrastructure assets, services and the community.</i>	
Risk Drivers – existing and potential causes <ul style="list-style-type: none"> • Failure to consider, prioritise, fund and include climate change planning on current and future decisions • Strategies and policies do not adequately consider climate change scenarios • Misalignment between climate change strategies and initiatives and operational activities • Political changes relating to climate change 	
Consequence / what can happen and why it is a concern: <ul style="list-style-type: none"> • Financial loss • Litigation • Reputational damage • Environmental impacts 	Add risk matrix here
Current controls or treatment actions in place: <ul style="list-style-type: none"> • Initiatives outlined throughout Council's Sustainability Strategy • Council fleet – low emission vehicles, hybrid and electric cars • Business Continuity Planning • Adequate resourcing • Carbon emissions measurement and reduction programme • Infrastructure resilience plan • Hazard management through the RMA • Climate change implications study • Participate in ORC initiatives • Support from and member of Regional Centre • Funding initiatives through LTP – to improve carbon reduction • Long Term Plan and Infrastructure Strategy includes climate change consideration 	
Planned mitigation actions: <ul style="list-style-type: none"> • 	Due date for completion:
Related Risks <ul style="list-style-type: none"> • Financial Management • Health, Safety and Wellbeing • Service delivery and fit for purpose community assets / asset management • Significant statutory reform and compliance • Liability from not meeting compliance and regulatory standards 	Projected Outlook Risk likely to increase in the medium to long term

21.4.4 THE STAFF DELEGATIONS MANUAL

Doc ID: 559444

1. Purpose

To receive the Staff Delegations Manual.

Recommendations

That the report be received.

2. Discussion

The Register of Delegations to Community Boards, Portfolios, Committees, and the Chief Executive Officer (the Register of Delegations) was adopted by Council in January 2020. Council approved the extraction of the operational management of staff delegations to a standalone document, better reflecting organisational delegations.

A comprehensive review and rewrite of the Staff Delegations Manual (the Manual) has been undertaken to mitigate operational inefficiencies and ensure transparency. This Manual has been developed with consultation and input from a number of activity areas, and once completed, signed off by the Chief Executive.

The newly created Staff Delegations Manual aligns with, and fits under the Register of Delegations to Community Boards, Portfolios, Committees and the Chief Executive Officer. The redevelopment of the Manual ensures all aspects of organisational delegation have been covered, decreasing risk and more effectively managing workloads by ensuring delegations are at more appropriate levels.

The Manual shall be maintained as a living document, altering to reflect organisational and regulatory changes as and where required.

3. Attachments

Appendix 1 - Staff Delegations Manual.pdf [↓](#)

Report author:



Gabi McFarlane
Risk and Procurement Manager
15/11/2021

Reviewed and authorised by:



Leanne Macdonald
Executive Manager - Corporate Services
17/11/2021

Staff Delegations Manual



1 Dunorling Street
PO Box 122, Alexandra 9340
New Zealand

03 440 0056

Info@codc.govt.nz
www.codc.govt.nz



Department:	Business Risk and Procurement
Document ID:	CentralDocs ID 546123
Approved by:	CEO – 19 July 2021
Effective date:	19/07/2021
Next review:	July 2022

Purpose

To define and document Central Otago District Council's (the Council) policies, procedures and delegations relating to decision making when giving effect to its statutory duties, responsibilities, and powers.

The Staff Delegations Manual (the Manual) records the Chief Executive Officer's delegations to officers. This document supplements the [Register of Delegations to Community Boards, Portfolios, Committees, and the Chief Executive Officer](#). The Manual enables the organisation to operate effectively and resourcefully, maximising organisational efficiency through delegation, to the appropriate decision-making level.

Principles and objectives

No delegation relieves the local authority, Council or any officer of the liability or legal responsibility to perform or ensure performance of any function, duty, or power. An officer must comply with any and all conditions (such as financial limits, reporting, or other procedural requirements) relevant to the exercise of a delegated authority and must comply with all applicable Council policies.

The Manual will be read subject to the delegations made by the Council, to the Chief Executive Officer, and other requirements set out in the [Register of Delegations to Community Boards, Portfolios, Committees, and the Chief Executive Officer](#). The authority delegated to the Chief Executive Officer may be delegated to any other officer of the Council. Every delegation will be subject to any other policy, process or procedure employed by Council or the Chief Executive Officer.



All delegations made by the Chief Executive Officer are required by law to be in writing and suitably recorded. The Chief Executive Officer may further delegate expenditure authority to subordinate staff as deemed fit. Subject to any legislative restrictions, a responsibility, duty, or power delegated to an officer is delegated to all officers in a direct line of authority above that officer. All decisions must be made in accordance with the law, Council policy and approved budgets.

The delegations held/noted within this Manual are associated with the employment position/job role of the individual employed by Council. The delegation remains with the position, despite any change to the individual holding the position. Exceptions to this will be expressly outlined in the Manual.

Full responsibility must be taken for the exercise of the delegation. The delegated authority holds responsibility for the consequences and outcomes of the delegation. These delegations do not preclude the Chief Executive Officer from referring any matter to the Council or a committee (including a subcommittee) of the Council or to the relevant Community Board, as appropriate, for a decision for any reason.

An officer who is delegated a responsibility, duty or power is also delegated any ancillary responsibilities, duties, or powers necessary to give effect to that delegation. Where an officer is in a position in an acting capacity it must be expressly stated. The officer may exercise the delegations to that position. Unless expressed otherwise, where a delegation is to more than one officer, that power of delegation is to each officer separately.

All delegates (i.e. the person given the delegation) must act with due diligence, care, probity and in the best interests of Central Otago District Council. The level of responsibility must be commensurate with the level of authority, complexity, and risk that is delegated. In the event that the lowest delegated authority is unavailable or if a delegate considers it is inappropriate to exercise a delegation in relation to a specific matter, they may refer the decision back to the delegator. The Chief Executive Officer may review any decision or decisions.

Employees who are in a position to influence a decision relating to the supply of goods and services to council, must declare the interest and notify their manager if they, directly or indirectly, hold any financial, personal or other interest in the organisation negotiating for the supply of goods or services. As soon as a conflict of interest has been declared, the employees' manager, in consultation with the employee, will decide on a course of action to manage or avoid the conflict of interest.



In circumstances where Executive Managers are involved in conflicts of a pecuniary interest, a “one up” approval process will be applied. In the instance of the Chief Executive Officer, the decision-making may be sub-delegated to an Executive Manager or the Mayor.

The following matters cannot be delegated to an officer:

- the following powers:
 - the power to make a rate;
 - the power to make a bylaw;
 - the power to borrow money, or purchase/dispose of assets, other than in accordance with the long-term or annual plan;
 - the power to adopt a long-term plan, annual plan, annual report; or
 - the power to appoint a Chief Executive Officer.
- the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement; and
- any matter not permitted to be delegated by any other Act (for example the approval of a policy statement or plan under the Resource Management Act 1991); and
- any matter that can only be given effect to by a Council resolution.

Scope

The Staff Delegations Manual applies to all employees of Central Otago District Council. For the avoidance of doubt, reference to officers, staff or employees within this document refers to employees, volunteers, persons seconded to Council and, as appropriate, contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties).

Where the description of a delegated legislative function is ambiguous or appears to conflict with the wording of the legislation, the wording of the legislation will prevail.

Matters pertaining to delegation outside of the scope of this Manual may be specified in the [Register of Delegations to Community Boards, Portfolios, Committees, and the Chief Executive Officer.](#)



Definitions

Word or phrase	Definition
Delegation	<p>The term 'delegation' is the assignment of a duty, function, power or action to another person. A delegation provides that person with the authority to carry out the duty, function or power and to complete any action required to give effect to the delegation.</p> <p>In this instance, delegation refers to the transfer of responsibility, duty or powers from the Chief Executive Officer to Council officers and third parties. Any delegation includes the authority to make decisions under delegated authority on behalf of Council, unless expressly stated otherwise.</p>
One-up-principle	<p>Relating to financial delegations, this means that delegation holders cannot approve transactions involving themselves or from which they could be seen to benefit, instead they must be approved by their one-up manager. In the instance of the Chief Executive Officer, the Mayor will approve transactions. In the instance of the Mayor, the Deputy Mayor and the Executive Manager – Corporate Services will approve transactions. In the instance of the Deputy Mayor, the Chief Executive Officer will approve transactions.</p>

Policy

The Manual is a living document and is subject to modification. The document will be reviewed periodically to ensure delegations are operating as intended, providing alterations where legislative change requires amendments.

The Manual is split into four main sections:

- Financial, Contracting and Rating Delegations
- Statutory, Regulatory and Other Delegations to Officers
- Management Delegations to Staff
- Warrants



Additional Information



These sections are complementary and should be read in conjunction with one another. Different levels and limits of delegation are provided to officers, depending on the nature and activity of the decision.

Term of Delegation

Unless any delegation is stated to be for a defined term, it will continue until:

- Revoked by the delegator; or
- Revoked by the Council; or
- Withdrawn by operation of law.

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

The Chief Executive Officer may revoke, suspend for a period or amend the terms and conditions in relation to any delegation to subordinates which have been made. The extent of the delegation may be reduced for a period, or power may be exercised by a supervisor of the person holding the delegation. This would be appropriate during the training or development of new employees, or where decisions may require greater scrutiny.

Process

In the instance of new employees, the Executive Assistant of the respective employee whom the financial delegation relates, is responsible for sending through an IS Request, as per the instruction of the respective Executive Managers.

This request must be sent to ensure the delegated amount in the financial system matches with that of the Manual. Any other changes to the Manual are to go through the Executive Assistant – Corporate Services alongside supporting documentation outlining approvals.

Acting Chief Executive Officer

The Chief Executive Officer may request any officer appointed by Council to act as Chief Executive Officer during temporary periods of absence from duties, together with such of the Chief Executive Officer's powers, as considered appropriate.

Legal Authority

Delegations are made in accordance with:



- Register of Delegations to Community Boards, Committees and the Chief Executive Officer; and
- Schedule 7, section 32(3) of the Local Government Act 2002, which states:

"A committee or other subordinate decision-making body, community board, or member of officer of the local authority may delegate any of its responsibilities, duties, or powers to a subcommittee or person, subject to any conditions, limitations, or prohibitions imposed by the local authority or by the committee or body or person that makes the delegation."

Sub-delegation

At times, it will be necessary for the performance of assigned duties for a staff member to have delegated authority additional to those specifically mentioned in the Staff Delegations Manual. These situations may include staff acting temporarily in a role (such as acting Chief Executive Officer) where they need to exercise the delegations of that higher role. The Chief Executive Officer may delegate a power, function or duty to another officer or subcommittee of officers.

Every sub-delegation by the Chief Executive Officer will be in accordance with the *Register of Delegations to Community Boards, Committees and the Chief Executive Officer*.

Sub-delegations will be recorded in writing and will clearly define the nature, purpose and limitation of the power, function or duty delegated. Such sub-delegations will be recorded in writing, signed by the person granting the delegation and a copy of this documentation will be retained.

Executive Managers are delegated the authority to assign staff to an appropriate financial expenditure 'level' as outlined in the Financial Delegations below.

Amendments to Delegations

Every delegation to officers outlined in this Manual may be changed or revoked by written amendment by the Chief Executive Officer or the Executive Manager of the officer's respective area.

Each revocation or amendment will take effect at the latter of:

- A date nominated by the Chief Executive Officer or respective Executive Manager; or
- Immediately after being signed by the Chief Executive Officer or respective Executive Manager.

The Manual shall be maintained by the Executive Assistant - Corporate Services, who will be responsible for the amendment of the Manual to allow for administrative or minor changes.



All amendments of the financial delegations must be sent via an IS Request, copying in the Executive Assistant – Corporate Services and the authorising Executive Manager.

Significance and Engagement

The degree to which compliance with the decision-making requirements in the Act is required is proportional to the significance of the particular decision and the resources available. In every instance, the delegated individual must determine the significance of the decision they are making or the power they are exercising, despite the delegated authority which they hold, to make the decision.

The [Significance and Engagement Policy](#) should be referred to in instances of doubt.

Additional Delegations

Civil Defence

The Council has a range of powers, functions and duties under legislation relating to defence, maritime safety and emergency management.

During the period of a Civil Defence emergency, the appropriate delegations made under the Civil Defence Emergency Management Act 2002 and the Otago Civil Defence Emergency Management Group Plan (or similar) will apply.

Emergency Acting Chief Executive Officer

The Chief Executive Officer may request any person appointed by the Council to act as Chief Executive Officer during temporary periods of absence from duties, together with such of the Chief Executive Officer's powers as considered appropriate.

Acting appointments in an emergency

Should other management and key staff be unable to function in their roles or incapacitated, other suitably qualified staff may apply to the Chief Executive Officer or Emergency Acting Chief Executive Officer to assume the delegations of those positions.

Other

This Staff Delegations Manual does not contain formal delegations in relation to the authorisation to sign correspondence (including email correspondence), media statements (including social media) and placement of public notices. Employees should refer to the relevant internal Policies in relation to these matters.



Compliance

In the instance that this Manual is not adhered to or is intentionally disregarded, disciplinary action may apply.

Relevant legislation

- Local Government Act 2002
- Resource Management Act 1991
- Rating Act 2002
- Employment Relations Act 2000
- Privacy Act 2020
- Local Government Official Information and Meetings Act 1987
- Public Records Act 2005
- Civil Defence Emergency Management Act 2002
- Sale and Supply of Alcohol Act 2012;
- Dog Control Act 1996;
- Hazardous Substances and New Organisms Act 1996
- Transit New Zealand Act 1989
- Public Works Act 1981

Related documents

- Register of Delegations to Community Boards, Portfolios, Committees and the Chief Executive Officer
- Staff Interests Policy
- Sensitive Expenditure Policy
- Significance and Engagement Policy
- Procurement Policy
- Fraud, Bribery and Corruption policy
- Protected Disclosures (Whistle Blower) Policy
- Staff Handbook (Code of Conduct)

Review

This Manual will come into effect on 19/07/2021 and will remain in effect until such time as it is varied or revoked by the Chief Executive Officer.


It is intended that the policy will be reviewed every three years or as necessary.



Appendix 1 – Financial, Contracting and Rating Delegations

As at 19/07/2021.

This section of the Manual outlines delegations relating to contracting and agreements, financial matters (including rating) and property delegations provided from Council, to the Chief Executive Officer, combined with those delegations that the Chief Executive Officer has delegated to Executive Managers, third tier managers and all other officers specified.

Additional Information	
	<i>All amounts are GST exclusive</i>

The specified financial delegations authorise officers to raise orders, enter into, vary, and exit from transactions which commit the Council to expenditure to the limits specified, as well as giving budget signing authority.

Delegations to the Chief Executive Officer

In the case of power to enter into financial commitments the Chief Executive Officer may delegate authority:

- a) Up to a value of \$500,000 to members of the Executive Team for any individual transaction;
- b) to other staff positions up to a value of \$50,000 for any individual transaction.

Credit Cards

The Chief Executive Officer may approve the issue of credit or purchase cards to officers where appropriate. The issuing of credit and purchase cards must be justified.

A credit limit of \$10,000 is imposed. Limits may vary, dependent on the role of the officer.

Refer to the [Credit Card Policy](#) for further detail.



Koha

The expenditure on Koha set out in the [Sensitive Expenditure Policy](#) must be adhered to. The amount of Koha given on behalf of Council should reflect the occasion and be approved by the relevant Executive Manager or Chief Executive Officer for staff issue, and by the Mayor for Elected Members to issue.

Procurement Delegations

Contracts

This section of the Delegations Manual contains delegations in relation to contractual matters and should be read alongside the financial delegations.

Where an item of expenditure has been approved by Council resolution, the Chief Executive Officer or relevant Executive Manager (as appropriate), can:

- execute the contract (other than those contracts required to be signed under the Council's seal); or
- authorise payments up to the approved contract dollar amount or delegate the authorisation of payments to a nominated position.

In signing or approving an invoice, purchase order or contract, the officer is indicating they understand the following:

- The expenditure is accounted for in Council's Annual Plan or has been approved by Council;
- The expenditure falls within the officer's delegated approval limit;
- The [Procurement Policy](#) has been adhered to;
- The price on the invoice is acceptable and as quoted.
- Staff can only use their delegations within their area; delegations are not to be used elsewhere in Council.

Authority to sign off contracts rests with the relevant staff who have a level of delegation consistent with the total expenditure expected over the life of the contract. Once in place, individual invoices under that contract may be authorised by relevant staff with the level of delegation appropriate to each invoice.

Additional Information



- Transactions must not be segregated into separate, repeat, related or ancillary transactions for the purpose of avoiding a value threshold or breach of a financial delegation limit.
- The value of a transaction must be calculated as the total value of the transaction over the full term of the contract and shall include any rights of renewal unless such rights of renewal are at the discretion of the Council.



The table below sets out the delegated authority for each procurement method type:

Spend category	Value threshold	Governance and approval	Suggested procurement type
Minor (see also table below)	Less than \$50,000	Team Leader or Manager in accordance with their financial delegation	Petty cash can be used for incidental purchases Written quotes Use AoG, Pre-qualified supplier or panel or Direct source as appropriate
Moderate	\$50,000 - \$199,999	Executive Manager per approved budgets	Market Tender Use AoG, Pre-qualified supplier or panel or Direct source as appropriate
High	\$200k - \$500k	Executive Manager per approved budgets or CEO	Market Tender Closed competitive process in certain circumstances
	\$500k - \$1m	Executive Team or CEO	Market Tender Closed competitive process in certain circumstances
	\$1m +	Council	Market Tender Closed competitive process in certain circumstances
Emergency procurement	\$1m	CEO	Closed competitive process or alternative methods Direct source in certain circumstances

*Refer to the Procurement Policy for further information

Emergency Procurement

In the event of a genuine emergency, flexibility is required by CODC to procure goods and services which may be required to manage the emergency response. A balance is required between the need to act without delay, against obligations to achieve value for money. Appropriate authorisation should be gained from the relevant delegated authority before any emergency procurement is made.

Contract Delegations



When contracts that extend beyond the current financial year are entered into, there must be reasonable grounds to believe that adequate future year budgets will be available to meet the contract costs.

Engineer to Contract	
Description	Delegated to
<p>ENGINEER TO CONTRACT UNDER NZS CONTRACTS 3910, 3916 AND 3917</p> <p>The power of appointment in respect of the role of "Engineer" under NZS 3910, 3916 and 3917 Conditions of Contract for Building and Civil Engineering Construction - to appoint a suitably qualified external contractor to act in the role of "Engineer to Contract" in any of the Council's present and future NZS 3910, 3916 and 3917 contracts.</p> <p>Further: That the appointed "Engineer to Contract" be permitted to appoint a suitably qualified Council employee or external contractor to act as "Engineer's Representative" to exercise any of the powers vested in the Engineer.</p>	<p>Executive Manager – Infrastructure Services</p> <p>Executive Manager – Planning and Environment</p>
<p>PRINCIPAL'S REPRESENTATIVE UNDER NZS CONTRACT 3915</p> <p>The power of appointment in respect of the role of "Principal's Representative" under NZS 3915 Conditions of Contract for Building and Civil Engineering Construction - to appoint a suitably qualified Council employee or external contractor to act in the role of "Principal's Representative" in any of the Council's present and future NZS 3915 contracts.</p> <p>Further: That the appointed "Principal's Representative" be permitted to appoint a suitably qualified Council employee or external contractor to assist in the execution of any of the responsibilities of the "Principal's Representative".</p>	<p>Executive Manager – Infrastructure Services</p> <p>Executive Manager – Planning and Environment</p>

Asset Disposal

The initial decision to dispose of an asset should come from the third-tier manager responsible for the asset. This should occur when the asset becomes redundant, obsolete, damaged, is surplus to requirements or requires replacement.



Documented authorisation to dispose of the asset must be obtained from the employees Executive Manager or the Chief Executive Officer prior to commencing this process. Refer to the [Fixed Asset and Disposal Policy](#) for further detail.

Budget over-runs

Where a manager of Council becomes aware that actual expenditure will exceed its approved budget, the manager is required to advise their respective Executive Manager as soon as is practicable. The Executive Manager is required to report this to the Chief Executive Officer. This will require a report to Council and the funding being retrospectively approved, if there is not activity savings or additional income to offset the over-run.

