



AGENDA

Audit and Risk Committee Meeting Friday, 24 March 2023

Date: Friday, 24 March 2023

Time: 9.30 am

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

(A link to the live stream will be available on the Central Otago District Council's website.)

**Louise van der Voort
Acting 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 and live streamed via Microsoft Teams on Friday, 24 March 2023 at 9.30 am. The link to the live stream will be available on the Central Otago District Council's website.

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Members Ms L Robertson (Chair), Cr T Alley, His Worship the Mayor T Cadogan, Cr N Gillespie, Cr T Paterson

In Attendance S Jacobs (Chief Executive Officer), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), L van der Voort (Group Manager - Planning and Infrastructure), W McEnteer (Governance Manager)

1 APOLOGIES

2 PUBLIC FORUM

3 CONFIRMATION OF MINUTES

Audit and Risk Committee meeting - 15 December 2022

**MINUTES OF CENTRAL OTAGO DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE
HELD IN NGĀ HAU E WHĀ, WILLIAM FRASER BUILDING, 1 DUNORLING STREET,
ALEXANDRA
AND LIVE STREAMED VIA MICROSOFT TEAMS ON THURSDAY, 15 DECEMBER 2022 AT
1.00 PM**

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

IN ATTENDANCE: S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager – Community Vision), D Scoones (General Manager – Community Experience), L Fleck (Group Manager – People and Culture), J Muir (Three Waters Director), A Crosbie (Senior Policy Advisor), C Green (Water Services Accountant), D McKewen (Accountant), R Ennis (Health, Safety and Wellbeing Advisor), S Reynolds (Customer Services Officer) and W McEnteer (Governance Manager)

Note: Ms Robertson joined the meeting via Microsoft Teams. His Worship the Mayor was present and chaired the meeting.

1 APOLOGIES

There were no apologies.

2 PUBLIC FORUM

There was no public forum.

3 DECLARATION OF INTEREST

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

4 REPORTS

22.4.2 POLICY AND STRATEGY REGISTER

To consider the Policy and Strategy Register.

After discussion it was agreed that the agreement with Runanga should be added to the list of agreements.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Alley

That the report be received.

CARRIED

22.4.3 LEGISLATIVE COMPLIANCE REPORT

To consider the 2022 Legislative Compliance Report.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Alley

That the report be received.

CARRIED

22.4.4 POLICIES POLICY

To consider the Policies Policy before it is presented to Council for adoption.

After discussion it was agreed to rework the first sentence of the last paragraph on page 89 of the agenda to say: *“A policy provides a general explanation, it does not cover the details.”* In addition it was agreed that an outline of who should maintain the register should be added.

COMMITTEE RESOLUTION

Moved: Paterson

Seconded: Alley

That the report be received.

CARRIED

22.4.5 FRAUD, BRIBERY AND CORRUPTION POLICY

To consider recommending the Fraud, Bribery and Corruption Policy be adopted by Council for an additional two years, with a review after twelve months.

After discussion it was agreed to change the word “ramifications” to “consequences” in the policy on page 101 of the agenda.

COMMITTEE RESOLUTION

Moved: Gillespie

Seconded: Alley

That the Audit and Risk Committee

- A. Receives the report and accepts the level of significance.
- B. Recommends that Council adopt the Fraud, Bribery and Corruption Policy.

CARRIED

22.4.6 UPDATE ON THREE WATERS CAPITAL WORK PROGRAM AT 30 JUNE 2022

To consider the status of the Three Waters capital work program at 30 June 2022.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Gillespie

That the report be received.

CARRIED

22.4.7 THREE WATERS DEPRECIATION INCREASE

To consider the recommendation to Council on the increase in depreciation expense relating to three waters assets.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Alley

That the report be received.

CARRIED

22.4.8 ROADING DEPRECIATION INCREASE IMPACT ON ANNUAL PLAN 2023-24

To consider the increase in rate funded depreciation expense relating to roading assets.

COMMITTEE RESOLUTION

Moved: Gillespie

Seconded: Paterson

That the report be received.

CARRIED

22.4.9 FINANCIAL REPORT FOR THE PERIOD ENDING 31 OCTOBER 2022

To consider the financial performance for the period ending 31 October 2022.

COMMITTEE RESOLUTION

Moved: Cadogan

Seconded: Alley

That the report be received.

CARRIED

22.4.10 HEALTH, SAFETY AND WELLBEING REPORT

To provide an update on health, safety and wellbeing performance at Central Otago District Council.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Gillespie

That the report be received.

CARRIED

22.4.11 AUDIT NZ AND INTERNAL AUDIT UPDATE

To consider 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: Cadogan
Seconded: Alley

That the report be received.