Explanatory Notes

The specified expenditure limits are exclusive of GST.

The initiator of the purchase order cannot approve that order. The only exception to this rule is the Chief Executive Officer acting in an emergency capacity.

Finance Delegations

Key	
Role	Abbreviation
Chief Executive Officer	CEO
Executive Manager – Corporate Services	EM-CS
Executive Manager – Infrastructure Services	EM-IS
Executive Manager – Planning and Environment	EM-PE
Executive Manager – People and Culture	EM-PC



Banking	
Description	Delegate
<p>Authorised to open and operate Central Otago District Council bank accounts.</p> <p>All banking and treasury functions including, but not limited to:</p> <ul style="list-style-type: none"> • Adding a new signatory • Authority to arrange for direct debits • Managing borrowing facilities • Electronically transferring funds 	As per the investment policy adopted in the current Long-term Plan or Annual Plan
Debts	
Description	Delegate
The writing-off of debts considered to be bad or uncollectible, or for rates outside of the legislative seven-year period after all due diligence and collection actions (including the use of a debt collection agency) are exhausted. A report to be presented to Council at the end of each financial year detailing bad debts written-off.	EM-CS Finance Manager
The writing off of debts considered to be uneconomical or uncollectible up to the value of \$10.00.	Finance Manager Rates Officer Water Billing Officer
Enter into any arrangement for payment of a debt owed to Council over a period.	EM-CS Finance Manager Rates Officer Water Billing Officer
Credit Notes	
Description	Delegate
Authority to approve credit notes within specified delegation levels.	Third tier managers (\$5,000) Executive Managers (\$50,000) Chief Executive Officer (up to financial delegation level)



Emergency Expenditure	
Description	Delegate
Authority to approve contingency expenditure for an emergency situation.	Chief Executive Officer Civil Defence Controller
Unbudgeted Capital Expenditure	
Description	Delegate
Authority to approve Unbudgeted Capital Expenditure.	Council Community Board Members
Credit Card Expenditure and Expense Claims (See the Credit Card Policy)	
Description	Delegate
Approving Credit Card expenditure and expense claims for the Mayor.	Deputy Mayor and Executive Manager – Corporate Services
Approving Credit Card expenditure and expense claims for the Chief Executive Officer.	Mayor
Authorisation of a Council Credit card held by an officer.	CEO
Authority to approve credit card expenditure and expense claims (excluding the Mayor and the Chief Executive Officer).	One-up-principle
Bank, Invest and Sign Cheques (two signatories must sign)	
Description	Delegate
Authority to arrange overdraft facilities up to statutory limit.	As per the Investment Policy adopted in the current Long-term Plan or Annual Plan



Authority to arrange for Term Deposits.	As per the Investment Policy adopted in the current Long-term Plan or Annual Plan
Approve Payroll Payments and all payroll related matters.	Two of the following: EM-CS Finance Manager Accountants Executive Managers CEO
Approve all tax payments and tax related matters.	Two of the following: EM-CS Finance Manager Accountants Executive Managers CEO
Rating	
Description	Delegate
Authority to postpone rates or remit rates in accordance with Council's operating rating principles within the rating policy.	As per the delegations stated in the Rating Policy as adopted in the current Long-term Plan or Annual Plan
Remission of penalties in accordance with Council's rating policy.	As per the delegations stated in the Rating Policy as adopted in the current Long-term Plan or Annual Plan
Valuations	
Description	Delegate
Amend any entries in the valuation roll or Council's rating records which are the result of an error or which are no longer correct as a result of changed circumstances.	CEO EM-CS Finance Manager Rates Officer



Vary or waive any fee within jurisdiction and only if permitted by law and not inconsistent with Council policy.	CEO Executive Managers
Authority to apply to the Valuer General for valuation equalisation certificates for ratings purposes.	CEO EM-CS Finance Manager
Authority to issue an amended rates assessment if an error is encountered.	EM-CS Finance Manager
Asset Acquisitions	
Description	Delegate
Land and Building Purchase and Sales.	Council
Vehicle Purchase (within budget) and Disposal.	CEO Executive Managers Finance Manager
Other Fixed Assets.	CEO Executive Managers Finance Manager



Financial Delegations

Sub-delegations may be made without the approval of the Chief Executive, however are subject to approval by the relevant Manager and Executive Manager. No further delegation is permitted.

The delegations set out in the Financial Delegations table below attach to the position.

Financial Delegations	
Level	Expenditure (\$)
Level 1 (CEO)	Unlimited to budget
Level 2 (ET)	Up to 500,000
Level 3	200,000
Level 4	Up to 50,000
Level 5	Up to 20,000
Level 6	Up to 10,000
Level 7	Up to 5,000
Level 8	Up to 2,000



Specified Officer Categories

People and Culture		
Specified Officer Categories		
Level	Job role	Cost Centre
Level 1	Chief Executive Officer	All Cost Centres
Level 2	-	
Level 3	-	
Level 4	Executive Manager – People and Culture	All Cost Centres
Level 5	-	
Level 6	Collections Development Manager	Collections Development Cost Centres
Level 7	Human Resources Advisor	People and Culture Cost Centres
	Health and Safety Officer	Health and Safety Cost Centres
	Customer Services Team Leader	All Cost Centres
Level 8	Democracy and HR Support	People and Culture Cost Centres
	Maniototo Library Team Leader	Library Cost Centres
	Roxburgh Library Team Leader	Library Cost Centres
	Alexandra Library Team Leader	Library Cost Centres
	Cromwell Library Team Leader	Library Cost Centres
	Customer Services Officer	All Cost Centres
	Library Assistant	Library Cost Centres



Corporate Services		
Specified Officer Categories		
Level	Job role	Cost Centre
Level 1	Chief Executive Officer	All Cost Centres
Level 2	Executive Manager – Corporate Services	All Cost Centres
Level 3	-	
Level 4	Information Services Manager	Information Services Cost Centres
Level 5	Finance Manager	Finance Cost Centres
Level 6	Corporate Accountant	Finance Cost Centres
	Accountant	Finance Cost Centres
Level 7	Rates Officer	Finance Cost Centres
	Water Billing Officer	Finance Cost Centres
	Business Risk and Procurement Manager	Business Risk and Procurement Cost Centres
	ICT Systems Engineer	Information Services Cost Centres
	Document and Records Analyst	Information Services Cost Centres
Level 8	Executive Assistant – Corporate Services	Corporate Services Cost Centres
	GIS Coordinator	Information Services Cost Centres
	Application Support Analyst	Information Services Cost Centres
	IS Customer Support	Information Services Cost Centres
	Business Analyst/Application Support	Information Services Cost Centres



Planning and Environment		
Specified Officer Categories		
Level	Job role	Cost Centre
Level 1	Chief Executive Officer	All Cost Centres
Level 2	Executive Manager – Planning and Environment	All Cost Centres
Level 3	-	
Level 4	Parks and Recreation Manager Planning Manager Property and Facilities Manager Regulatory Services Manager	Parks and Recreation Cost Centres Planning Cost Centres Property and Facilities Cost Centres Regulatory Services Cost Centres
Level 5	Aquatics Manager Environmental Health Team Leader and Licensing Inspector Parks Officer - Projects	Aquatics Cost Centres Environmental Health Cost Centres Parks and Recreation Cost Centre
Level 6	Parks Officer - Contracts Property and Facilities Officers Buildings Management Officer	Parks and Recreation Cost Centre Property and Facilities Cost Centre Property and Facilities Cost Centre
Level 7	-	
Level 8	Swim School Coordinator Planning Officer Parks and Recreation Admin Officer Molyneux Aquatic Centre Team Leader LIM Officer Executive Assistant - Planning and Environment Environmental Health Officer Cromwell Swim Centre Team Leader Consent Officer – Building Regulatory Support – Building	Respective Swim School Cost Centres Planning Cost Centres Parks and Recreation Cost Centres Molyneux Aquatics Cost Centres LIM Cost Centres Planning and Environment Cost Centres Environmental Health Cost Centres Cromwell Swim Centre Cost Centres Regulatory Services Cost Centres Regulatory Services Cost Centres



Infrastructure Services		
Specified Officer Categories		
Level	Job role	Cost Centre
Level 1	Chief Executive Officer	All cost Centres
Level 2	Executive Manager – Infrastructure Services	All Cost Centres
Level 3	-	
Level 4	Capital Projects Programme Manager Roothing Manager Water Services Manager	Capital Projects Cost Centres Roothing Cost Centres Water Services Cost Centres
Level 5	Environmental Engineering Manager	Environmental Engineering Cost Centres
Level 6	Waste Minimisation Officer	Waste Minimisation Cost Centres
Level 7	-	
Level 8	Executive Assistant – Infrastructure Services	Infrastructure Cost Centres



CEO Reports		
Specified Officer Categories		
Level	Job role	Cost Centre
Level 1	Chief Executive Officer	All cost centres
Level 2	-	
Level 3	General Manager – Tourism Central Otago	Tourism Central Otago Cost Centres
Level 4	Chief Advisor – Strategy and Policy	Strategy and Policy Cost Centres
Level 5	-	
Level 6	Digital/Social Media Marketing	Communications Cost Centres
	Economic Development Manager	Economic Development Cost Centres
	Communications Coordinator	Communications Cost Centres
	Communications Officer	Communications Cost Centres
	Regional Identity Officer	Regional Identity Cost Centres
Level 7	Trade and Consumer Marketing Manager	Trade and Consumer Marketing Cost Centres
	Media and Marketing Manager	Communications Cost Centres
	Marketing and Administration Coordinator	Communications Cost Centres
	Governance Manager	Governance Cost Centres
	Community and Engagement Manager	Community Development Cost Centres
	Deputy Electoral Officer	Electoral Cost Centres
Level 8	Executive Assistant - CEO	All Cost Centres
	Maniototo VIN Centre Team Leader – Ranfurly i-SITE Team Leader	Maniototo I-Site Cost Centres
	Teviot Valley VIN Centre Team Leader – Roxburgh Team Leader	Teviot Valley VIN I-Site Cost Centres
	Governance Support Officer	Governance Cost Centres



Appendix 2 – Statutory, Regulatory and Other Delegations to Officers

Statutory Delegations are delegations of specific statutory duties, powers, and responsibilities. The majority of Council's regulatory powers, along with rules around implementation, are contained in statute.

Council delegates to the Chief Executive Officer all responsibilities, duties and powers to act under the legislation, subject to any restrictions imposed by Council and excluding those matters in respect of which delegation is prohibited by any Act or regulation or which are expressly excluded from this delegation.

These delegations expressly exclude any power, responsibility or duty that has been delegated to a Community Board, Committee, Subcommittee (including an Officer Subcommittee), Council Hearings Panel or other subordinate decision-making body as set out in the the [Register of Delegations to Community Boards, Portfolios, Committees and the Chief Executive Officer](#).

All delegations are made severally unless specified otherwise (i.e. the delegation can be exercised by the officer acting alone).

Delegations from the Chief Executive Officer to Officers

Key	
Role	Abbreviation
Chief Executive Officer	CEO
Executive Manager – Corporate Services	EM-CS
Executive Manager – Infrastructure Services	EM-IS
Executive Manager – Planning and Environment	EM-PE
Executive Manager – People and Culture	EM-PC



(Local Government Official Information and Meetings Act 1987)		
Section	Description	Delegated to
11	To give reasonable assistance to those persons requesting information.	CEO EM-CS Information Services Manager
13	To make decisions on requests and to determine whether or not to charge for information. ¹	CEO Executive Managers Third tier Managers Information Services Manager
n/a	To determine a release date for the information requested ²	CEO Executive Managers Third tier managers Information Services Manager
14	To provide for extensions of time to provide official information and to attend to subsequent notification.	CEO Executive Managers Information Services Manager
16	To determine redactions from documents and attend to subsequent notification.	CEO Executive Managers Information Services Manager
17, 17A, 17B, 18	To determine whether or not to refuse a request for information, and providing reason(s) for refusal.	CEO

¹ Charging should be based on the effort required to prepare the request, based on the policy and procedure

² The charging and release date must consider current workloads plus Executive approval times.



21	To determine access to internal rules affecting decisions, and to provide reasons for refusing to provide information.	CEO Executive Managers Information Services Manager
26	To refuse to supply personal information.	CEO Executive Managers Information Services Manager

Privacy Act 2020		
Section	Description	Delegated to
n/a	All of the responsibilities, duties, and powers under this Act that have been delegated to the Chief Executive Officer. This delegation may be sub-delegated.	CEO
45	Decision to grant access to personal information	CEO External (EM-CS) Internal (EM-PC)
46	Power to refuse access to personal information as per sections 49 to 53.	CEO EM-CS Information Services Manager
47	Decision to neither confirm nor deny personal information is held	CEO EM-CS Information Services Manager



Civil Defence Emergency Management Act 2002	
Description	Delegated to
All of the responsibilities, duties, and powers under this Act that have been delegated to the Chief Executive Officer.	CEO

[Delegated Authorities Operating Spreadsheet – Regulatory Services, Planning, and Parks and Recreation](#)

[Delegated Authorities Operating Spreadsheet – Property and Facilities](#)

Other

This Staff Delegations Manual does not contain formal delegations in relation to the authorisation to sign correspondence, media statements and the placement of public notices. Staff should refer to the relevant Staff Policies in relation to these matters.



Appendix 3 – Management delegations to Staff

Management Delegations are those of management powers made by the Chief Executive Officer to Council Officers in order to facilitate the effective and efficient operation of Council administration.

Where activities do not contain a governance component and are not limited by statutory restrictions then they shall be delegated to the Chief Executive Officer, whereupon they may be sub-delegated.

The Chief Executive Officer's statutory responsibilities are set out in section 42 of the Local Government Act 2002 (LGA). The Chief Executive Officer is responsible for and leads staff and service delivery contractors towards the achievement of Council's statutory responsibilities and strategic objectives. In addition, the Council's general delegation to the Chief Executive Officer grants him or her a number of powers relating to the appointment of Council employees and other persons (including the appointment of statutory officers and signing of warrants of appointment).

In the absence of the Chief Executive Officer, the Executive Manager appointed for the time being as Acting Chief Executive Officer, shall exercise all the responsibilities of the Chief Executive Officer.

The following are delegated to the Executive Manager – Corporate Services:

- Issues arising under the Privacy Act 2020 in relation to external matters;
- Disposal of records, in accordance with the Public Records Act 2005.

The following are delegated to the Executive Manager - Planning and Environment:

- responsibility for the administration of the:
 - Sale and Supply of Alcohol Act 2012;
 - Resource Management Act 1991
 - Building Act 2004
 - Health Act 1956
 - Reserves Act 1977;
 - Dog Control Act 1996;
 - Hazardous Substances and New Organisms Act 1996
 - any other statutes, regulations and bylaws of a regulatory nature which may be determined by the Chief Executive Officer.
- The responsibility to appoint the Engineer to the contract under NZS3910
- the responsibility to appoint the Engineers representative to Contract under NZS3910.
- The responsibility to lodge submissions on the RMA reform.



The following is delegated to the Executive Manager - Infrastructure Services:

- The responsibility to appoint the Engineer to the contract under NZS3910
- the responsibility to appoint the Engineer's representative to Contract under NZS3910.

The following is delegated to the Executive Manager - People and Culture:

- the responsibility to approve and sign Offer Letters;
- the responsibility to approve and sign Employment Agreements;
- issues arising under the Privacy Act 2020 in relation to internal matters.

The following employment matters are delegated to all members of the Executive Team and activity managers, where noted:

- temporary reallocation of duties, provided they do not require payment of a higher duties allowance;
- Executive Managers and Activity Managers may approve of leave, except for leave without pay in excess of one week;
- Executive Managers and Activity Managers may approve of mileage payments for use of an employee's car in line with council's vehicle use policy;
- Executive Managers and Activity Managers may approve attendance of staff at conferences, courses and seminars;
- advertising and interviewing for replacement staff, with the Chief Executive Officer's prior approval;
- Authorise the issue of trespass notices;
- Require bonds for any use of Council property under the organisations control.

Insurance Policies	
Description	Delegated to
Enter into arrangements for the placement of all the Council's insurance policies.	CEO EM-CS



To accept progress payments and partial insurance payments on behalf of the Council on the condition that they are not full and final, nor commit the Council to a settlement.

CEO
Executive Managers

Parks/Trees/Public Facilities	
Description	Delegated to
To require bonds for any use on Council parks property.	EM-PE Parks and Recreation Manager
<p>In consultation with any other units affected, to authorise the following work on any tree from any reserve, park, open space or road corridor:</p> <ul style="list-style-type: none"> • planting and maintenance; • removal of structurally unsound and unhealthy trees, trees causing damage to infrastructure or other safety concerns where there is no viable alternative other than to remove the tree; • removal of a tree where the tree is impeding the consented legal access to the road (e.g. vehicle crossing); <p>The relevant Community Board is to be informed of any removals that have been carried out under this delegation;</p> <p>To avoid any doubt, this delegation is subject to all requirements of the Central Otago District Plan and the Resource Management Act 1991;</p> <p>This delegation may be sub-delegated.</p>	EM-PE Parks and Recreation Manager

Infrastructure Delegations

[Delegated Authorities Operating Spreadsheet – Infrastructure Services](#)

Legalisation of Road Reserves

Ability to accept road reserves legalising current formed roads through the tenure review process.



Appointment of commissioners to consider and execute decisions relating to designations, reviews, objections and applications for and changes to resource consent.

To provide the consent of the requiring authority pursuant to Section 176 of the Resource Management Act 1991, to undertake any activity on land that is designated.

The Chief Executive Officer may change any condition in a resource consent (other than conditions relating to its duration) subject to conditions outlined in Section 132.

The Chief Executive Officer may nominate Local Controllers and refer such nominations to the Otago Civil Defence Emergency Management Group.

Roads

The Council's Roading staff may exercise any power granted to the Council in regard to the construction, repair, alteration, layout, occupation and use of roads, footpaths, verges and vehicle crossings, including but not limited to those under the Local Government Act 1974, the Transit New Zealand Act 1989, the Public Works Act 1989, the Heavy Motor Vehicle Regulations 1974, the Resource Management Act 1991; and Regulations made there under, except where any power is reserved to the Council or a Committee of Council, or where more specific delegations of this manual apply.

Bylaws

Any member of the Executive Team, or warranted or authorised officer, may administer and exercise all powers granted under bylaws regarding the activities within the District in relation to their specific area of responsibility, and may authorise prosecutions and actions under any bylaw (after advising the Chief Executive Officer of the intention to commence such actions and prosecutions).

Temporary Road Restrictions

The Executive Manager, Infrastructure Services or the Roading Manager may exercise any power to impose temporary restrictions in regard to traffic and restrict vehicular access of any kind on roads within the district granted under and in accordance with the Local Government Act 2002 and the Transport Act 1962 and all regulations made there under.



Human Resources Delegations

Pursuant to section 42(2) of the Local Government Act 2002, the Chief Executive is responsible, on behalf of the Council, for ensuring the effective and efficient management of the Council, employing staff and negotiating the terms of employment of staff.

Human Resources Delegations automatically apply to the person appointed to that role. These delegations are granted to the lowest appropriate tier (with demonstrated competence to execute the delegation) to empower and enable managers. This authority may also be executed by all managers in a direct line above that position, unless otherwise specified.

Human resources delegations must be exercised in accordance with Staff Policies.

Other delegations have been made by the Chief Executive Officer to employees, as seen in the [Delegated Authorities Operating Spreadsheet – People and Culture.](#)

Appendix 4 – Warrants

Council delegates to the Chief Executive Officer the power to issue warrants to enforcement officers pursuant to clause 32A of Local Government Act 2002 and under any other legislation which enables the appointment of authorised or warranted officers. This power has been delegated without limits, conditions or prohibition, unless the “power to appoint” is expressly prohibited under a specific enactment.

Authority to sign and issue warrants of appointment to the following positions.

- Enforcement Officers;
- Any persons legally authorised to enter private land on behalf of Council;
- Any persons authorised to exercise a responsibility, duty or power of Council or to carry out any of Council’s regulatory functions (including the enforcement of bylaws);
- Any persons to whom the Council is legally required or to whom it is appropriate for the Council to provide a warrant of appointment.
- A “Ranger” for the purpose of the Reserves Act 1977: Parks and Recreation Manager

It is the responsibility of the respective Executive Manager to ensure that warrants held by officers who require them to carry out statutory delegations and enforcement are current.



Emergency Warrants

On appointment, the Chief Executive or the emergency acting Chief Executive Officer will ensure additional warrants are considered and authorised without delay, where necessary. Additional warrants should be authorised to ensure key functions, such as the ability to enter onto private property, may be carried out.

Emergency warrant cards will meet all necessary statutory requirements.

21.4.5 SOFT REVIEW OF THE FRAUD, BRIBERY AND CORRUPTION POLICY AND THE PROTECTED DISCLOSURES (WHISTLE BLOWER) POLICY

Doc ID: 559837

1. Purpose

To consider the findings of the soft review of the Fraud, Bribery and Corruption Policy and the Protected Disclosures (Whistle Blower) Policy.

Recommendations

That the report be received.

2. Discussion

The Fraud, Bribery and Corruption Policy and the Protected Disclosures (Whistle Blower) Policy were adopted at the 18 May 2020 Council meeting. It was agreed to carry out a soft review in 2021 and present any changes to the Audit and Risk Committee for feedback.

The Office of the Auditor General and the Serious Fraud Office previously provided guidance on how to handle events of fraud, bribery, corruption and whistle blowing as well as requirements recommended to be contained within policy documents. The policy documents were compiled based on this guidance, which has not changed since the adoption of the Fraud, Bribery and Corruption Policy and the Protected Disclosures (Whistle Blower) Policy. Consequently there have been no changes to either of these policies.

The policy documents will be updated as further guidance is released from the Office of Auditor General or the Serious Fraud Office, or as directed by Council.

3. Attachments

Appendix 1 - Fraud Bribery and Corruption Policy.pdf [↓](#)

Appendix 2 - Protected Disclosures (Whistle Blowing) Policy.pdf [↓](#)

Report author:



Gabi McFarlane
Risk and Procurement Manager
17/11/2021

Reviewed and authorised by:



Leanne Macdonald
Executive Manager - Corporate Services
18/11/2021

Fraud, bribery and corruption policy



1 Dunorling Street
PO Box 122, Alexandra 9340
New Zealand

03 440 0056

Info@codc.govt.nz
www.codc.govt.nz



Department:	Corporate Services
Document ID:	436237
Approved by:	Council – 18 May 2020
Effective date:	18 May 2020
Next review:	April 2021

Introduction

Central Otago District Council employees and representatives of the Council must maintain the highest possible standards of honesty and integrity in their works. A zero-tolerance approach to fraud, corruption and bribery is employed and all suspected or actual incidences will be investigated. All investigations found to have substance will be forwarded to the Police or the Serious Fraud Office.

Purpose

The purpose of the Fraud, Bribery and Corruption Policy is:

- To provide Council's position with respect to fraudulent or corrupt activities;
- To provide clear guidance to staff and stakeholders who encounter or suspect fraud, bribery and/or corruption; and
- To raise awareness throughout the organisation about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with fraud, bribery and corruption.

Scope

The policy shall apply to all fraud, bribery and/or corruption incidents, whether suspected, alleged or proven, committed against the organisation by a person (legal or natural). For the avoidance of doubt, any reference to employees or staff in this policy shall include:

- An organisation's former employees, volunteers, employees, persons seconded to Council and as appropriate, contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties) members of the public and/or other parties with a business relationship with the Council, including Council-controlled Organisations.



This policy does not cover Elected Members, who are subject to provisions within the Local Authorities (Members' Interests) Act 1968 and Local Government Act 2002.

Definitions

If there is a question as to whether an action constitutes fraud, bribery, corruption or activities of wrongdoing, contact the Fraud Control Officer (The Business Risk and Procurement Manager) for guidance.

Word or phrase	Definition
Fraud	<p>The term 'Fraud' encompasses a wide range of criminal conduct, specifically involving deliberate deception in order to receive unfair, unjustified or unlawful gain. This gain is not specifically limited solely to financial incentives and may include other tangible or intangible benefits. Fraud includes all forms of dishonesty, such as but not limited to the following.</p> <ul style="list-style-type: none"> • Knowingly providing false, incomplete or misleading information to the Council for unfair, unjustified or unlawful gain. • Unauthorised possession, use, or misappropriation of funds or assets, whether belonging to Council or a third party. • Destruction, removal, or inappropriate use of Council property for unfair, unjustified or unlawful gain
Bribery	<p>The Crimes Act 1961 states that a bribe means "any money, valuable consideration, office or employment or any benefit, whether direct or indirect." Bribery is the practice of offering something in order to gain an illicit advantage by altering the behaviour of the recipient.</p>
Corruption	<p>'Corruption' is defined as a lack of integrity or honesty or the abuse of a position of trust for dishonest gain. This may include, but is not limited to, bribery (both domestic and foreign), coercion, destruction, removal or disclosure of data, materials, assets or similar forms of inappropriate conduct.</p> <p>Examples of corrupt conduct include, but are not limited to:</p>



Word or phrase	Definition
	<ul style="list-style-type: none"> A member of the public influencing or trying to influence a public official, employee, contractor, person seconded to, or any other party that has a business involvement with the Council to use his or her position in a way that is dishonest, biased or in breach of public trust. Any person who has a business involvement with the Council, attempting to or improperly using, the knowledge, power or resources of their position for personal gain. For example, fabrication of a business travel requirement to satisfy personal situations; Knowingly providing, assisting or validating in providing false, misleading, incomplete or fictitious information to circumvent Council's procurement processes and procedures to avoid further scrutiny or reporting.
Wrongdoing	<p>Serious wrongdoing is defined as:</p> <ul style="list-style-type: none"> A criminal offence such as fraud, theft, assault, or wilful damage A serious risk to the maintenance of the law, including the prevention, investigation and detection of offences and the right to a fair trial A serious risk to public health, public safety or the environment
Error	<p>There is a distinct divide between the definitions of the term 'fraud' and 'error'.</p> <p>Error refers to an unintentional act or omission, made unknowingly by an individual or group lacking in knowledge or oversight. Error may be an unintentional misstatement of information including the unintentional omission of an account or a disclosure; performing an action that created unexpected or unintentional outcomes or consequences. In contrast, acts of wrongdoing or fraud are deliberate breaches of Council's policies and public trust.</p>

Distinction between the Fraud, Bribery and Corruption Policy and other Policies

The Policy is intended to prevent any and all instances of Fraud, Corruption and Bribery. This Policy contrasts with the purposes of the following policies, bearing in mind that these



Policies may also require consideration in situations involving Fraud, Bribery and/or Corruption:

- *The Protected Disclosure / Whistle Blowing Policy* – This policy enables individuals to report serious wrongdoing enabling the protections available under the Protected Disclosures Act 2000
- *House Rules* – This establishes Councils expectations for employee behaviour and outlines disciplinary actions.
- *The Staff Interests Policy* – This establishes the parameters for what Council considers to be a relevant conflict or relationship and provides guidelines for employees to make declarations and/or report their concerns regarding other employees' conflicts or relationships.
- *Sensitive Expenditure Policy* – The policy outlines the procedures surrounding the receiving of gifts and hospitality, providing guidance and a Risk Register for employees to declare gifts.

It is important to recognise and understand the difference between the Fraud, Bribery and Corruption Policy and other policies within the organisation. Whilst such policies often overlap, the key difference is that the acts of fraud, bribery and/or corruption have key elements of dishonesty or unlawful gain.

Policy

Central Otago District Council does not tolerate Fraud, Bribery and Corruption. The 'zero tolerance' stance taken by Central Otago District Council means that no level of fraud, bribery and/or corruption in association with the organisation, its employees or stakeholders is accepted. Employees of Central Otago District Council and those whom work around them must pursue the highest possible standards of honesty and integrity whilst conducting their duties; this needs to be visible to the whole Council community and external stakeholders.

Central Otago District Council will uphold all laws and regulations relevant to countering fraud, corruption and bribery in all areas of the organisation. Further, regardless of the guidelines and procedures set, Council and those persons working for and with the organisation, have an overriding obligation to comply with applicable laws and regulations.

Opportunities for fraud, bribery and corruption are to be minimised through the development, implementation and regular review of the Risk Framework and associated Risk Registers



alongside regular fraud awareness training. Council recognises that fraud and corruption prevention and control are integral components of good governance and risk management.

If fraud, bribery or corruption is either suspected or occurring, it is to be reported immediately to the staff member's manager or the Fraud Control Officer (FCO), the Executive Manager People and Culture (HR), the Executive Manager – Corporate Services (CS) who is then to report this to the Chief Executive Officer.

Reports may be made anonymously or under the protection of the Protected Disclosures Act 2000 (also known as whistle blowing), providing a safe, documented and widely available process for all employees to report fraud.

Relevant legislation

- Secret Commissions Act 1910
- Crimes Act 1961
- Protected Disclosures Act 2000
- Local Authorities (Members' Interests) Act 1968
- Local Government Act 2002

Related documents

- Central Otago District Council House Rules
- Central Otago District Council Protected Disclosures (Whistle Blowing) Policy
- Central Otago District Council Sensitive Expenditure Policy
- Central Otago District Council Fraud, Bribery and Corruption Process

Document management control

Prepared by: Business Risk and Procurement Manager

File Location Reference: 445652

Date Issued: 18 May 2020

Protected disclosures (whistle blowing) policy



1 Dunorling Street
PO Box 122, Alexandra 9340
New Zealand

03 440 0056

Info@codc.govt.nz
www.codc.govt.nz



Department:	Corporate Services
Document ID:	436240
Approved by:	Council – 18 May 2020
Effective date:	18 May 2020
Next review:	April 2021

Purpose

The purpose of this policy is to explain the principles and objectives for establishing a framework by which serious wrongdoing may be reported and the subsequent protections afforded to the Whistleblower under the Protected Disclosures Act 2000.

The policy aims to encourage the reporting of suspected or actual wrongdoing, conducted by or associated with Central Otago District Council. This policy shall assist in the identification of risks associated with the breach of policy and aims to protect the Whistleblower from retaliation which may arise as a result of the report concerning suspected wrongdoing.

Principles and objectives

The key principles which guide activity under this policy are:

- **Transparency** – This policy promotes transparency by allowing employees to report serious wrongdoing without fear of reprisal. The report maker has the right to be kept informed of the progress of any investigation arising from a complaint;
- **Fairness** – All employees will be treated fairly and equally regardless of position or length of service with Council. An employee reporting an instance of serious misconduct is entitled to anonymity;
- **Good Faith** – Any report made in good faith is entitled to the protections afforded by this policy, and this principle guides all activity under this policy. Any report that is found to have not been made in good faith may result in disciplinary action against the Whistleblower;
- **Safety** – Activity under this policy should be conducted in a manner which recognises the rights of both the Whistleblower and the subject of any serious wrongdoing. The safety of all parties must be ensured, and an employee must not be compromised through making a report under this policy.



The objectives of this policy are to:

- Facilitate the disclosure and investigation of serious wrongdoing at Central Otago District Council
- Protect employees who make disclosures of serious wrongdoing

Scope

This policy applies to all Central Otago District Council employees and Elected Members wishing to report cases of serious wrongdoing. For the avoidance of any doubt, any reference to employees or staff in this policy shall include:

- An organisation's former employees, volunteers, employees, persons seconded to Council and as appropriate, contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties) members of the public and/or other parties with a business relationship with the Council, including Council-controlled Organisations.

Definitions

Word or phrase	Definition
Serious wrongdoing	<p>Serious wrongdoing includes any instances of the following:</p> <ul style="list-style-type: none"> • An unlawful use of public funds or resources; or • An act or omission constituting a serious risk to public health or safety or the environment; or • An act or omission that constitutes a serious risk to the maintenance of law; or • An act or omission that constitutes an offence; or • An act or omission by a public official that is oppressive, improperly discriminatory, grossly negligent or that constitutes gross mismanagement.



Policy

Reporting

- Reports can be made in several ways, either internally (e.g. to the Executive Manager – Corporate Services or to the Chief Executive Officer) or externally through the Office of the Ombudsman.
- Employees are encouraged to lodge a report if they suspect serious wrongdoing may have occurred. Relevant supporting information should be supplied when making a report.
- If the Whistleblower wishes to remain anonymous, they may contact the Chair of the Audit and Risk Committee or the Office of the Auditor General.
- In the event that a report of serious wrongdoing relates to a member of the Executive Team or the Chief Executive Officer, then the matter shall be referred to the Chair of the Audit and Risk Committee.
- In the event a report is made, and the complaint falls short of serious wrongdoing, the protections under the policy may not be available, however the complaint may still merit investigation. Complaints falling outside the definition of serious wrongdoing will be examined under usual disciplinary procedures.

Protections

- An employee who reports serious wrongdoing under this policy can claim protection under the Protected Disclosures Act 2000, provided they:
 - Believe the information they are reporting is true or have reasonable grounds to suspect that it is true; and
 - The information is provided in good faith; and
 - They wish for the matter to be investigated; and
 - Want disclosure of that information protected.
- Employees who meet the above criteria are afforded the following protections:
 - No civil, criminal or disciplinary proceedings can be taken against them for making a protected disclosure; and
 - An employee who suffers retaliatory action by their employer for making a protected disclosure may be able to take personal grievance proceedings.
- An employee who makes a protected disclosure has the right to anonymity unless:
 - The employee consents in writing to the disclosure of their identity; or
 - The disclosure of identifying information:
 - is essential to the effective investigation of the protected disclosure; or
 - is essential to prevent serious risk to public health, safety or the environment;
 - or
 - is essential in the interests of transparency and fairness; or
 - the concern is raised with a lawyer for the purpose of obtaining legal advice or representation.



Investigations

- Council shall ensure the fair treatment of any employee referred to in a report.
- Investigations will vary depending on the nature of the serious wrongdoing alleged in the report. Within 20 working days of disclosure, a decision on the scale of investigation must be made by the appropriate personnel.
- If warranted, the Chief Executive Officer or the Chair of the Audit and Risk Committee will arrange for a full investigation to be undertaken.
- Any employee who is the subject of a report will be given a reasonable opportunity to respond to the report findings and is entitled to be represented in any discussions relating to an adverse report.

The Ombudsman

- The Protected Disclosures Act 2000 allows for The Ombudsman to receive complaints of serious wrongdoing and provide guidance to organisations investigating cases of serious wrongdoing.

Any employee concerned with the process or outcome of an investigation may refer the matter to The Ombudsman for review.

Relevant legislation

- Protected Disclosures Act 2000

Related documents

- Central Otago District Council Fraud, Bribery and Corruption Policy
- Central Otago District Council Fraud, Bribery and Corruption Process
- Central Otago District Council Sensitive Expenditure Policy
- Central Otago District Council Staff Interests Policy
- Central Otago District Council House Rules

Document management control

Prepared by: Business Risk and Procurement Manager

File Location Reference: 445967

Date Issued: 18 May 2020

21.4.6 AUDIT NZ AND INTERNAL AUDIT UPDATE

Doc ID: 559561

1. Purpose

To consider an update on the status of the external and internal audit programme and any outstanding actions for completed internal and external audits.

Recommendations

That the report be received.

2. Discussion

Council has a legislative requirement to complete external audits of annual reports and the Long-term Plan through Audit New Zealand. Audit New Zealand complete a governance report on their findings and any recommendations for improvements. A schedule of actions is then created and allocated to staff to manage the completion of these recommendations.

The 2019-2020 Audit New Zealand Management Report was presented to Audit and Risk at the June 2021 meeting. There were eight recommendations, of which four were already completed by June 2021, and four remained. The Audit Action Register contains the four remaining actions, of which three remain outstanding (pending Audit New Zealand signing off as part of the 2020-21 Management Report), plus one completed action. There are no urgent actions outstanding. There are four outstanding actions from the 2018-19 Management Report, which remain in progress.

In addition to external audits, council carries out several internal audits annually to provide assurance over compliance and to mitigate business risks. Two recommendations remain in progress in the payroll area. Three actions in the Cyber Security area have been completed.

Appendix 1 and 2 list the outstanding tasks and any progress with these tasks. Once the Committee have viewed the completed tasks these are removed from the schedule.

3. Attachments

Appendix 1 - Audit New Zealand - Audit Action Register [↓](#)

Appendix 2 - Internal Audit Action Register [↓](#)

Report author:



Gabi McFarlane
Risk and Procurement Manager
22/11/2021

Reviewed and authorised by:



Leanne Macdonald
Executive Manager - Corporate Services
22/11/2021

	Urgent	Necessary	Beneficial	Assigned	Estimated Completion	Status	Comments
Audit NZ 2020 Management Report							
Development contributions revenue recognition (5.1) Implement a process whereby revenue recognised in advance is appropriately recorded in the annual report.		✓		Finance Manager		Completed	After year end both the GL and outstanding 224c certificates are reviewed. Where development contributions have been received and the 224c certificate has not been signed off in the financial year, the development contributions are recognised as revenue received in advance.
Reconciliation of land sales and costs (5.3) A reconciliation between the property team's tracking sheet and accounting journals needs to be performed on a regular basis.		✓		Finance Manager		In Progress	A more robust system is in place and we are now working to improve with Managers regular meetings to keep on top of this. Pending Audit Ne Zealand's Annual Report Audit 2021, this should become completed.
Payments for hurt and humiliation (5.5) Review the policy regarding out of court settlements for hurt and humiliation and consider making a voluntary disclosure to the IRD			✓	Executive Manager - People and Culture		In progress	We are reviewing this. We currently don't have a policy for – Payments for hurt and humiliation, however we follow the legislative requirements for these payments.
Third party acknowledgement of Council's security policies (5.8) Introduce a formal process whereby third parties such as IT vendors or other non-staff acknowledges that they have received and read these Security Policies and that they understand their responsibilities to comply with those policies.			✓	Information Services Manager	Dec-21	In progress	Work in progress with the estimated completion still on track.
Audit NZ 2019 Management Report							
Asset valuation recommendations and processes (4.1) Management should review and address the asset valuation recommendations made by the District Council's valuer.		✓		Executive Manager - Infrastructure Services and Executive Manager - Corporate Services		In progress	An asset valuation schedule has been included in the asset management policy which will be considered by the Audit and Risk Committee on 3 December 2021.
The valuation reports for both the roading and the 3-waters asset classes made several recommendations for improvement opportunities. In reviewing the valuation reports we concur with the valuer's recommendations and have noted the more significant recommendations below.							
Roadings – the valuer made assumptions around installation dates for certain assets, as the construction date information was not recorded in RAMM. It is recommended that management review and update the dates for the next valuation. We note that management has performed some work already to address this, identifying that some relate to assets constructed as part of the Cromwell relocation when the Clyde Dam was constructed.							The asset construction dates for most roading assets are in RAMM, and the number of missing dates is not material to the value. Those that are missing will be entered prior to the next valuation.
Roadings – bridge assets were revalued outside of RAMM and it was recommended these assets should be moved to RAMM. In addition it was identified that some bridges may not be replaced at the end of their useful lives and the District Council should consider this as part of its Bridging Strategy.							The valuation of bridges will not be moved into RAMM as RAMM has insufficient capability to record bridge data to component level, meaning that the bridges can more effectively be valued using a spreadsheet. We are investigating alternative systems that may be able to record bridge data more effectively, but any change to this will be a long term, not a short term project.
3-Waters – the valuers noted that detailed component information for new plant projects completed since the previous valuation, have not been included in the plant asset register. Instead, high level project costs have been used.							Asset data for 3 waters plant sites is currently being collected as a stimulus funded project and will be in the asset system for the next valuation.