CARRIED

22.4.12 OVERSIGHT BY THE AUDIT AND RISK COMMITTEE IN THE PREPARATION OF THE 2024-34 LONG-TERM PLAN

To consider the role of the Committee in the oversight of the preparation of the 2024-34 Long-term Plan.

After discussion it was agreed that the Committee could not approve the level of oversight, rather they would note it.

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Paterson

That the Audit and Risk Committee

- A. Receives the report and accepts the level of significance.
- B. Notes the timeline for the preparation of the 2024-34 Long-term Plan.
- C. Notes the level of oversight of the Committee in the preparation of the 2024-34 Long-term Plan as outlined in this paper.

CARRIED

5 CHAIR'S REPORT

22.4.13 CHAIR'S REPORT

The Chair had nothing to report.

6 MEMBERS' REPORTS

22.4.14 MEMBERS' REPORTS

Members had nothing to report.

7 STATUS REPORTS

22.4.15 DECEMBER 2022 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: Alley
Seconded: Paterson

That the report be received.

CARRIED

8 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 3 March 2023.

9 RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Moved: Cadogan
Seconded: Alley

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
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<p>22.4.16 - Water Services Update on Compliance Status</p>	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</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>
<p>22.4.17 - GST Voluntary Disclosure Update</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)(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>	<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>
<p>22.4.18 - Cybersecurity, Information and Records Management, and Privacy Plan 2022-2025</p>	<p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</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>
<p>22.4.19 - Strategic Risk Register</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>	<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>
<p>22.4.20 - Litigation Register</p>	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</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>
<p>22.4.21 - December 2022 Confidential Governance Report</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>	<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</p>

		withholding would exist under section 6 or section 7
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CARRIED

The public were excluded at 2.16 pm and the meeting closed at 3.56 pm.

24 March 2023

4 DECLARATION OF INTEREST

23.1.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 622762

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 - Audit and Risk Declarations of Interest [↓](#)

Appendix 2 - Declarations of Interest - Linda Robertson [↓](#)

5 REPORTS

23.1.2 AUDIT NZ AND INTERNAL AUDIT UPDATE

Doc ID: 622215

1. Purpose

To consider an update on the status of the external and internal audit programme.

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 2021-22 Audit New Zealand Management Report will be presented to the Audit and Risk Committee in a separate paper. This details outstanding recommendations from previous audits as well as some new recommendations.

In addition to external audits, council carries out several internal audits annually to provide assurance over compliance and to mitigate business risks. For the 2021-22 financial year three audits were carried out – information and records management and cyber security, along with a procurement audit. Final reports for these three audits have been received.

A GST compliance evaluation was also undertaken late last year. This compliance evaluation report was presented to the Committee at the last meeting. At this stage, Council is not facing any penalty charges from the Inland Revenue Department resulting from the miscalculation of GST returns from the pools.

For the 2022-23 financial year, two audits are scheduled to be carried out during the financial year. These are in the areas of capital expenditure planning and monitoring and health and safety.

Capital expenditure planning and monitoring

Meetings were held on 8 December 2022 and 10 March 2023 with Deloitte to discuss the scope of this work and timing. In these discussions a broader conversation was held around whether this should be next on Council's audit programme in light of Council's key risks. Staff recommend that the internal audit programme undergoes a refresh to ensure that time and resources are being targeted to the areas that are most beneficial. The internal audit programme was last comprehensively reviewed in August 2020. Deloitte will be present at the meeting to discuss what this review would entail, should the Committee be supportive of this course of action.

Current planned audit programme:

Internal Audit Review Programme	FY 22-23	FY 23-24
Procurement (carried over from previous FY)	✓	
Capital Expenditure Planning and Monitoring	✓	
Health & Safety	✓	
Contract Management		✓
Recruitment Review		✓
<i>Environmental Management (including Sustainability)</i>		
<i>Business Continuity / Disaster Recovery</i>		
<i>Asset Management</i>		
<i>Benefits Realisation</i>		
<i>Legislative Compliance</i>		

Red – denotes suggested alternative audit review options

Health and safety

Council have signed a contract with KPMG and the work will shortly begin, with conversations with staff scheduled from 27 March 2023. Council anticipates receiving the draft report on 21 April 2023, and the final report in May 2023.

3. Attachments

Nil

Report author:



Saskia Righarts
Group Manager - Business Support
14/03/2023

Reviewed and authorised by:



Louise van der Voort
Acting Chief Executive Officer
14/03/2023

23.1.3 PROCUREMENT AUDIT

Doc ID: 622196

1. Purpose

To note that the final procurement audit from Deloitte has been received.