	Urgent	Necessary	Beneficial	Assigned	Estimated Completion	Status	Comments
Annual report preparation process (4.2) Council should introduce a robust internal quality review process over the draft annual report to improve the quality of the draft information provided for audit.		✓		Executive Manager - Corporate Services / Finance Manager		Ongoing	Preparation for the Annual Report has been completed for 2020-21. Pending Audit New Zealand's findings, this will either remain ongoing or be completed.
IT Control Environment To strengthen the Council's overall IT control environment, we recommend the Council considers the following: <ul style="list-style-type: none"> • A formal IT strategic plan that supports the overall business strategic objectives • Business led IT governance group with clear terms of reference • A formal IT risk management process • A formal management reporting that provide the organisation with the level of service that IT provides and insights as to value of its IT investments. 			✓	Information Services Manager		In progress	To strengthen the Council's overall IT control environment, we recommend the Council considers the following: <ul style="list-style-type: none"> • A formal IT strategic plan that supports the overall business strategic objectives – Estimated completion date July 2022, workshop with leadership team planned for December 2021 • Business led IT governance group with clear terms of reference – A proposal for an Information Services (IS) Steering Committee has been drafted, this is yet to be presented to the Executive Manager for feedback. This forms part of the IS Activity Management Plan and IS Management & Governance Framework • A formal IT risk management process – Information Services uses the CODC Risk Management Policy and framework. The IS Risk Register forms part of the IS Activity Management Plan and IS Management & Governance Framework. The applicable risks have also been associated with the soon to be completed Cyber Security Plan 2018-2021, the future Cyber Security Plan 2022-2024, future Information and Records Management Plan 2022-2024 and Privacy Plan. • A formal management report that provides the organisation with the level of service that IT provides and insights as to the value of its IT investments. IS programmes and projects, as part of the CODC Project Management Framework and Sentient Portfolio Program Management roll out. Executive Manager – Corporate Services reporting is targeted for January/February 2022, once bedded in expand to the Executive Team and appropriate programmes and project stakeholders. Privacy Plan, Cyber Security Plan 2022-2024, Information and Records Management Plan 2022-2024 all have reporting requirements to the Executive Team, and Audit and Risk Committee. Further reporting will be discussed with the Executive Team.

APPENDIX 1

Detailed Findings: Accounts Payable, Payroll and Information Security Risk Review

Description	Detail	Risk Rating	Recommendation	Status	Due Date	Person Responsible	Any additional Comments
Payroll							
Enhancement required for manual timesheets	Central Otago District Council has both waged and salaried employees. Timesheets for waged employees are manually entered into the Pay Global system.	Moderate	Implementing an automated process of capturing the time worked by the waged staff will increase efficiency and reduce the possibility of errors.	In progress	1/03/2021 - move to 31 July 2021	Finance Manager	Libraries are up and running. Pay Global, Payroll Software company has finished the summary report, which we needed to complete pools. Pools should have been finalised end of July 2021, due to Covid Restrictions, the process remains in progress. We will not be 100% automated because any salary staff who works extra hours is entered manually into the system.
Improvements required with respect to payroll guidelines	Central Otago District Council does not have an approved procedures manual in place.	Process Improvement	Consolidates and formalises the payroll procedures manual and the desk profile process document.	In progress	Jun-21	Payroll Officer	The Payroll Officer has created an informal step-by step guide, this will be consolidated by the end of January 2022.
Cyber Security Improvement Programme update							
Implement a register of all cloud services and ensure termination of these services at the time of staff member leaves council.	Immediately implement processes whereby Human Resources are required to provide timely notice of staff enrolments and departures. In association with this, implement a register of all cloud services used by council staff members to ensure that access to these services is terminated at the time a staff member ceases to provide services to the council.	Process Improvement	Recommendation made as part of People and Protective Technologies roadmap to utilise the new firewall capability and monitor Cloud App activity.	Completed	Dec. 2021	Information Services Manager	Technology controls have been deployed.
Implement information leakage controls and removable media	Implement controls to restrict the opportunity for information leakage via the internet and removable media including the locking down of USB devices.	Low	Implement controls to restrict the opportunity for information leakage via the internet and removable media including the locking down of USB devices.	Completed	Dec. 2021	Information Services Manager	Technology controls have been deployed.
Replace the current ad hoc procedures and processes within the Information Services Department	Establish a programme to formalise and document system procedures and processes to replace the current ad hoc processes that may exist in the Information Services Department.	Process Improvement	Establish a programme to formalise and document system procedures and processes to replace ad hoc processes.	Completed	Dec. 2021	Information Services Manager	Procedures and process are in place and documented.

21.4.7 FINANCIAL REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2021

Doc ID: 558827

1. Purpose

To consider the financial performance for the period ending 30 September 2021.

Recommendations

That the report be received.

2. Background

The quarterly financial report is presented to the Committee as part of regular updates.

3. Financial Reporting

The operating surplus for September 2021 year-to-date is \$2.22M and is largely the result of external funding received for the Three Waters reform and low operating expenditure. The activity managers have revised their budgets in September 2021 based on end of year carry-forwards as at 30 June 2021. This revised budget was approved by Council in September 2021 and subsequently the revised budget has been updated to incorporate the carry-forwards and any other changes signalled.

- i. Funding received for the Three Waters reform of \$1.9M has been carried forward from the 2020/21 financial year. This reflects the phasing of the activity.
- ii. Land sales are lower than expected. This relates to land Council agreed to sell as part of the long-term planning process. This land is currently having preparation work carried out in order for it to be ready for sale. All other land sales from subdivisions will come through later in the financial year, when sold.
- iii. User fees and other is lower than budget by (\$450k). This is mainly due to the timing of the water billing function by (\$321k). Extra external resources from our contractor are being committed to catchup on the meter reading as they are behind schedule.
- iv. Expenditure is lower than budget by \$1.416M. Operational expenditure is trending lower across all areas with no underlying variance of concern.

Attached to this report is the September 2021 Council financial report to be presented in December 2021, which includes a variance analysis against the general ledger profit and loss statement, plus an activity level variance (Appendix 1).

The report also details the expenditure of the capital works programme across activities to enable oversight on progress of these projects.

4. Accounts Receivable

As at 30 September 2021, Council had \$59k outstanding in accounts receivables greater than 90 days. Resource consents are the key contributors and include:

- The Canyon Vineyard \$14k (objections to fees heard by hearings panel)
- M N Shaw \$8.5k (awaiting payment options)

Other includes:

- Top Shelf Productions \$5.7k (agreement to fund people on Bikes Series 2)
- Hillview Winery Limited \$4.3k relating to rental Alexandra Airport

Type of Debtor	Current	30 Days	60 Days	> 90 Days
Other	\$ 1,234,224	\$ 16,716	\$ 118,661	\$ 18,006
Building Consents	\$ 7,076	\$ 7,009	\$ 4,680	\$ 7,171
Resource Consents	\$ 33,782	\$ 2,576	\$ 2,892	\$ 34,678
TOTAL	\$ 1,275,082	\$ 26,300	\$ 126,233	\$ 59,855

Debt is actively managed and monitored and if a debtor is past our three-month threshold, their information is sent to our debt collection agency, Receivables Management Limited.

Sundry Debtor	Totals	Under 500	500 to \$1k	\$1k to \$2k	\$2k to \$10k	\$10k to \$50k	Over \$50K
Current	\$ 1,275,082	\$ (280,276)	\$ 23,148	\$ 28,055	\$ 47,587	\$ 51,321	\$ 1,405,246
Percentage	100%	-22%	2%	2%	4%	4%	110%
No. of Invoices	427	361	33	20	8	3	2
30 Days	\$ 26,300	\$ 8,268	\$ 4,475	\$ -	\$ 13,557	\$ -	\$ -
Percentage	100%	31%	17%	0%	52%	0%	0%
No. of Invoices	54	42	8	0	4	0	0
60 Days	\$ 126,233	\$ 5,282	\$ 1,509	\$ 7,582	\$ 31,359	\$ 23,000	\$ 57,500
Percentage	100%	4%	1%	6%	25%	18%	46%
No. of Invoices	43	26	3	5	7	1	1
> 90 Days	\$ 59,855	\$ 8,153	\$ 2,238	\$ 2,962	\$ 32,408	\$ 14,093	\$ -
Percentage	100%	14%	4%	5%	54%	24%	0%
No. of Invoices	69	54	4	2	8	1	0

5. Investment

As at 30 September 2021, Council had cash balances of \$17.3M, of which term deposits totalling \$10.5M mature within 90 days.

Bank	Amount	Term (Month)	Start Date	End Date	Fixed Rate
BNZ	4,500,000	9	2 Mar 2021	2 Dec 2021	0.96%
KiwiBank	1,000,000	1	2 Sep 2021	2 Oct 2021	0.30%
KiwiBank	2,000,000	3	2 Sep 2021	1 Dec 2021	0.55%
KiwiBank	3,000,000	6	31 May 2021	29 Nov 2021	1.10%

Weighted average interest rates for all council term deposits is 0.86%.

6. Internal Loans

Forecast closing balance for 30 June 2022 is \$4.075M.

OWED BY	Original Loan	1 July 2021 Opening Balance	30 June 2022 Forecast Closing Balance
Public Toilets	670,000	491,239	468,048
Tarbert St Bldg	25,868	13,067	11,574
Alex Town Centre	94,420	49,759	44,545
Alex Town Centre	186,398	91,041	79,921
Alex Town Centre	290,600	155,412	139,137
Centennial Milkbar	47,821	21,284	18,192
Vincent Grants	95,000	19,000	9,500
Pioneer Store Naseby	21,589	10,949	9,609
Water	867,000	717,829	691,212
ANZ Bank Seismic Strengthening	180,000	149,030	143,504
Molyneux Pool	650,000	571,900	539,400
Maniototo Hospital	1,873,000	1,775,142	1,723,630
Alexandra Airport	218,000	204,485	197,216
Total	5,219,695	4,270,138	4,075,488

7. External Community Loans

The total amount of external loans at the beginning of the financial year 2021-22 was \$189k. As at 30 September 2021, the outstanding balance was \$179k. Council has received \$9.4k in principal payments and \$1.8k in interest payments.

Owed By	Original Loan	1 July 2021 Actual Opening Balance	Principal	Interest	30 September 2021 Actual Closing Balance
Cromwell College	400,000	130,770	5,761	1,259	125,009
Maniototo Curling	160,000	35,662	2,244	292	33,418
Oturehua Water	46,471	22,623	1,418	283	21,205
	606,471	189,055	9,423	1,834	179,632

8. Attachments

Appendix 1 - Council Report 08 Dec 2021 [↓](#)

Report author:



Ann McDowall
Finance Manager
17/11/2021

Reviewed and authorised by:



Leanne Macdonald
Executive Manager - Corporate Services
17/11/2021

8 December 2021

**FINANCIAL REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2021**

Doc ID: 555279

1. Purpose

To consider the financial performance for the period ending 30 September 2021.

Recommendations

That the report be received.

2. Discussion

The presentation of the financials includes two variance analysis reports against both the financial statement and against the activities. This ensures Council can understand the variances against the ledger, and against the activities at a surplus/(deficit) value. The reason for the second variance analysis is to demonstrate the overall relationship between the income and expenditure at an activity level.

The third report details the expenditure of the capital works programme across activities. This helps track key capital projects across the year and ensures the progress of these projects remains transparent to Council.

The fourth and fifth reports detail the internal and external loans balances. The internal loans report forecasts the balance as at 30 June 2022, whereas the external loans show the year-to-date current balances due to payments throughout the year.

2021/22		3 MONTHS ENDING 30 SEPTEMBER 2021				2021/22
Annual Plan \$000		YTD	YTD	YTD		Revised Budget \$000
		Actual \$000	Revised Budget \$000	Variance \$000		
	Income					
33,270	Rates	8,408	8,359	49	●	33,270
7,248	Govt Grants & Subsidies	6,567	4,958	1,609	●	16,217
7,323	User Fees & Other	1,227	1,677	(450)	●	7,866
17,286	Land Sales	-	750	(750)	●	14,650
2,155	Regulatory Fees	890	676	214	●	2,155
2,104	Development Contributions	589	526	63	●	2,104
388	Interest & Dividends	23	97	(74)	●	388
-	Reserves Contributions	105	-	105	●	-
55	Other Capital Contributions	40	2	38	●	55
69,829	Total Income	17,849	17,045	804	●	76,705
	Expenditure					
13,565	Staff	2,928	3,161	233	●	13,529
587	Members Remuneration	116	147	31	●	587
8,904	Contracts	2,098	2,189	91	●	9,724
2,902	Professional Fees	609	995	386	●	3,881
9,997	Depreciation	2,499	2,499	-	●	9,997
13,926	Costs of Sales	2	100	98	●	7,290
3,920	Refuse & Recycling Costs	785	846	61	●	3,920
1,723	Repairs & Maintenance	284	430	146	●	1,739
1,410	Electricity & Fuel	316	333	17	●	1,410
652	Grants	174	160	(14)	●	652
1,115	Technology Costs	245	281	36	●	1,099
303	Projects	143	302	159	●	1,206
639	Rates Expense	432	479	47	●	634
423	Insurance	76	98	22	●	423
2,037	Other Costs	392	496	104	●	2,041
62,103	Total Expenses	11,100	12,516	1,416	●	58,132
7,726	Operating Surplus / (Deficit)	6,749	4,529	2,220		18,573

This table has rounding (+/- 1)

The financials for September 2021 show an overall favourable variance of \$2.22M. This is made up mainly from the timing of the Three Waters Stimulus funding carried over from the 2020/21 financial year and the timing of the government grants and subsidies budget. The land sales budget and metered water revenue are behind expected budget. Operational expenditure is trending lower across all areas with larger variances in professional fees, staff costs, projects, repairs and maintenance and other costs.



8 December 2021

Income of \$17.849M against the year-to-date budget of \$17.045M

Overall income has a favourable variance against the revised budget of \$804k. This mainly relates to the Three Waters Stimulus funding carried over from the 2020/21 financial year, offset by the timing of land sales and metered water revenue.

The key variances are:

- Government grants and subsidies revenue of \$6.567M is \$1.6M favourable against budget. This is made up mainly from the timing of the remaining \$4.2M of Three Waters Stimulus funding carried over from the 2020/21 financial year and the fall of the government grants and subsidies budget by \$1.9M. This is offset by the timing of the Waka Kotahi New Zealand Transport Agency (Waka Kotahi) roading subsidy by (\$704k). The subsidies are claimed for both the operational and capital roading work programmes.
- User fees and other has an unfavourable variance of (\$450k). This is mainly due to delays with the water meter readings of (\$321k) with extra external resources being committed by the provider to catch-up on the readings. There is also (\$22k) in swimming pool admissions and (\$95k) variance in other income. Other income relates to Tourism Infrastructure funding (TIF) contributing to the new Clyde toilet and the Miners Lane carpark, this is due to be claimed in October 2021 and January 2022.
- Land sales has an unfavourable variance of (\$750k). This relates to land Council agreed to sell as part of the long-term planning process. This land is currently having preparation work carried out for it to be ready for sale. All other land sales revenue from subdivisions will start to come through later in the financial year, once the sales are completed.
- Regulatory fees have a favourable variance of \$214k. This is predominately due to the timing of building consent revenue received of \$184k.
- Interest and dividends revenue is unfavourable against budget by (\$74k). Market interest rates on term deposits continue to trend lower than budget.
- Reserve contributions has a favourable variance of \$105k. These contributions are dependent on developers' timeframes and therefore difficult to gauge when setting budgets.

Expenditure of \$11.1M against the year-to-date budget of \$12.516M

Expenditure has a favourable variance of \$1.42M. The main drivers being contracts, staff, professional fees, and other costs.

The key variances are:

- Staff costs has a favourable variance of \$233k. The variance is predominantly due to vacant positions, timing of recruitment and staff training.
- Contracts has a favourable variance of \$91k. Contract expenditure is determined by workflow and the time of the contract. This will mean that the phased budgets will not necessarily align with actual expenditure, meaning some work appears favourable, and some contracts spend year-to-date appear (unfavourable). Planned maintenance \$181k; contracts (\$128k); physical works contracts \$126k, and roading contracts (\$84k) are the key timing variances year-to-date. The contracts variance of (\$128k) is being driven by Three Waters Stimulus operational improvements projects. This is being funded by the Three Waters Stimulus funding.
- Professional fees has a favourable variance of \$386k. This is due to the timing of professional fees against budget. Major favourable variances include management consultants of \$208k,

Council meeting Agenda

8 December 2021

engineering fees of \$50k and network and asset management fees of \$30k. This is similar to contract expenditure where budget and actuals do not align throughout the year but typically align by the end of the year.

- Costs of sales has a favourable variance of \$98k. This relates to the timing of land sales within the Three Waters function, where at present work is being carried out to ready the land for sale.
- Repairs and maintenance have a favourable variance of \$146k. This is made up of the timing of various projects still to be completed as well as the building maintenance requirements.
- Projects are also favourable at \$159k. This variance relates to the phasing schedule for Tourism Central Otago projects. Additional resources have been required to deliver the projects; this is now underway.

Other costs breakdown is as below:

2021/22 Annual Plan \$000	Other Costs breakdown	YTD Actual \$000	YTD Revised Budget \$000	YTD Variance \$000		2021/22 Revised Budget \$000
534	Administrative Costs	60	116	56	●	550
691	Office Expenses	158	172	14	●	666
234	Operating Expenses	77	67	(10)	●	234
327	Advertising	45	77	32	●	329
175	Valuation Services	43	44	1	●	175
76	Retail	9	20	11	●	87
2,037	Total Other Costs	392	496	104		2,041

This table has rounding (+/- 1)

- Other costs have been reconfigured this financial year and include only need based costs which will fluctuate against budget from time to time. There are no large variances of note to report on at present.

Profit and Loss by Activity – 30 September 2021

ACTIVITY	INCOME			EXPENDITURE			SURPLUS/(DEFICIT)			
	Actuals \$000	Revised \$000	Variance \$000	Actuals \$000	Revised \$000	Variance \$000	Actuals \$000	Revised \$000	Variance \$000	
Infrastructure	589	526	63	(94)	-	94	683	526	157	●
Roading	2,014	2,786	(772)	2,193	2,200	7	(179)	586	(765)	●
Waste Management	1,195	1,236	(41)	1,248	1,261	13	(53)	(25)	(28)	●
Parks Reserves Recreation	1,818	1,785	33	1,594	1,766	172	224	19	205	●
Corporate Services	74	70	4	(52)	31	83	126	39	87	●
People and Culture	415	428	(13)	375	460	85	40	(32)	72	●
CEO	211	215	(4)	61	274	213	150	(59)	209	●
Property	1,206	1,094	112	1,184	1,327	143	22	(233)	255	●
Governance and Community	2,355	2,131	224	1,030	1,290	260	1,325	841	484	●
Planning (Regulatory)	1,602	1,403	199	1,365	1,502	137	237	(99)	336	●
Three Waters	6,178	5,265	913	2,197	2,401	204	3,981	2,864	1,117	●
Total	17,849	17,045	804	11,100	12,516	1,416	6,749	4,529	2,220	●

This table has rounding (+/- 1)

* The funding activity has been removed as this is not an operational activity.

Item - Report author: Finance Manager

Page 4



8 December 2021

- **Infrastructure** – income has a favourable variance of \$63k. This variance is due to development contributions received being higher than budgeted. Contributions are linked with the timing of subdivision developments in Cromwell and Alexandra. Expenditure has a favourable variance of \$94k. The credit expenditure relates to the cost recovery of internal expenditure, which is not budgeted for as this is a fully on-charged cost recovery account.
- **Roading** – income has an unfavourable variance of (\$772k). This is mainly due to the Waka Kotahi subsidy. This subsidy moves in conjunction with the subsidised roading operating and capital work programmes. Operating expenditure is on schedule with the budget, with a small favourable variance of \$27k. The capital work programme is currently behind with a favourable variance of \$826k, which will ramp up over the summer season.
- **Waste Management** - income has an unfavourable variance of (\$41k). User fee revenue is lower than budget. User fee revenue of \$275k is on par with last years' actuals of \$270k. Expenditure has a favourable variance of \$13k.
- **Parks and Recreation** – income has a favourable variance of \$33k. Ministry of Business Innovation and Employment (MBIE) responsible camping funding carried over from prior year is offsetting lower than expected swimming pool income. The pools like many council facilities were closed during August and September 2021 due to COVID-19 restrictions, reducing admissions. Expenditure has a favourable variance of \$172k. Driving this favourable variance is the timing of workplans and staffing requirements with underspends in: contracts \$46k; other cost of \$38k; building repairs and maintenance \$28k and staff costs of \$24k.
- **Corporate Services** – income has a small favourable variance of \$4k. Expenditure has a favourable variance of \$83k. Information Services have underspent in equipment hire. Insurance is slightly behind budget at present but is likely to be higher than budget when renewed in November 2021.
- **People and Culture** – income has a small unfavourable variance of (\$13k). Expenditure has a favourable variance of \$85k. Driving this favourable variance are underspends in human resources \$12k, health and safety \$9k, libraries \$66k and administration \$4k. The libraries underspend is partially due to the timing of budget and the Kōtui and Collection HQ annual fee which is yet to be paid.
- **CEO** – Expenditure has a favourable variance of \$213k. This is mainly due to the timing and need for consultants of \$97k, staff of \$60k and other costs of \$17k. The wildling pines annual grant budget of \$20k has not been uplifted.
- **Property** – has a favourable income of \$112k. TIF funding of \$82.5k has been received and will be used to fund new toilets in Clyde. The remaining favourable variance of \$40k is MBIE funding carried forward for the completion of the Ophir Community Hall project, with additional funding due. Expenditure has a favourable variance of \$143k made up of underspends in community buildings \$116k, elderly persons housing \$22k and airports \$20k.
- **Governance and Community Engagement** – income has a favourable variance of \$224k. This is due to the budget phasing of grants received in tourism, \$365k of Strategic Tourism Assets Protection Programme (STAPP) funding has been carried forward from the previous year and \$1M has been received from MBIE for Tourism Communities Support, Recovery and Re-set plan (SRR) funding. Expenditure has a favourable variance of \$260k. There are underspends in promotions and tourism \$149k, regional identity \$36k, visitor centres \$26k, governance \$23k, economic development \$15k and community development \$8k. The promotions and tourism variance relates to the phasing schedule for Tourism Central Otago projects.

- **Planning (Regulatory)** – has a favourable income variance of \$199k. This is mainly due to an increase in building permit revenue of \$184k. Expenditure has a favourable variance of \$137k. Most of this variance is due to timing and needs, including: management and planning consultants of \$61k; training and compliance costs of \$25k and staff costs of \$20k.
- **Three Waters** – income has a favourable variance of \$913k. This is due to the timing of the \$4.2M of Three Waters Stimulus funding carried over from the 2020/21 financial year and the fall of the government grants and subsidies budget of \$1.9M. Offset by the timing of the land sales (\$750k) and metered water revenue (\$341k) to budget. Expenditure has a favourable variance of \$204k. Cost of sales variance of \$100k relates to the land sales revenue. There is work being carried out to ready the land for sale. Water and wastewater management fees are also lower than budget by \$66k overall.

Capital Expenditure

Year-to-date, 7% of the total capital spend against the full year's revised capital budget, has been expended.

2021/22 Annual Plan	CAPITAL EXPENDITURE	YTD Actual	YTD Revised Budget	YTD Variance		2021/22 Revised Budget	Progress to date against revised budget
\$000		\$000	\$000	\$000		\$000	
6,058	Council Property and Facilities	234	3,952	3,718	●	9,146	3%
382	Waste Management	236	384	148	●	913	26%
-	i-SITEs	-	-	-	●	4	0%
50	Customer Services and Administration	10	15	5	●	62	16%
204	Vehicle Fleet	1	-	(1)	●	256	0%
248	Planning	-	21	21	●	348	0%
352	Information Services	57	189	132	●	1,386	4%
164	Libraries	15	51	36	●	512	3%
1,713	Parks and Recreation	283	700	417	●	3,755	8%
7,420	Roading	1,161	1,987	826	●	7,950	15%
14,243	Three Waters	2,325	9,396	7,071	●	38,726	6%
30,834	Grand Total	4,322	16,695	12,373		63,058	7%

Council Property and Facilities \$3.718M favourable against budget:

Cromwell Town Centre projects are driving the majority of this variance by \$3.41M. The work programme is currently in the design phase for the Cromwell Memorial Hall and Events Centre. A request for proposal and tender evaluation process for the architectural design for demolition and construction was carried out in October and November 2021 with the contract expected to start by the end of November 2021. The Ophir Community Centre bathroom upgrade project is progressing and is due to be completed in November 2021. Work has begun on the new Clyde toilets, with toilets on order and delivery expected in December 2021.



8 December 2021

Waste Management \$148k favourable against budget:

The glass crushing plant project is behind budget by \$48k. The transfer station reconfiguration projects are yet to start, contributing to \$100k of the underspend.

Information Services \$132k favourable against budget:

Information services projects are behind budget. Projects include Geographic Information Services \$82k, enhanced customer experience digital services \$16k, enterprise resource planning information services \$11k and financial performance improvement \$9k.

Parks and Recreation \$417k favourable against budget:

Parks and recreation has a favourable variance of \$417k. This variance is driven by a mixture of the timing of project budgets and contractor's availability to perform the work. Projects include landscaping, signage and irrigation. The Cromwell pool replacement heat pump is on order and due for delivery in February 2022 with preliminary fitting work to be carried out in December 2021.

Roading \$826k favourable against budget:

Subsidised roading projects are behind budget, this is mainly due to delays to the capital programme and receiving final funding allocations from Waka Kotahi. Subsidised roading projects that are behind the scheduled budget include: gravel renewals \$350k; sealed road renewals \$321k; and carpark renewals \$252k. These works will ramp up over the summer construction season.

Three Waters is \$7.071M favourable against budget:

The favourable variance is due to the timing of construction projects. The main drivers include the Clyde wastewater reticulation network construction, Alexandra northern reservoir, Alexandra pumpstation upgrades and Lake Dunstan water supply. Capital renewal programmes are being prepared and procurement plans are currently being drafted.

Internal Loans

Forecast closing balance for 30 June 2022 is \$4.075M.

OWED BY	Original Loan	1 July 2021 Opening Balance	30 June 2022 Forecast Closing Balance
Public Toilets	670,000	491,239	468,048
Tarbert St Bldg	25,868	13,067	11,574
Alex Town Centre	94,420	49,759	44,545
Alex Town Centre	186,398	91,041	79,921
Alex Town Centre	290,600	155,412	139,137
Centennial Milkbar	47,821	21,284	18,192
Vincent Grants	95,000	19,000	9,500
Pioneer Store Naseby	21,589	10,949	9,609
Water	867,000	717,829	691,212
ANZ Bank Seismic Strengthening	180,000	149,030	143,504
Molyneux Pool	650,000	571,900	539,400
Maniototo Hospital	1,873,000	1,775,142	1,723,630
Alexandra Airport	218,000	204,485	197,216
Total	5,219,695	4,270,138	4,075,488



8 December 2021

External Loans

The total amount of external loans at the beginning of the financial year 2021/22 was \$189k. As at 30 September 2021, the outstanding balance was \$179k. Council has received \$9.4k in principal payments and \$1.8k in interest payments.

Owed By	Original Loan	1 July 2021 Actual Opening Balance	Principal	Interest	30 September 2021 Actual Closing Balance
Cromwell College	400,000	130,770	5,761	1,259	125,009
Maniototo Curling	160,000	35,662	2,244	292	33,418
Oturehua water	46,471	22,623	1,418	283	21,205
Total	606,471	189,054	9,423	1,834	179,632

Reserve Funds table

- As at 30 June 2021 the Council has an unaudited closing reserve funds balance of \$7.035M. This reflects the whole district's reserves and factors in the district-wide reserves which are in deficit at (\$16.7M). Refer to Appendix 1.
- Taking the 2020-21 unaudited Annual Report closing balance and adding 2021-22 income and expenditure, carry forwards and resolutions, the whole district is projected to end the 2021-22 financial year with a closing deficit of (\$10.772M).

3. Attachments**Appendix 1 - Council Reserve Funds 2021/22**

Report author:

Reviewed and authorised by:

Ann McDowall
Finance Manager
17/11/2021

Leanne Macdonald
Executive Manager - Corporate Services
17/11/2021

21.4.8 ASSET MANAGEMENT POLICY

Doc ID: 553279

1. Purpose of Report

To review and recommend to Council that they approve the 2021 Asset Management Policy.

Recommendations

That the Audit and Risk Committee

- A. Receives the report.
 - B. Recommends to Council that they approve the 2021 Asset Management Policy.
-

2. Background

Council's current Asset Management Policy was adopted in 2014. The Asset Management Policy sets out key principles, responsibilities, and council's approach to asset management.

The proposed policy has been aligned to the 2018 Asset Management Maturity Assessment and Council's outcomes and priorities.

3. Discussion

The proposed 2021 Asset Management Policy (the Policy) has been updated in line with the Institute of Public Works Engineering Australasia's International Infrastructure Management Manual and follows industry best practice. It is also aligned to the international asset management standard, ISO550.

This Policy applies to the following Council-owned assets and activities:

- Water Supply
- Wastewater
- Stormwater
- Transportation
- Parks and Aquatic Centres
- Property and Community Facilities
- Waste Management

The Policy provides the framework for Central Otago District Council to establish, maintain and improve its Asset Management System. It sets out Council's commitment to managing its assets and asset-related services effectively and sustainably, to meet the needs of the community.

Figure 1 shows the scope of the planning documents in the Asset Management System (shaded) and how this interfaces with other key Council planning documents.

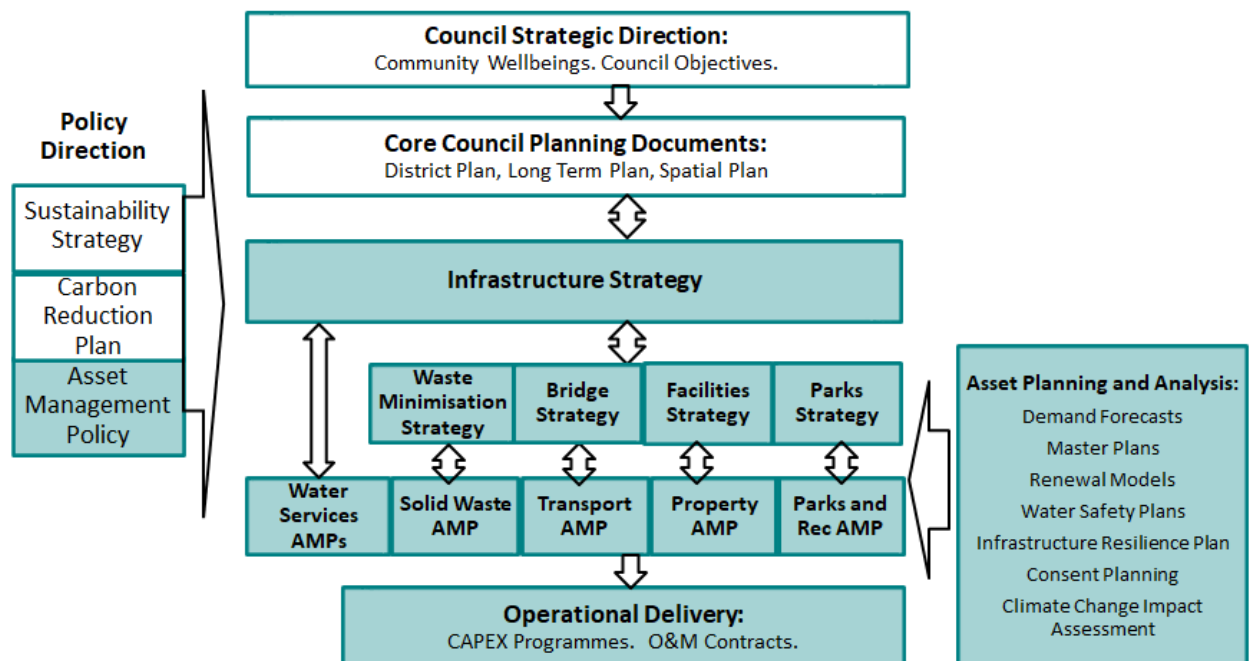


Figure 1: Scope of the Asset Management System (shaded)

The Policy sets out an improvement roadmap with key milestones identified through to December 2023. One of the key deliverables is development of draft activity management plans by June 2023 to support development of the infrastructure strategy and financial planning for the 2024-27 Long Term Plan and to support transition of three waters to a new entity.

4. Financial Considerations

Delivery of improvement road map can be accommodated within existing long term plan budgets.

5. Options

Option 1 – (Recommended)

The Committee recommends to Council the adoption of the 2021 Asset Management Policy.

Advantages:

- Assets are managed in a sustainable, safe, cost-effective manner.
- Lifecycle costs are minimised while delivering agreed and affordable levels of service.
- Asset management activities are funded and delivered in a transparent and equitable manner.
- Asset management decision making is transparent.
- Strong collaboration between relevant staff and teams, effective working relationships, and information-sharing.
- Provides regular reporting on progress to the Audit and Risk Committee
- Meets Audit New Zealand's expectations and supports the annual reporting process.

Disadvantages:

- None identified.

Option 2

The Committee does not recommend to Council the adoption of the 2021 Asset Management Policy.

Advantages:

- None

Disadvantages:

- The current policy is outdated and does not align to the 2018 Asset Management Maturity Assessment.
- Lack of collaboration between relevant staff.
- Lack of reporting to governance on achievement of improvement planning and development of the asset management plans
- Risk that the management may not be consistent with best practice and council expectations.
- Risk that asset management planning will not be undertaken in time to reliably inform the 2024 Long Term Plan, or support transition of three waters management to the new water entity.
- A potential lack of confidence by Audit New Zealand.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the economic and environmental wellbeing of communities, in the present and for the future by actively managing the physical infrastructure of the Council on their behalf.
Financial implications – Is this decision consistent with proposed activities and budgets in long term plan/annual plan?	The financial implications of this new policy have been considered and are consistent with the proposed activities contained within the long-term and annual planning processes.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	The Policy is a revision of the current Asset Management Policy. The Policy maintains consistency with other Council policies and processes.
Considerations as to sustainability, the environment and climate change impacts	The asset management plans consider the implications to sustainability, environment and climate change impacts and enable these to be planned for.
Risks Analysis	This new policy supports best practice and mitigates financial and reputational risk by enabling robust asset management.
Significance, Consultation and Engagement (internal and external)	No consultation is required as this decision is procedural and is not significant under the Significance and Engagement Policy

7. Next Steps

The policy will be provided to Council for adoption. The Asset Management Working Group will be established in December and will begin working through the Improvement Roadmap in the Policy.

8. Attachments

Appendix 1 - CODC AM Policy v1.0 Nov 2021.docx [↓](#)

Report author:

Reviewed and authorised by:



Quinton Penniall
Environmental Engineering Manager
11/11/2021



Julie Muir
Executive Manager - Infrastructure Services
15/11/2021

Asset Management Policy

Department:	Assets
Document ID:	<CentralDocs ID>
Approved by:	...
Effective date:	November 2021
Next review:	November 2023

Purpose

This policy provides the framework for Central Otago District Council to establish, maintain and improve its *Asset Management System*. It sets out Council's commitment to managing its assets and asset-related services effectively and sustainably, to meet the needs of the community.

Definitions

Asset Management: The systematic and coordinated activities and practices of an organisation, to deliver on its objectives optimally and sustainably through the cost-effective lifecycle management of assets.

Asset Management System: the set of inter-acting elements and processes of an organisation to achieve its Asset Management objectives.

Objectives

1. Council's **Asset Management System** is improved to the target level of maturity, defined in Attachment A, by December 2023.
2. Council's agreed **Levels of Service** are determined with consideration of Council's strategic goals, customer (community) expectations and legislative and regulatory requirements.
3. Council's **Assets and Activities** are managed to achieve agreed levels of service, in the most cost-effective manner, for current and future customers.

Principles

1. Council's asset management system:
 - a. Complies with the requirements of the Local Government Act (2002) and other relevant legislation.
 - b. Follows the framework in the IPWEA International Infrastructure Management Manual
 - c. Is aligned to the international asset management standard, ISO 55001.
2. Council's assets are managed in a sustainable, safe, cost-effective manner; minimising lifecycle costs while delivering agreed and affordable levels of service and managing risk.
3. Council's asset management activities are funded and delivered in a transparent and equitable manner, fostering community and Council confidence.
4. Asset management decision making is transparent and supported by accessible, reliable, and current asset information where appropriate.

5. Investment decisions priorities are firstly to meet legislative requirements and renew existing assets, secondly to meeting growth requirements, and thirdly to address agreed level of service improvements.
6. Resource capacity is appropriate, capable, and available ahead of need.
7. There is strong collaboration between relevant staff, teams and service providers, effective working relationships and information-sharing.

Scope

Assets and Activities

This Policy applies to the following Council-owned assets and activities:

- Water Supply
- Wastewater
- Stormwater
- Transportation
- Parks and Aquatic Centres
- Property and Community Facilities
- Waste Management

Scope of the Asset Management System

Figure 1 shows the scope of the planning documents in the Asset Management System (shaded) and the Council planning context that informs, and is informed by, Asset Management planning.

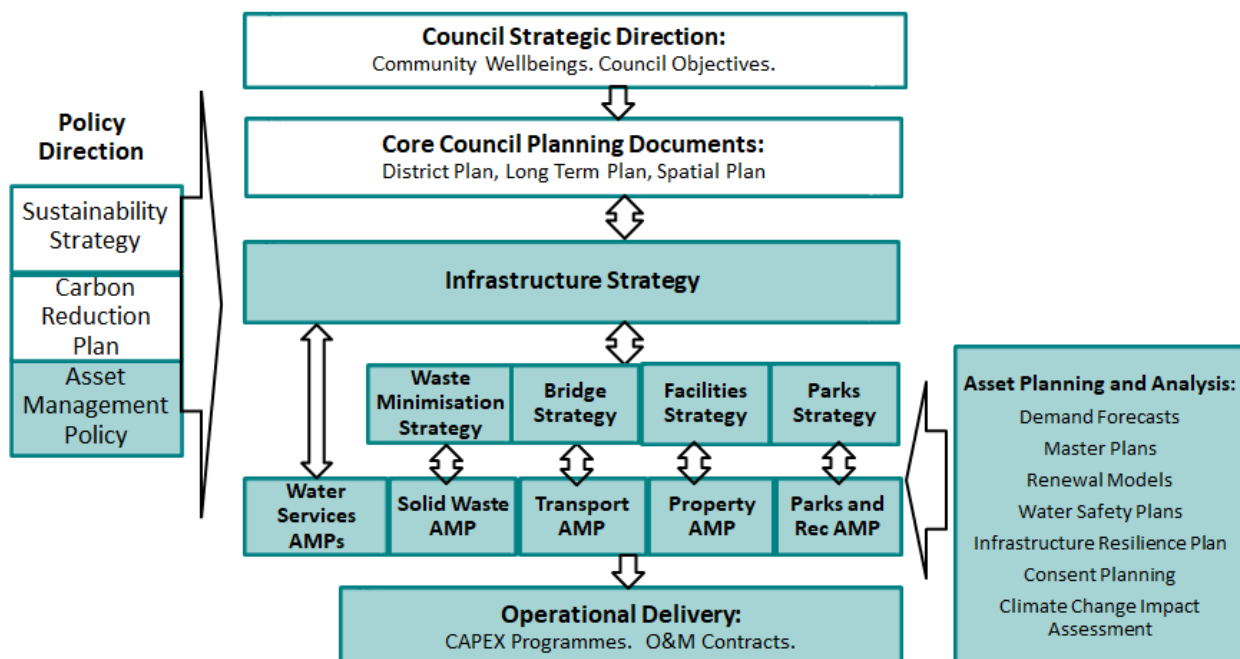


Figure 1: Scope of the Asset Management System (shaded)

Asset Management Requirements

To deliver Council's Asset Management objectives, Council will:

Function	Requirements
Activity (Asset) Management Plans (AMP)	<ul style="list-style-type: none"> • Update AMPs in the year preceding the delivery of the council's Long-Term Plan, aligned with latest information in Council planning and strategy documents (Fig 1). • Seek Council approval of the AMP to provide the basis for the draft activity inputs and budgets for the LTP. • Update AMPs to align with LTP, when adopted, or add preface to AMP explaining changes.
Levels of Service and Performance Management	<ul style="list-style-type: none"> • Maintain a performance management framework linking community outcomes, council objectives, levels of service and performance measures for all core activities. • Annual reporting and analysis of performance results for all performance measures in the Long-Term Plan and AMP.
Demand Management	<ul style="list-style-type: none"> • Review activity demand forecasts, demand management strategies and asset growth investment strategies at least 3 yearly and incorporate in the AMP with stated source information, assumptions and confidence levels.
Risk Management	<ul style="list-style-type: none"> • Update the activity risk registers annually, using Council's risk management framework, and include a summary of extreme and high risks and proposed treatments in the AMPs. • Document critical assets and management strategies (including spares management) in the AMP. • Update the Infrastructure Resilience Plan and Emergency (Infrastructure Response Plan) three yearly.
Information Management	<ul style="list-style-type: none"> • Maintain and improve asset registers with asset condition and performance information to the level of maturity defined in this Policy. • Provide a fit-for-purpose Asset Management Information System to support the delivery of the requirements of this Policy.
Operations and Maintenance	<ul style="list-style-type: none"> • Regularly develop, document and review 'optimised' O&M schedules, including condition and performance monitoring programmes, which prioritise high risk and criticality assets. • Consider alternative service delivery options, risks and costs when major contracts are renewed.
Capital Investment	<ul style="list-style-type: none"> • Develop risk, condition and performance-based renewal forecasts for major asset groups. • Collate and prioritise investment projects from all planning sources (refer Fig 1), including renewals, and include forecasts in AMP with supporting assumptions and confidence levels.
Financial Management	<ul style="list-style-type: none"> • Revalue assets in accordance with Accounting and Financial Reporting Standards. • Prepare financial forecasts in the AMPs for a minimum of ten-year period and for the Infrastructure Strategy for a 30-year period; include detailed assumptions, source information and confidence levels.
Improvement Planning	<ul style="list-style-type: none"> • Undertake tri-annual asset management maturity assessments using the IIMM Maturity Framework. • Use the maturity assessment as the basis for development of updated Asset Management Improvement Plan which outlines tasks, deliverables, resources and timeframes. • Annually report on the Improvement Plan to the Executive Team and Risk and Audit Committee.