Recommendations

That the report be received.

2. Discussion

As part of the agreed internal audit programme, Deloitte has conducted a review of the processes and controls in place to manage Council's procurement activities. The report has been finalised (attached).

In conducting the review, Deloitte audited a selection of seven more complex procurement contracts from across the organisation. Some of which had been in development prior to the implementation of the 2020 procurement policy.

Based on this sample Council has been rated as having informal/inadequate controls. There were two key findings in the report:

- Inconsistencies in the implementation of policy and execution of procurement activities.
- Lack of monitoring, reporting and record keeping on procurement activities.

It is acknowledged both of these areas need addressing. In line with the findings from this audit, in an initial internal review of the policy last year staff working with the current procurement policy reported back that it is overly complex and cumbersome to work with.

Plans to resource this piece of work are underway, with the view for this work being completed in in June/July 2023.

3. Attachments

Appendix 1 - Deloitte Procurement Report (final) [↓](#)

Report author:



Saskia Righarts
Group Manager - Business Support
14/03/2023

Reviewed and authorised by:



Louise van der Voort
Acting Chief Executive Officer
14/03/2023

23.1.4 PROGRESS IN THE PREPARATION OF THE 2024-34 LONG-TERM PLAN

Doc ID: 622142

1. Purpose of Report

To receive an update on the progress in preparing the 2024-34 Long-term Plan.

Recommendations

That the Audit and Risk Committee:

- A. Receives the report and accepts the level of significance.
 - B. Notes the progress in the preparation of the 2024-34 Long-term Plan.
-

2. Background

Under the Registrar of Delegations adopted by Council for this triennium, the Audit and Risk Committee have 'oversight on the preparation of the Long-term Plan'. At the Committee's meeting held on 15 December 2022, it was agreed that oversight for the 2024-34 Long-term Plan includes:

- Receiving a formal progress update at each scheduled meeting, including visibility on how the programme is tracking according to the agreed plan.
- Receiving for feedback the key policies that will be included as part of the Long-term Plan (including the Significance and Engagement Policy, the 30-year Infrastructure Strategy, the Revenue and Rating Policy and the Financial Strategy).
- Receiving the Consultation Document in advance of its public release.
- Receiving for feedback the full draft document.

3. Discussion

Since the Committee's last meeting good progress has been made in developing the 2024-34 Long-term Plan. The key actions undertaken since the Committee's last meeting are detailed below:

- 101 introductions to the Long-term Plan process have been undertaken with the new councillors.
- The district vision piece of work (from which new community outcomes will be developed) has received three waters better off funding and the project plan for this work has been approved.
- Two scene setting/what are the priorities workshops have been held with councillors. From these discussions a short list of priority areas has been agreed for further discussion at the April 2023 Council meeting.
- Councillors have had a workshop on the infrastructure strategy and provided direction on the vision and principles of the strategy.
- Councillors have had a workshop on bridges (one potential area of capital investment for the next ten years).
- Councillors have endorsed the approach to pre-engagement with the community, which will begin in April 2023.

- An organisational project manager has been appointed and will assist in the project management of the Long-term Plan.

Since the Committee has seen the timeline (attached) there has been a minor change to the schedule. Due to the annual plan workshops and papers going to the January and March 2023 community board meetings, Long-term Plan discussions will now occur at May 2023 community board rounds (which will include both an overview of the process as well as a discussion about what members are hearing is important in their community).

The Committee will receive a progress report at their next meeting, as well as an indication when key policy and strategy documents will be available for review by the Committee.

4. Attachments

Appendix 1 - 2024-34 Timeline [↓](#)

Report author:



Saskia Righarts
Group Manager - Business Support
14/03/2023

Reviewed and authorised by:



Louise van der Voort
Acting Chief Executive Officer
14/03/2023

23.1.5 POLICY AND STRATEGY REGISTER

Doc ID: 621069

1. Purpose

To consider the Policy and Strategy Register.

Recommendations

That the report be received.

2. Discussion

The Policy and Strategy Register is reported to each Audit and Risk Committee to ensure ongoing compliance with targets and audited figures. The audited target is for 80% of policy documents to be in date at any one time. At the request of the Committee, Council is aiming to remain above 90% as a soft target. The calculations were made as of 6 March 2023.

Overall, the organisation exceeded both targets with 90.2% of policy documents in date.

Two of the five departments exceeded 90%, and all five met the 80% target.

Three Waters is considered a separate division and is not part of the departmental figures, although it is calculated in the organisational total. Three Waters is currently sitting at 57.15%.

Business Services

Business Services is at 97.56%.

The Procurement Policy remains out of date, with a full review underway as discussed previously with the committee.