Table 1: Asset Management Requirements

Roles and Responsibilities

Party	Responsibility
Council	<ul style="list-style-type: none"> • Stewardship of Council's assets, ensuring funds are resources are available to achieve the objectives in this Policy. • Governance of this Asset Management Policy, through the Audit and Risk Committee. • Provide strategic direction and priorities prior to the development of the infrastructure strategy and AMPs. • Approve AMPs as the basis for the draft Long-Term Plan, including the investment decision criteria, levels of service, performance targets and budget forecasts.
Chief Executive	<ul style="list-style-type: none"> • Establish an Asset Management Working Group with representatives from finance, information services and activity managers to oversee the implementation of this Policy and the Asset Management Improvement Programme. • Act as leader and advocate of Asset Management with staff, the council and the community. • Work with the Executive Team to foster a multi-discipline approach to Asset Management.
Infrastructure Executive Manager	<ul style="list-style-type: none"> • Initiate tri-annual reviews of the asset management maturity assessment and improvement programme. • Provide annual progress reports to the Audit and Risk Committee and Executive Team. • Lead the Asset Management Working Group.
Asset Management Working Group	<ul style="list-style-type: none"> • Lead, monitor and support the development and delivery of the Asset Management Improvement Programme and the tri-annual AMP updates. • Develop and adopt processes for reporting Asset Management Improvement Plan progress to the Executive Team. • Ensure that templates, tools, training and guidance are available to asset managers to enable them to enact their responsibilities in this Policy. • Foster a multi-disciplinary approach to Asset Management noting some projects are led by, or have significant input to, teams other than the Assets team. • Ensure that Asset Management Working Group members contribute the relevant inputs in time for Activity Management Plan development, including: <ul style="list-style-type: none"> ○ Population forecasts, growth forecasts and locations of new development. ○ Funding impacts of expenditure forecasts. ○ Leading community consultation around levels of service and costs.
Asset / Activity Managers	<ul style="list-style-type: none"> • Deliver the requirements of this Policy for their activity. • Provide appropriate representation and resourcing to the Asset Management Working Group and corporate asset management improvement projects. • Work collaboratively with other departments to promote a multi-disciplinary approach. • Support Asset Management activities across the council by making asset data and information accessible and reliable. • Provide asset and cost information to support strategic and level of service decision making by Council and the community. • Continually seek innovative ways to maintain asset information, manage assets and deliver services more effectively. • Build the asset management capability and capacity of staff to support achievement of asset management maturity targets.

Table 2: Asset Management Roles and Responsibilities

Improvement Roadmap

Key milestones in the Asset Management Improvement Plan include:

Timeframe	Key Project and Initiatives
Oct – Dec 2021	<ul style="list-style-type: none"> • Approval of this Asset Management Policy • Establish an Asset Management Working Group.
Jan - Feb 2022	<ul style="list-style-type: none"> • Develop a detailed AM improvement implementation plan. • Confirm asset management information system and implementation strategy. • Review / audit data capture processes by contractor and data quality / completeness.
Mar - Sep 2022	<ul style="list-style-type: none"> • Complete inspections and capture of asset information for above-ground 3-waters assets and development of renewal and upgrade programme. • Finalise and implement project management framework. • Develop / update Facilities and Parks strategies. • Three-Waters and Roading Valuations*
July – Dec 2022	<ul style="list-style-type: none"> • Implement the capital projects database for all Council activities. • Implement asset management information system (parks and property), including interface with contractor system. • Update, if required, key planning documents and processes that will inform AMP and LTP including: <ul style="list-style-type: none"> ▪ Renewal models (all major asset groups). ▪ Demand forecasts. ▪ Master Plans/growth plans. ▪ Resilience Plan. ▪ Risk registers.
Jan – June 2023	<ul style="list-style-type: none"> • Review strategic issues, priorities and options and levels of service with Council. • Develop draft Infrastructure Strategy and AMPs. • Property Revaluation*
June – Dec 2023	<ul style="list-style-type: none"> • External review AM Maturity Assessment. • Review contract performance measures (aligned to revised levels of service). • AMP / Infrastructure Strategy – Council consultation and revision for input to the 2024 Long Term Plan.

Table 3: Asset Management Roadmap

* Revaluation Frequency:

Three Waters and Roading: annually by 31 May 2022.

Property: three yearly by 31 May 2023 (desktop assessment annually), commercial investment property annually.

Parks and Pools: five yearly by 31 May 2025 (desktop assessment annually).

Attachment A: Asset Management Maturity Targets

The asset management maturity targets shown Table 4 are based on the scoring system in Table 5. Maturity targets are assessed as being appropriate to the important and risk of Council assets and activities.

Further details on how these targets were derived and current status of maturity is included in the report *Central Otago District Council Asset Management Maturity Assessment (Infrastructure Decisions, October 2018.)*

Activity	Transport	Three Waters	Property	Parks and Aquatics	Waste Management
Strategic Direction	Advanced (90)	Intermediate (80)	Core-Int (70)	Core (60)	Core (60)
Levels of Service	Advanced	Intermediate	Core-Int	Core	Core
Demand Management	Intermediate	Intermediate	Core-Int	Core	Core
Asset Register Data	Advanced	Intermediate	Core-Int	Core	Core
Performance and Condition	Intermediate	Intermediate	Core-Int	Core	Core
Decision-Making	Advanced	Intermediate	Core-Int	Core	Core
Risk Management	Intermediate	Intermediate	Core-Int	Core	Core
Operational Planning	Intermediate	Intermediate	Core-Int	Core	Core
Capital Planning	Intermediate	Intermediate	Core-Int	Core	Core
Financial Planning	Intermediate	Intermediate	Core-Int	Core	Core
Leadership and Teams	Intermediate	Intermediate	Core-Int	Core	Core
Activity Management Plans	Intermediate	Intermediate	Core-Int	Core	Core
Quality Management	Intermediate	Intermediate	Core-Int	Core	Core
Information Systems	Intermediate	Intermediate	Core-Int	Core	Core
Service Delivery Models	Advanced	Intermediate	Core-Int	Core	Core
Improvement Planning	Intermediate	Intermediate	Core-Int	Core	Core

Table 4: Target Levels of Asset Management Maturity

•

Section	Aware	Basic	Core	Intermediate	Advanced
2.1 AM Policy Development	Corporate awareness of the benefits of AM.	Corporate expectation expressed in relation to development of AM Plans and AM objectives.	AM Policy and AM Objectives developed, aligned to corporate goals and strategic context. Strategic context described in SAMP or AMP.	AM System scope is defined and documented. Strategic context (internal, external, customer environment) analysed and implications for the AM System documented in the SAMP or AMP.	AM Policy and SAMP fully integrated into the organisation's business processes and subject to defined audit, review and updating procedures.
2.2 Levels of Service and Performance Management	The organisation recognises the benefits of defining levels of service, but they are not yet documented or quantified.	Basic levels of service have been defined and agreed and some basic performance measures being reported. Customer Groups have been defined and requirements are understood.	Levels of service and performance measures in place covering a range of service attributes. Annual reporting against performance targets. Customer Group needs analysed and documented.	Level of service and cost relationship understood and considered in determining performance targets. Customers are consulted on significant service levels and options.	Customer communications plan in place. Levels of service are integral to decision making and business planning.
2.3 Demand Forecasting	Future demand requirements generally understood but not documented or quantified.	Demand forecasts based on experienced staff predictions, with consideration of known past demand trends and likely future growth patterns.	Demand Forecasts based on projection of a primary demand factor (eg: population) and extrapolation of historic trends. Risk associated with demand changes understood and documented. Demand management strategies considered.	A range of demand scenarios is developed (eg: high/medium/low) Planning scenario selected considering factors such as risk, lead time. Demand management is considered in all strategy and project decisions.	Demand forecasts based on mathematical analysis of past trends and primary demand factors. A range of demand scenarios is developed. Demand management is considered in all strategy and project decisions.
2.4 Asset Register Data	Asset information in combination of sources and formats. Awareness of need for centralised asset register.	Basic physical information recorded in a spreadsheet or similar (e.g. location, size, type), but may be based on broad assumptions or not complete.	Enough information to complete asset valuation (basis attributes, replacement cost and asset age/ life) and support prioritisation of programmes (criticality). Asset hierarchy, identification and attribute systems documented. Metadata held as appropriate.	A reliable register of physical, financial and risk attributes recorded in an information system with data analysis and reporting functionality. Systematic and documented data management process in place.	Systematic and fully optimised data collection programme with supporting metadata. Timely data updating processes are in place and regularly audited.
2.5 Asset Condition and Performance	Condition and performance understood but not quantified or documented.	Adequate data and information to confirm current performance against AM objectives.	Condition and performance information is suitable to be used to plan maintenance and renewals to meet over the short term. May be a mix of asset level and network level information.	Future condition and performance information is modelled considering level of service and demand requirements.	Information on work history, cost, condition and performance, recorded at component level ('maintenance management') level. The data collection programme is adapted to reflect the assets' lifecycle stage and risk.
3.1 Decision Making	AM decisions based largely on staff judgement.	Corporate priorities incorporated into decision making.	Formal decision frameworks (eg: multi criteria analysis, net present value analysis), are applied to major projects and programmes.	Options analysis and prioritisation techniques are applied to all operational and capital asset programmes.	Decision framework enables projects and programmes to be optimised across all activity areas

Section	Aware	Basic	Core	Intermediate	Advanced
			Decision criteria are based on the organisations' AM objectives / levels of service.	Critical assumptions and estimates are tested for sensitivity to results.	considering benefits and costs of options. Formal risk-based sensitivity analysis is carried out.
3.2 Risk Management	Risk management is identified as a future improvement.	Critical services and assets understood and considered by staff involved in maintenance / renewal decisions. Risk framework developed.	Critical assets and high risks identified. Risk register in place. Documented risk management strategies for critical assets and high risks. Risk management policy in place.	Systematic risk analysis to assist key decision-making. Risk register regularly monitored and reported. Risk managed and prioritised consistently across the organisation. Resilience level assessed and improvements identified.	Resilience strategy and programme in place including defined levels of service for resilience. Risks are quantified and risk mitigation options evaluated. Risk is integrated into all aspects of decision making.
3.3 Operational Planning	Operational processes based on historical practices.	Operating Procedures are available for critical processes. Operations structure in place and roles assigned.	Documented procedures are available for all operational processes. Operational support requirements are in place. Improvement processes are in development (eg: 'root cause analysis').	Operational objectives and intervention levels defined and implemented, aligned with organisational objectives. Evidence of optimisation of O&M programmes. O&M programmes monitored and audited.	O&M programmes optimised, monitored and regularly audited. Continual improvement can be demonstrated for all operational processes (audit recommendations are monitored through to completion).
3.4 Capital Works Planning	Capital investment projects are identified during annual budget process.	There is a schedule of proposed capital projects and associated costs for the next 3-5 years, based on staff judgement of future requirements.	Projects have been collated from a wide range of sources and collated into a project register. Capital projects for the next three years are fully scoped and estimated. A prioritisation framework is in place to rank the importance of capital projects.	Formal options analysis and business case development has been completed for major projects in the 3-5 year period. Major capital projects for the next 10-20 are conceptually identified and broad cost estimates are available.	Long-term capital investment programmes are developed using advanced decision techniques such as predictive renewal modelling.
3.5 Financial and Funding Strategies	Financial planning is largely an annual budget process, but there is intention to develop longer term forecasts. The organisational focus is on the operating statement rather than the balance sheet.	Assets are re-valued in accordance with financial reporting and accounting standards. Five to nine-year financial forecasts are based on extrapolation of past trends and broad assumptions about the future.	Asset revaluations based on reliable asset data. Ten-year financial forecasts based on current comprehensive AMPs with detailed supporting assumptions/reliability factors. Significant assumptions are specific and well-reasoned. Expenditure captured at a level useful for AM analysis.	Ten-year plus financial forecasts based on current comprehensive AMPs with detailed supporting assumptions/reliability factors and high confidence in accuracy. Funding sources are fully understood and matched with expenditure forecasts over the long term. Alternative funding sources have been fully explored. Asset expenditure information is linked with asset performance information.	The organisation publishes reliable ten-year plus financial forecasts based on comprehensive, advanced AMPs with detailed underlying assumptions and high confidence in accuracy. Advanced financial modelling provides sensitivity analysis, evidence-based whole of life costs and cost analysis for level of service options.
4.1 AM Teams	The organisation recognises the benefits of an asset management function	Asset Management functions are performed by a small groups and roles reflect requirements.	Position descriptions incorporate AM roles. AM co-ordination processes established. Ownership and support of AM by the	Organisational structure supports AM. Roles reflect AM resourcing requirements and reflected in position descriptions for key roles. Consistent	Formal documented assessment of AM capability and capacity requirements to achieve AM objectives. Demonstrable

Section	Aware	Basic	Core	Intermediate	Advanced
	within the organisation but has yet to implement a structure to support it.		leadership. Awareness of AM across most of the organisation.	approach to AM across the organisation. Internal communication plan established.	alignment between AM objectives, AM systems and individual responsibilities.
4.2 AMPs	Stated intention to develop AM Plans	AM Plans contains basic information on assets, service levels, planned works and financial forecasts (5-10 years) and future improvements.	AM objectives are defined with consideration of strategic context. Approach to risk and critical assets described, top-down condition and performance assessment, future demand forecasts, description of supporting AM processes, 10-year financial forecasts, 3-year AM improvement plan.	Analysis of asset condition and performance trends (past/future), customer engagement in setting levels of service, ODM/risk techniques applied to major programmes. Strategic context analysed with risks, issues and responses described.	Evidence of programmes driven by comprehensive decision-making techniques, risk management programmes and level of service/cost trade-off analysis. Improvement programmes largely complete with focus on ongoing maintenance of current practice.
4.3 Management Systems	Awareness of need to formalize systems and processes.	Simple process documentation in place for service-critical AM activities.	Basic Quality Management System in place that covers all organisational activities. Critical AM processes are documented, monitored and subject to review. AM System meets the requirements of ISO 55001.	Process documentation implemented in accordance with the AM System to appropriate level of detail. Internal management systems are aligned.	ISO certification to multiple standards for large asset intensive organisations, including ISO 55001. Strong integration of all management systems within the organisation.
4.4 Information Systems	Intention to develop an electronic asset register / AMIS.	Asset register can record core asset attributes – size, material, etc. Asset information reports can be manually generated for AM Plan input.	Asset register enables hierarchical reporting (at component to facility level). Customer request tracking and planned maintenance functionality enabled. System enables manual reports to be generated for valuation, renewal forecasting.	Spatial relationship capability. More automated analysis reporting on a wider range of information.	Financial, asset and customer service systems are integrated, and all advanced AM functions are enabled. Asset optimisation analysis can be completed
4.5 Service Delivery Mechanisms	Asset management roles (owner and service delivery) are generally understood.	Service delivery roles clearly allocated (internal and external), generally following historic approaches.	Core functions defined. Procurement strategy/policy in place. Internal service level agreements in place with the primary internal service providers and contract for the primary external service providers.	Risks, benefits and costs of various outsourcing options considered and determined. Competitive tendering practices applied with integrity and accountability.	All potential service delivery mechanisms reviewed, and formal analysis carried out to identify best delivery mechanism.
4.6 Improvement Planning	The organisation recognises the benefits of improving asset management processes and practices but has yet to develop an improvement plan.	Improvement actions identified and allocated to appropriate staff.	Current and future AM performance assessed, and gaps used to drive the improvement actions. Improvement plans identify objectives, timeframes, deliverables, resource requirements and responsibilities	Formal monitoring and reporting on the improvement programme to Executive Team. Project briefs developed for all key improvement actions.	Improvement plans specify key performance indicators (KPIs) for monitoring AM improvement and these are routinely reported.

Table 5: Asset Management Maturity Scoring System

21.4.9 INFRASTRUCTURE CONSTRUCTION PROJECTS UPDATE

Doc ID: 559689

1. Purpose

To consider monthly status reports for Clyde Wastewater and Lake Dunstan Water Supply projects and to provide an update on the implementation of project management software.

Recommendations

That the report be received.

2. Discussion

Project management software solution (Sentient) is currently being implemented within the infrastructure and information services areas of council. This work has been funded from the water stimulus funding to enable improved record keeping and management of the three waters programme of work.

The project to implement the software has initially been focussed on the project management processes required to deliver construction and information services projects.

There is a significant program of capital work to deliver within the infrastructure department over the current three year Long Term Plan period. Our traditional processes for both project and financial management are not adequate for a program of work of this scale.

The following table provides a summary of the total capital programme for each infrastructure activity area. The stimulus funded projects are largely capital work but does include some operational projects.

Activity Area	2021/22	2022/23	2023/24
Roading	\$8,185,076	\$7,285,076	\$6,287,506
Stormwater	\$380,000	\$380,000	\$380,000
Wastewater	\$13,172,486	\$3,618,105	\$3,867,359
Water capex	\$16,696,845	\$8,006,560	\$7,924,519
Water Stimulus funding	\$9,460,000	0	0
Environment Engineering	\$382,000	\$400,000	0
Annual Total	\$48,276,407	\$19,689,741	\$18,459,384
Three Year Total	\$141 million		

There are currently 45 infrastructure construction projects entered into Sentient, which includes all water, wastewater, stimulus funded, and environmental engineering improvement projects. Roothing improvement projects, and three waters renewal projects are still to be entered.

October was the first month in which sufficient project information was entered into the system to enable monthly reporting to be undertaken directly from Sentient. The November project reports for Clyde Wastewater and Lake Dunstan Water Supply projects are attached in the appendices.

The project detail report, and project brief for the Cromwell Pump Station Emergency Storage Upgrades are also attached to provide examples of the data that is provided for each project within the system. This project was already in construction when the system was implemented, so abbreviated background information and project goals and benefits were uploaded instead of what would be expected to be provided on future projects.

As well as providing project management capability, Sentient will enable regular updating of monthly cashflow forecasts to be undertaken by the project managers. The Sentient software will be integrated with the Magiq finance system during November to enable direct reporting of project budgets and expenditure to date from Magiq to Sentient on a monthly cycle. The attached reports for November therefore do not have complete financial information in them.

Project managers will be required to update the cashflow forecasts to the end of the project on all projects within the system once the Magiq integration is completed to enable complete financial reporting to be provided in the future.

The visibility of information through the reporting functions in Sentient has highlighted variability within the project management capabilities of the wider team. Further work is underway to re-write the project management manual to reflect the Sentient processes and support staff in more consistent project management. Business rules are also currently being developed for:

- project responsibilities at different project stages
- project phase approvals
- identification and assessment of risks and issues
- setting of dates for milestones
- budget change approval processes
- financial forecasting
- status reporting content

This work is expected to be completed by the end of December, and dashboard reporting will be provided to the Audit and Risk Committee for all infrastructure construction projects from February 2022.

Provision has been made for property construction projects to also be managed in Sentient. Property staff will be provided training on the system in November.

It is intended that Sentient will be developed further to enable the management of non-construction projects for the wider council organisation. Work has commenced on this and has been trialled within the infrastructure department. A number of issues need to be worked through before this can be rolled out more widely. This is due to the following reasons:

1. It is difficult to develop process workflows and checklists that meets the needs of many different types of projects.
2. The more flexibility that is provided in the system for project managers to develop project specific milestones and checklists, the less intuitive the system becomes.
3. Staff who have less project management experience are less adept at setting up project milestones and checklists in a more flexible environment.

Council expects to have largely addressed these issues by the end of December, with Sentient being used to manage and report on all non-construction projects in the infrastructure department by January 2022.

One of the key benefits that Council is already seeing from the first monthly reporting on infrastructure projects is the ability to identify where there are gaps or errors in project

information. This is enabling Council to improve our business processes and also identify project management training needs.

3. Attachments

Appendix 1 - Lake Dunstan Water Supply Project Report - Status Report November [↓](#)


Appendix 2 - Clyde Wastewater Reticulation Stage 1 - Status Report November [↓](#)

Appendix 3 - Clyde Wastewater Main Pump Station - Status Report November [↓](#)

Appendix 4 - Cromwell Pump Station Emergency Storage Upgrades - Project Details [↓](#)

Appendix 5 - Cromwell Pump Station Emergency Storage Upgrades - Project Brief [↓](#)

Report author:



Julie Muir
Executive Manager - Infrastructure Services
22/11/2021

Reviewed and authorised by:



Louise van der Voort
Acting Chief Executive Officer
23/11/2021



Project Status Report - Detail

For Period 01/Nov/2021 - 30/Nov/2021

Date Generated	22/Nov/2021
Last Updated By	Patrick Keenan on 12/Nov/2021 4:49 PM

Project Details

Project Name (#)	Lake Dunstan Water Supply Water Treatment Plant (2031)		
Project Manager	Adele Eysers	Department	Infrastructure Services
Project Sponsor	Julie Muir	Project Type	Improvements
Current Process Phase	Construction Procurement		
% Project Complete	10%	% Phase Complete	100%

Status Overview

This project has been broken up into two main contracts. A construct only contract with Fulton Hogan and a design & construct contract with PMWC (Pall Marshall Water Consortium). The PMWC contracts is under review by Paul and we expect for it to be finalised mid-November. The Fulton Hogan contract has been reviewed and accepted, to be finalised mid-November.

A value engineering session took place, and its initiatives for potential savings was reported to Council on 3rd of October.

An outline plan for the Treated Water Tank site at the top of Clyde Hill is in progress and will be submitted in November. Council staff have been working alongside the Haehaeata Trust who have submitted a planting plan to plant 500 natives in the area. This was one of the conditions stated with the current land designation.

Ground suitability testing for the plant building at the borefield has been completed and resulted in suitable ground conditions.

Next Steps

Contracts to be signed and conformed mid-November.

Site establishment mid-November, earthworks start at end of November.

Membrane filter to be procured mid-November after contract has been finalised.

Finalised 3D design of the water treatment plant building, finalised slab design of building.

Finalised aurora energy power easements and contact energy land use easements.

Flags			
	Last	Current	Comments
Overall Status		Green - On Track	Council approved Fulton Hogan for construction of the borefield upgrades, raw and treated water tanks, water treatment plant building and associated works on 3 November
Finances		Green - On Track	On track.
Risks		Amber - At Risk	Potentially slowing down the production rates if staff are working on-site under level 2 COVID-19 restrictions.
Issues		Amber - At Risk	The Covid 19 pandemic has created major supply chain delays. Some key materials for this project are from Germany and the United Kingdom. Worldwide and domestic demand for infrastructure materials and staff is in high demand creating cost escalations
Resources		Green - On Track	On track
Key Milestones		Green - On Track	On track
Key: Green - Meets or Exceeds expectation Amber - Partially off track Red - Does not meet expectation			

Finances across all Financial Years				
	Total Approved Annual (TAA) Budget	Estimate at End of Financial Year (EEFY)	Actuals + Commitments	Variance (TAA Budget – EEFY)
CAPEX	16,892,919.00	15,163,524.08	0.00	1,729,394.92
OPEX	0.00	0.00	0.00	0.00
TOTAL	16,892,919.00	15,163,524.08	0.00	1,729,394.92

Key Milestones						
Milestone Name	Baseline	Forecast	Actual	Variance	Status	Comments
Detailed Design Procurement Plan Approved		30/Sep/2021	30/Sep/2021	0	Complete	
Detailed Design Contract Awarded		30/Sep/2021	30/Sep/2021	0	Complete	
Design Work Instruction Completed		30/Sep/2021	30/Sep/2021	0	Complete	
Cost Estimate Reviewed & Approved		30/Sep/2021	30/Sep/2021	0	Complete	
Resource Consent Plan Confirmed		30/Sep/2021	30/Sep/2021	0	Complete	
Property Requirements Plan Confirmed		30/Sep/2021	30/Sep/2021	0	Complete	
Detailed Design Approved		30/Sep/2021	30/Sep/2021	0	Complete	
Construction Procurement Plan Approved		31/Aug/2021	31/Aug/2021	0	Complete	
Construction Contract Awarded		03/Nov/2021	03/Nov/2021	0	Complete	
Gateway 3: Sponsor/Council Approved		03/Nov/2021	03/Nov/2021	0	Complete	
As Builts Received		30/Dec/2022		0	Green	
Producer Statements Received		30/Dec/2022		0	Green	
Operation Manuals Received		30/Dec/2022		0	Green	
Project Completion and Handover		28/Feb/2023		0	Green	
Practical Completion Certificate Issued		28/Feb/2023		0	Green	
Asset Data Finalised		28/Feb/2023		0	Green	
Handover to Project Owner		28/Feb/2023		0	Green	
Gateway 4: Project Closure Sign-Off		28/Feb/2023		0	Green	
Project Closeout Report Completed		31/Mar/2023		0	Green	
Post Project Evaluation Completed		31/Mar/2023		0	Green	
Key: Green - Meets or Exceeds expectation Amber - Partially off track Red - Does not meet expectation						





Project Status Report - Detail

For Period 01/Nov/2021 - 30/Nov/2021

Date Generated	22/Nov/2021
Last Updated By	Patrick Keenan on 15/Nov/2021 3:18 PM

Project Details

Project Name (#)	Clyde Wastewater Reticulation Stage 1 (2010)		
Project Manager	Adele Eysers	Department	Infrastructure Services
Project Sponsor	Julie Muir	Project Type	Improvements
Current Process Phase	Construction Execution		
% Project Complete	60%	% Phase Complete	50%

Status Overview

This project is to install and supply a secure and reliable new wastewater reticulation system in the Clyde township. The key objectives are to reduce potential ground water contamination, protection of landscape and natural ecosystems, and promote a sustainable environment for the town's residents.

Main Health & Safety incidents during the month of October,

☒ Plant Damage – Wheeled excavator was damaged when excavated material was stockpile too close to excavator and a large rock got lodge on the

☒ Medical Treatment – backfill operator got foot hit by compaction, swelling and bruising only. Person involved went to Medical Centre for check-up, lite duties not required.

Building consents for the 188 private properties are being gradually submitted to the building consent team for approval. The programme for private property work is being finalised. Holloway Street has been reopened to the public and the contractors are moving away from the commercial area, just in time for the busy holiday season.

Mains - installed to date 3489m out of 5100m.

Laterals Public - installed to date 917m out of 1870m.

Laterals Private - installed to date 436m out of 4502m.

In total 741m of pipe installed for the project during the month of October.

Pump Station 1 - supply of materials ready for delivery mid December 2021, plan to have delivered to site early January 2022.

Pump Station 2 - mobilized to site and commenced works, completed excavation for wet-well and storage tanks. (Duration 8 days). Site then shut down with a planned restart onsite being mid-November.

Stakeholders - communicate with some of the key stakeholders that are impacted over the next 6 weeks, visited, Flower shop, Post Office and 4 Square to inform them of likely impacts and dates.

Next Steps

Mains Crew 1 - Whitby St, planned to install 50m of 150dia main and x1 Manhole. Completion Date now 11th March 2022.

Mains Crew 2 - Sunderland St, planned to install 40m of 150dia main and MH24. Current finish date 7th March 2022

Laterals Public - will be completed around the same time as the Mains program with the x2 laterals on the Hospital line being the last.

Next Steps

Laterals Private - program to be finalised once the full scope becomes clear. The sequence may change dependent on Private Property permissions being received with the ideal being properties grouped together to save on changing locations regular and becoming less efficient.

Pump Station 1 - earthworks to commence late 2021 with installation of wet-well and Storage tank to be late January / Early February 2022.

Pump Station 2 - commenced with goal to complete the pipework and backfill during 2021.

Stakeholders - continue with individual communications for requests for information for updates on private property alignments and other questions regarding laterals and general program of mains and road closures.

Flags

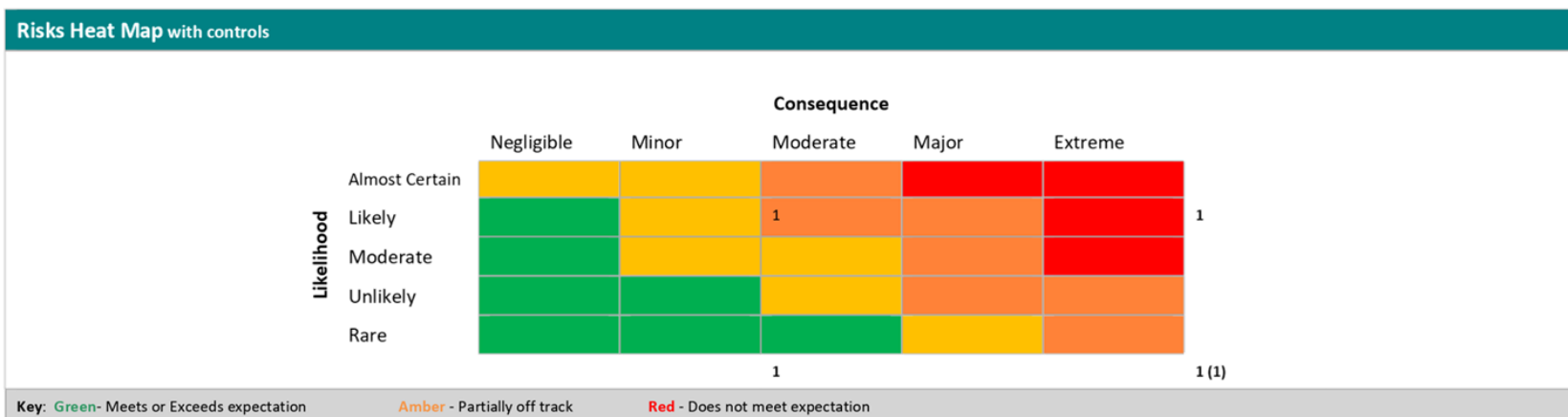
	Last	Current	Comments
Overall Status		Red - Critical	Working through a delayed programme for private property work and coordinating building consent inspections. Delay in private property communications and notifications. Some key pieces of correspondence around Council's reinstatement responsibilities, private property access, the ratepayer contribution (\$10K) and the funding plan are being worked through. Some of these letters need to be sent to ratepayers. The responses have a direct impact on the private property programme of work
Finances		Red - Critical	The expected value to completion is over budget. Risks & Opportunities need to be monitored closely to optimise savings. A report to Council in December will outline the status of the overall Clyde wastewater forecast and recommendations put forth for Council to consider
Risks		Amber - At Risk	The risk, issues, and opportunities register is being monitored to decrease the gap between "current contract value" & "estimated contract value at completion"
Issues		Amber - At Risk	The risk, issues, and opportunities register is being monitored to decrease the gap between "current contract value" & "estimated contract value at completion"
Resources		Amber - At Risk	Infrastructure resources in Central Otago due to high demand. Seipp internal resources and external sub contractor resources. Construction materials shortages and delays due to COVID.
Key Milestones		Amber - At Risk	Overall programme delay due to covid impacts. Efficiencies in place to expedite the programme but will be reliant on private property work and Construction of the Main pump station that's not part of this project/contract.
Key: Green- Meets or Exceeds expectation Amber - Partially off track Red - Does not meet expectation			

Finances across all Financial Years

	Total Approved Annual (TAA) Budget	Estimate at End of Financial Year (EEFY)	Actuals + Commitments	Variance (TAA Budget – EEFY)
CAPEX	6,993,698.00	4,678,943.85	0.00	2,314,754.15
OPEX	0.00	0.00	0.00	0.00
TOTAL	6,993,698.00	4,678,943.85	0.00	2,314,754.15

Key Milestones						
Milestone Name	Baseline	Forecast	Actual	Variance	Status	Comments
As Builts Received		31/Aug/2022		0	Green	
Producer Statements Received		31/Aug/2022		0	Green	
Operation Manuals Received		31/Aug/2022		0	Green	
Project Completion and Handover		30/Sep/2022		0	Green	
Practical Completion Certificate Issued		30/Sep/2022		0	Green	
Asset Data Finalised		30/Sep/2022		0	Green	
Handover to Project Owner		30/Sep/2022		0	Green	
Gateway 4: Project Closure Sign-Off		30/Sep/2022		0	Green	

Key: **Green** - Meets or Exceeds expectation **Amber** - Partially off track **Red** - Does not meet expectation





Project Status Report - Detail

For Period 01/Nov/2021 - 30/Nov/2021

Date Generated	22/Nov/2021
Last Updated By	Patrick Keenan on 12/Nov/2021 4:56 PM

Project Details

Project Name (#)	Clyde Wastewater Main Pump Station (6)		
Project Manager	Josh Wight	Department	Infrastructure Services
Project Sponsor	Julie Muir	Project Type	Improvements
Current Process Phase	Construction Execution		
% Project Complete	30%	% Phase Complete	0%

Status Overview

Tender now closed. Contract is currently under negotiation along with finalising construction design drawings with Stantec.

Next Steps

Contract awarded to HEB Construction and preparations of the site currently occupied by SEIPP are underway, establishment of site is expected to begin in December.

Flags

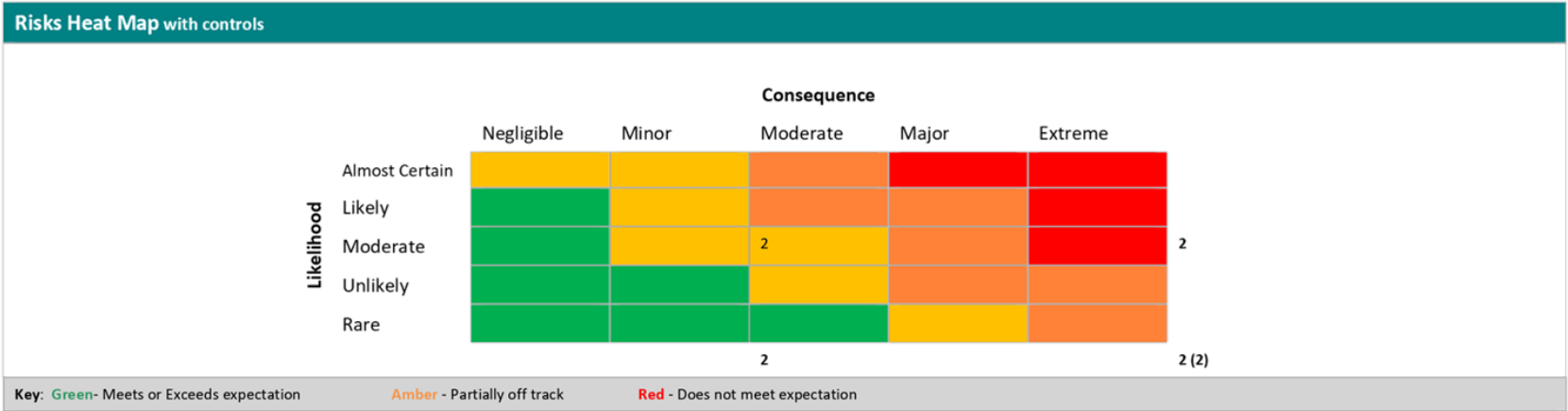
	Last	Current	Comments
Overall Status	Green - On Track	Green - On Track	Tender now closed. Hebs Contracting Ltd appointed. Contract is currently under negotiation along with finalising construction design drawings with Stantec.
Finances	Green - On Track	Green - On Track	
Risks	Green - On Track	Green - On Track	
Issues	Green - On Track	Green - On Track	
Resources	Green - On Track	Green - On Track	
Key Milestones	Green - On Track	Green - On Track	
Key: Green - Meets or Exceeds expectation Amber - Partially off track Red - Does not meet expectation			

Finances across all Financial Years

	Total Approved Annual (TAA) Budget	Estimate at End of Financial Year (EEFY)	Actuals + Commitments	Variance (TAA Budget – EEFY)
CAPEX	2,253,577.00	3,359,079.64	15,638.73	-1,105,502.64
OPEX	0.00	0.00	0.00	0.00
TOTAL	2,253,577.00	3,359,079.64	15,638.73	-1,105,502.64

Key Milestones						
Milestone Name	Baseline	Forecast	Actual	Variance	Status	Comments
Establish High Level Budget Estimate				0	Green	
Gateway 0: Executive Review Completed				0	Green	
As Builts Received		09/Jun/2022		0	Green	
Producer Statements Received		09/Jun/2022		0	Green	
Operation Manuals Received		09/Jun/2022		0	Green	
Project Completion and Handover		21/Jun/2022		0	Green	
Practical Completion Certificate Issued		30/Jun/2022		0	Green	
Asset Data Finalised		30/Jun/2022		0	Green	
Handover to Project Owner		30/Jun/2022		0	Green	
Gateway 4: Project Closure Sign-Off		30/Jun/2022		0	Green	
Project Closeout Report Completed		30/Jun/2022		0	Green	
Post Project Evaluation Completed		30/Jun/2022		0	Green	

Key Risks								
ID	Risk Name	Description	Mitigation	Owner	Priority Score	Status	Flag	Comments
84	Joshua Wight	Rising material costs due to economic drivers outside of our control	Early identification of increasing cost essential	Josh Wight	9	Open	Green - On Track	Rising material costs due to economic drivers outside of our control
85	Programme	Programme need to be managed to sync with wider Clyde reticulation works	Programme needs to be managed alongside Clyde reticulation and Wrightson's pump station works, through collaboration with appropriate Project Managers.	Josh Wight	9	Open	Green - On Track	Programme need to be managed to sync with wider Clyde reticulation works
Key: Green- Meets or Exceeds expectation Amber - Partially off track Red - Does not meet expectation								





Project Details

1.

1. Infrastructure Project Details						
2.	Project Name (#)	Cromwell Pump Station Emergency Storage Upgrades (7)	3. Current Process Phase	Construction Execution	MAGIQ Project Code	PJ21211
4.	Description of Problem & Background	Limited pumping and storage capacity to accommodate inflow during high flow, resulting in overflows.				
5.	Project Goals, Objectives & Potential Benefits	Meet legal requirements. Complete work prior to water stimulus funding end date. Increased waste water storage to cope with growth. Prevent waste water overflows.				
6.	Key Project Deliverables	Increase pump station storage capacity, aiming for around 8 hours storage 121m3 of wastewater storage 900m of pipe installed				
7.	Description of Project Constraints	Project is stimulus funded so needs to be completed by 30 March 2022. Tanks need to be installed within the existing designation, high water tables limiting usable depth, consideration around existing assets.	8. Project Assumptions		Internal project management staff committed to project. Contractor designed and built. Technical support supplied by Stantec where required. Programme tension may occur with large volume of work occurring nationally & internationally.	
9.	CentralDocs URLs	https://cdocs.codc.govt.nz/docs/~F48406 - https://cdocs.codc.govt.nz/docs/~F48406				

2. Project Complexity			
10. \$ Value	\$500,000 to \$1,000,000	11. Technical Expertise	Some external support required
12. Operational Impact	Delivered with a business unit	13. Public Interest	Inform - through normal communications
14. Project Category	Intermediate		

3. Categorisation			
15. Department	Infrastructure Services	16. Activity Area(s)	Wastewater
17. Project Type	Improvements	18. Procurement Type	Market Tender
19. Parent Programme	Water Stimulus	20. Wards	Cromwell
21. Programme Category	Water Stimulus	22. Governance Boards	Project Governance Group (PGG)
23. Strategic Priorities	Safe and healthy, Resilience and reliability, Sustainability	24. Council Portfolio	Three Waters and Waste Portfolio
25. Strategic Drivers	Meet legal requirements, Are integrated, consistent, and fit for purpose, Are environmentally conscious	26. Key Contractors	Fulton Hogan, Stantec

4. People			
27. Project Sponsor	Julie Muir	28. Programme Manager	Patrick Keenan
29. Project Owner	Ian Evans	30. Project Manager	Josh Wight

31. Project Team	Patrick Keenan, Julie Muir, Adele Eyers, Ian Evans, Josh Wight	32. Other Activities Impacted	Infrastructure Services - Water Services
-------------------------	--	--------------------------------------	--

5. High Level Estimates

33. Estimated Start	18/Oct/2021	34. Estimate at Completion CAPEX (\$)	\$1,020,000.00
35. Estimated Finish	06/Dec/2021	36. Estimate at Completion OPEX (\$)	\$
37. Estimated Duration	7 week(s)	38. Estimated at Completion Total (\$)	\$

6. Financial Summary (Current FY)

39.	Total Approved Annual (TAA) Budget	Estimate at End of FY (EEFY)	40. Actuals + Commitments	Variance (TAA Budget – EEFY)
41. CAPEX	\$920,000	\$505,968	\$2,069	\$414,032
42. OPEX	\$0	\$0	\$0	\$0
43. TOTAL	\$920,000	\$505,968	\$2,069	\$414,032

44. Date Created	07/Sep/2021	45. Created By	System
46. Last Updated	12/Nov/2021	47. Last Updated By	Patrick Keenan



Project Brief

48.

7. Project Name	8. Cromwell Pump Station Emergency Storage Upgrades		
9. Project Sponsor	10. Julie Muir		
11. Project Owner	12. Ian Evans		
13. Project Manager	14. Josh Wight		
15. Project Team Members	16. Patrick Keenan, Julie Muir, Adele Evers, Ian Evans, Josh Wight		
17. Estimated Start Date	18. 18/Oct/2021	19. Sentient ID / MAGIQ ID	20. 7 / PJ21211

1. Description of Problem and Background

Limited pumping and storage capacity to accommodate inflow during high flow, resulting in overflows.

2. Project Goals, Objectives & Potential Benefits

Meet legal requirements. Complete work prior to water stimulus funding end date. Increased waste water storage to cope with growth. Prevent waste water overflows.

3. Key Project Deliverables

Increase pump station storage capacity, aiming for around 8 hours storage 121m³ of wastewater storage
900m of pipe installed

4. Description of Project Constraints

Project is stimulus funded so needs to be completed by 30 March 2022. Tanks need to be installed within the existing designation, high water tables limiting usable depth, consideration around existing assets.

5. Project Stakeholders

Internal	
External	

6. Estimated Project Cost (Include Order of Accuracy)

21. Financial Summary (Current FY)

	Total Approved Annual (TAA) Budget	Estimate at End of FY (EEFY)	Actuals + Commitments	Variance (TAA Budget – EEFY)
49. CAPEX	\$920,000	\$505,968	\$2,069	\$414,032
50. OPEX	\$0	\$0	\$0	\$0
51. TOTAL	\$920,000	\$505,968	\$2,069	\$414,032

52.

7. Project Governance Requirements

53.

8. Risk Management					
54. Risk Name	55. Description	56. Owner	57. Priority Score	58. Status	59. Flag
Odour Control Requirements	Odour control unit may need to be installed. HS2 monitoring currently being completed to confirm requirements.	Josh Wight	1	Open	Green - On Track
Communications Cable In Tank Alignment	2 x Chorus copper cables in tanks alignment.	Josh Wight	2	Open	Green - On Track
Work needs to be completed by 30 June 2022	This project is funded under the Three Waters Stimulus. The end date for the funding agreement with the DIA is 31 March 2022. On 2 November 2021 CODC received notification from Crown Infrastructure Partners that the DIA have confirmed an extension for the completion of the programme from 31 March to 30 June 2022.		0	Open	Green - On Track
Rising material costs	Rising material costs due to economic drivers outside of our control	Josh Wight	9	Open	Green - On Track

60.

9. Project Category

61. \$ Value	\$500,000 to \$1,000,000	62. Technical Expertise	Some external support required
63. Operational Impact	Delivered with a business unit	64. Public Interest	Inform - through normal communications
65. Project Category	Intermediate		

66.

10. Reporting Method

67.

11. Proposed Procurement Outline

68.

Project Sponsor**Error! Reference source not found.**

Name

Signature

Date

Project Owner**Error! Reference source not found.**

Name

Signature

Date

21.4.10 HEALTH, SAFETY AND WELLBEING

Doc ID: 559388

1. Purpose

To provide with information on health, safety and wellbeing risks and controls at Central Otago District Council.

Recommendations

That the report be received.

2. Discussion

2.1 Covid-19 vaccination

On 26 October 2021, COVID-19 Public Health Response (Vaccinations) Amendment Order (No 3) 2021 mandated vaccination for prisons, healthcare, and education workers. This health order has a limited impact on Council with employees working on school grounds are required be vaccinated for Covid-19. Employees at Council facilities, such as pools and libraries, that schools visit, are not included in this mandate.

Council is prepared for mandatory vaccination orders to change at any time.

2.1.1 Risk assessment

Council is undertaking risk assessments for all job roles to identify any that are at high-risk of transmission or exposure to COVID -19.

Council may consider mandatory vaccination for COVID -19 to meet its duties under the Health and Safety at Work Act 2015.

2.1.2 Risk assessment methodology

In addition to taking guidance from Council's Risk Management Policy, the risk assessment for COVID-19 considers guidance from WorkSafe New Zealand that is specific to assessing mandatory vaccination in the workplace.

If the risk assessment process finds that a role needs to be performed by a vaccinated worker, a proposal will be put to employees for consultation.

2.2 Contractor management

Five preferred contractors improved their SiteWise scores from green to gold during the period September to November 2021.

The average contractor score improved from 87% to 88%.



Fig 1. SiteWise contractor scores November 11, 2021

2.3 Incident reports

This report covers the period 1 July to 30 September 2021, inclusive.

There were 30 incidents during the reporting period.

This report is presented in two sections: workers and public. This reporting change aims to provide a distinction between the health and safety risks affecting workers and those affecting service users (public).

2.3.1 Worker incidents

During the reporting period, there were nine incidents involving workers.

Workers include all employees, volunteers and contractors working at Council operated workplaces.

The incidents during this period cover a range of categories including minor injuries (non-treatment and first aid), customer aggression, near misses and two breaches of COVID-19 requirements.

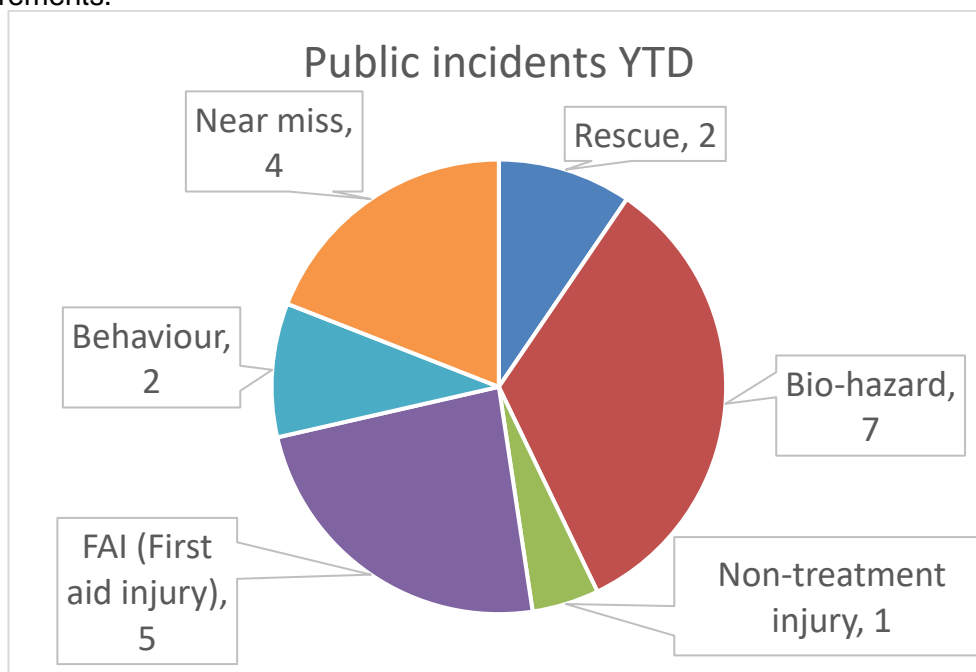


Fig 2. Worker incidents YTD by rating

2.3.1a Workplace injuries

There were three work-related injuries/illnesses involving workers. No time was lost during this reporting period.

Reporting period	Non-treatment injury	FAI	LTI	MTI	Fatality	Total recordable injuries
July-Sept 21	2	1	0	0	0	3

Table 1. Recordable injuries/illnesses for workers July-September 2021.

The following measure indicate the rate and severity of work-related injury/illness amongst workers:

LTIR (Lost time injury rate): 0

TRIR (Total recordable incident rate): 8.52 (injury incidents per 100 employees)

Severity rating: 0

2.3.2. Public incidents

There were 21 incidents involving members of the public between July – September 2021.

Bio-hazard and first aid injuries make up most of the incidents involving the public.

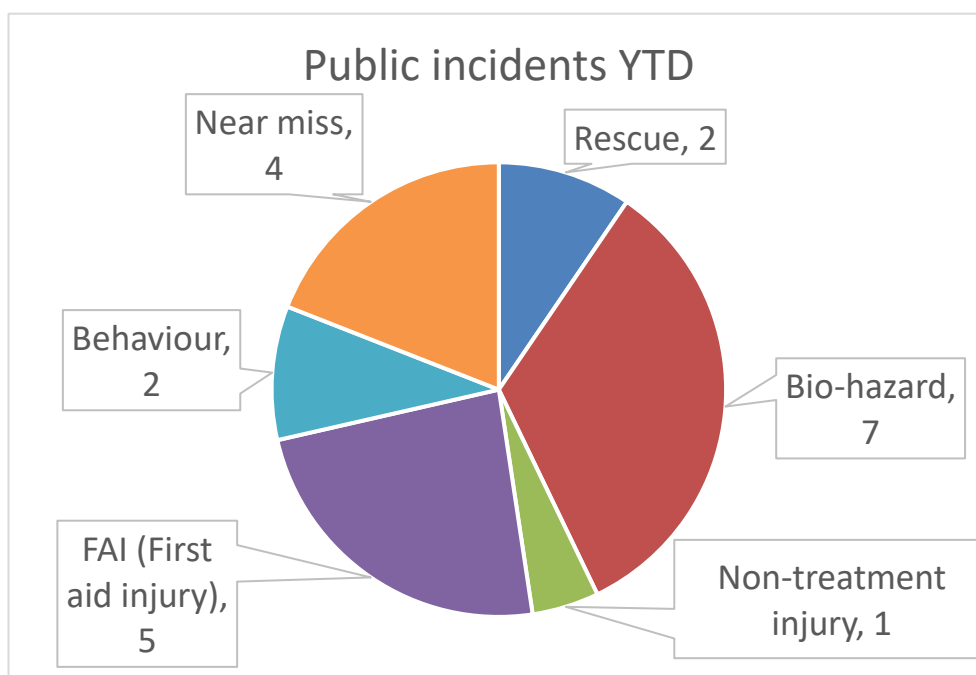


Fig 2. Public incidents YTD by rating

Incidents involving the public took place at aquatic centres, libraries and at our recreation facilities.

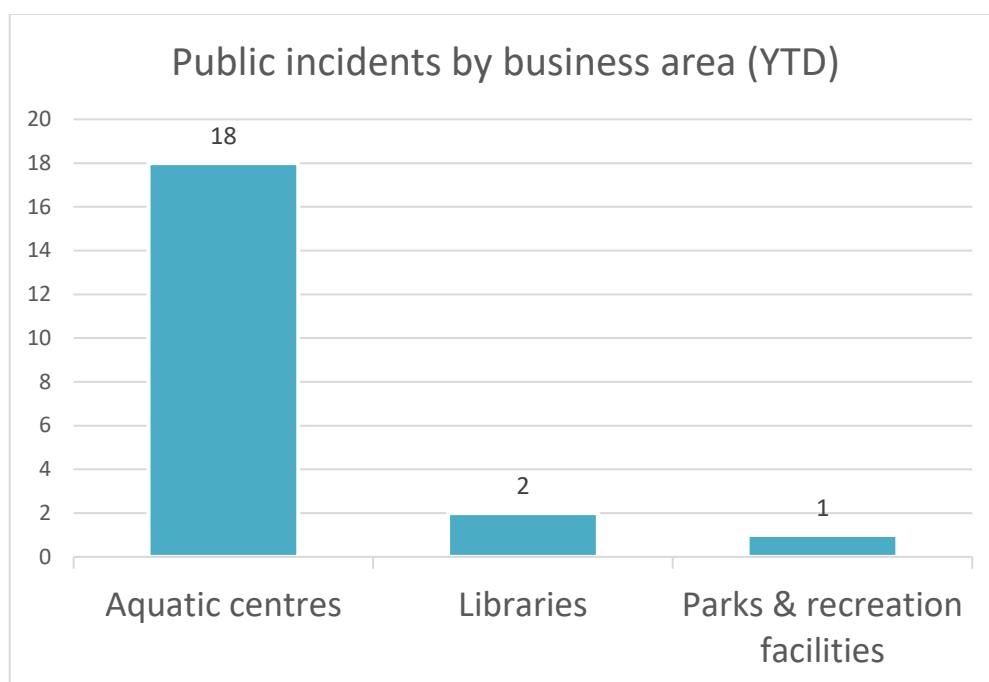


Fig 3. Public incidents YTD by business area

2.3.2a Public injuries

During the reporting period, there were nine injuries to members of the public.

Reporting period	Non-treatment injury	FAI	MTI	Fatality	Total recordable injuries
July-Sept 21	2	7	0	0	9

Table 3. Recordable injury/illness for the public July-September 2021.

2.4 Critical risks

Critical risks arise from activities that could cause serious injury or death. These risks are reviewed quarterly to ensure they are actively managed.

Critical risk	Existing controls	New or upcoming controls
Driving	<ul style="list-style-type: none"> Vehicle User Policy E-Roads installed in fleet vehicles 5-Star ANCAP rated vehicles Licensed drivers Fleet inductions for new starters Chain fitting training 	<ul style="list-style-type: none"> Adverse Weather Policy has been reviewed and will become a guideline associated with the Leave Management and Vehicle User Policies
Remote or isolated working	<ul style="list-style-type: none"> Working from Home Policy Panic buttons Work planning Buddy systems Risk assessments 	<ul style="list-style-type: none"> Planned procurement of Lone Worker software in Q4 2021-22

Psychosocial hazards	<ul style="list-style-type: none"> Employee Assistance Programme (EAP) Wellbeing programme Regular 1:1s Flexible working Equal Employment Opportunity (EEO), Discrimination, Harassment and Bullying Policy Performance Management Policy Fit for Work Programme 	<ul style="list-style-type: none"> De-escalation training has been scheduled for Environmental Engineering HR and Health and Safety delivering proactive intervention for staff Mental Health training was trialled by members of the Health and Safety Committee
Biological hazards	<ul style="list-style-type: none"> High-risk vaccinations programme Engineering controls PPE is provided 	<ul style="list-style-type: none"> Water Services safety workshop completed Covid-19 vaccination risk assessments are in progress
Hazardous chemicals	<ul style="list-style-type: none"> Chemical register Display safety data sheets Appropriate storage Quantities stored is kept at a minimum Ventilation and circulation of air is monitored PPE is provided for handling or working with chemicals Records of training are maintained Fire schemes updated with FENZ (chemical registers) Qualified contractors 	<ul style="list-style-type: none"> Water Services safety workshop completed Waster Services provided an updated chemical list Chemical storage at pools was inspected by an external consultant

Table 5. CODC critical health and safety risks (November 2021).

2.5 Training and initiatives

- The Health, Safety and Wellbeing Committee began a project to review the wellbeing programme, beginning with staff feedback.
- Incident reporting software BWare will be upgraded to a new version between 20-22 January 2022
- Finance and library teams completed incident reporting training
- The following regular training was completed:

Training	This period	FYTD	% required staff trained	Target
New staff inductions	13	13		
First aid certificates	7	7		
SiteSafe passports	6	6	84%	100%
Fire safety warden	25	25		

Table 6. Regular training completed FTYD. Grey areas do not have a live target.

3. Attachments

Nil

Report author:



Rachel Ennis
Health, Safety and Wellbeing Officer
10/11/2021

Reviewed and authorised by:



Louise Fleck
Executive Manager - People and Culture
16/11/2021

6 CHAIR'S REPORT

21.4.11 DECEMBER 2021 CHAIR'S REPORT

Doc ID: 559441

1. Purpose

To consider the October Chair's report.

Recommendations

That the report be received.

2. Attachments

Nil

7 MEMBERS' REPORTS

21.4.12 DECEMBER MEMBERS' REPORTS

Doc ID: 559440

1. Purpose

To consider the October members' reports.

Recommendations

That the reports be received.

2. Attachments

Nil

8 STATUS REPORTS

21.4.13 DECEMBER GOVERNANCE REPORT

Doc ID: 559442

1. Purpose

To report on items of general interest, consider the Audit and Risk Committee's forward work programme and the current status report updates.

Recommendations

That the report be received.

2. Discussion

Forward Work Programme

The Audit and Risk Committee's forward work programme has been included for information.

3. Attachments

Appendix 1 - Audit and Risk Forward Work Programme [↓](#)

Report author:

Reviewed and authorised by:



Rebecca Williams
Governance Manager
15/11/2021



Sanchia Jacobs
Chief Executive Officer
30/11/2021

Audit and Risk Forward Work Programme 2021 - 2022

Area of work and Lead Department	Reason for work	Committee’s role (decision and/or direction)	Expected timeframes Highlight the month(s) this is expected to come to Audit and Risk in 2021/22											
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Long-term Plan 2021/31														
Long-term Plan Chief Advisor/Executive Manager - Corporate Services	Oversight of the preparation of the Long-term Plan.	Direction required: Direction on timeline and progress. To make recommendations to Council on matters and proposals relevant to risk management and internal review practices.	Not applicable until 2024/34 LTP is being prepared											
Annual Report														
Annual Report Executive Manager - Corporate Services	Oversight of the preparation of the Annual Report.	Direction required: For the Committee to recommend to Council that they adopt the 2020-2021 Annual Report subject to any changes the Committee may identify.				R								
Governance Reports														
Management Reports Executive Manager - Corporate Services	Oversight of management reports post external audits	Direction required: Overseeing the progress of key recommendations arising from the audits.				R		R		R				R
Internal Audits														
Internal Audits Executive Managers / Business Risk and Procurement Manager	Reviewing the internal audit programme of work (3 yearly) and the actions arising from those audits.	Direction required: Direction on timeline and progress. Identifying the key risks and actions arising from the audits.				R		R		R				R
Policy Reviews														
Policy Reviews Senior Strategy Advisor	Oversight of Council’s policy renewal schedule and reviewing relevant updated and new policies.	Direction required: Provide feedback on policies and recommend for approval and implementation. Review policy schedule to ensure timelines are being achieved.				R		R		R				R
2022 Annual Plan														
2022 Annual Plan Executive Manager - Corporate Services	Oversight of the preparation of the Annual Plan.	Direction required: Direction on timeline and progress. To make recommendations to Council on matters and proposals relevant to risk management and internal review practices.						R		R				

Key – R = recommendation , U = update

9 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 25 February 2022.

10 RESOLUTION TO EXCLUDE THE PUBLIC

Recommendations

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

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes of the Audit and Risk Committee	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to 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 be likely otherwise to damage the public interest.</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public.</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.4.14 - Litigation Register	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.4.15 - Otago Regional Council Issue of Abatement Notices	s7(2)(g) - the withholding of the information is necessary to	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting

	maintain legal professional privilege	would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
21.4.16 - December 2021 Confidential Governance Report	<p>s7(2)(c)(ii) - the withholding of the information is necessary to 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 be likely otherwise to damage the public interest</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