Two new plans and one new policy have been added: Privacy Plan, Cybersecurity Plan, Closed Circuit Television (CCTV) Policy.

Organisational Business Plans have now moved into the Business Services portfolio. This corrects an error within the register, rather than an adjustment within the business.

There are five policy documents requiring updates within the next three months – all are on track to meet their respective deadlines: Governance Statement, Triennial Agreement, ICT Disaster Recovery, IRM Disaster Recovery, and Organisational Business Plans.

Community Experience

Community Experience is at 88.89%.

The Collection Development Policy remains out of date. This is a shared policy awaiting updates from our partner Queenstown Lakes District Council.

The Plaques and Memorials Policy was added to the register.

There are no items due for review until 2024. Work is underway on several new items.

Community Vision

Community Vision is at 88.89%.

The Media Policy is out of date and under review. It is expected to be in date prior to the next reporting period.

The Policies Policy was added.

The Community Development Strategy is due for review in May and work is underway.

Planning and Infrastructure

Planning and Infrastructure remains at 84%.

Work is underway to renew the Public Toilet Policy and the Roothing Policy. The Lighting Policy remains programmed for review.

There are two policy documents due for renewal in June: work has begun to review the Waste Management and Minimisation Plan, and the Gambling and Board Venue Policy review is nearing completion.

People and Culture

People and Culture remain at 100%.

The Vehicle User Policy was replaced with the Vehicle Use and Safe Driving Policy in January. The Trespass Policy Statement was also renewed.

There are no People and Culture policies due for review in the next quarter.

Three Waters

Three Waters is at 57.14%

The Sewer Lateral Policy lapsed in December. The Drinking Water Policy Statement requires updating in March.

3. Attachments

Appendix 1 - Policy and Strategy Register as at 6 March 2023 [↓](#)

Report author:

Reviewed and authorised by:



Alix Crosbie
Senior Strategy Advisor
6/03/2023

Dylan Rushbrook
Group Manager - Community Vision
8/03/2023

23.1.6 UPDATE ON THE THREE WATERS WORKS PROGRAM TO 30 JUNE 2024

Doc ID: 618649

1. Purpose

To consider an update on the Three Waters works program.

Recommendations

That the report be received.

2. Discussion

Council approved the forward works program for Three Waters at the 25 January 2023 meeting. This included a capital works program of \$54 million and bringing forward \$500,000 of operational spend budgeted in year 5 of the Long-Term Plan to remove sludge from the ponds at Roxburgh Wastewater Treatment Plant.

On 1 July 2024 Three Waters is expected to transition into the new Water Services Entity. At this time debt and reserve balances remaining will transfer to the Water Services Entity.

This \$54 million capital works program is ambitious. If achieved then this will ensure all funding provided in the 2021-24 period is spent, as well as any remaining reserve balances. If transition were not to occur as currently proposed, then the carry forwards of unspent budget into 2024/25 would be minimal, and Council will be in a good position to deliver future planned work.

At the 25 January 2023 Council meeting, Council also approved the procurement of several projects by tender. An update on the estimated timeline for tendering is outlined below:

Project	Location	Work Description	Tender
Water Pipe Renewals	District	Replacement of water pipes.	March 2023
Wastewater Generators	District	Generators for 5 critical wastewater sites.	April 2023
Cromwell Water Rising Main	Cromwell	Construction of a new dedicated rising main to the existing reservoir.	May 2023
Wastewater Pipe Renewals	District	Replacement of wastewater pipes.	May 2023
Continuous Monitoring Devices	District	Supply and Installation of Continuous Monitoring Devices.	June 2023
Roxburgh Wastewater Treatment Plant Sludge Removal	Roxburgh	Sludge removal at the Roxburgh Wastewater Treatment Plant.	June 2023
Bridge Hill Water Main	Alexandra	Replacement of water main.	July 2023
Lake Roxburgh Village Wastewater Treatment Plant Upgrade	Roxburgh	Upgrades to wastewater treatment plant.	October 2023

Cromwell Water Treatment Plant	Cromwell	Construction of a new water treatment plant.	TBC
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Summary of Capital Spend on Three Waters

Project	Approved Budget 2022/23	YTD Spend February 2023	Variance to Approved Budget 2022/23	Approved Budget 2023/24	Approved Budget to 30 June 2024
Three Waters Total	25,182,549	15,593,276	9,589,273	28,817,214	53,999,763

Stormwater Total	380,000	69,584	310,416	2,270,000	2,650,000
Pipe Renewals	380,000	69,584	310,416	380,000	760,000
Network improvements	0	0	0	1,890,000	1,890,000

Wastewater Total	9,098,200	5,552,364	3,545,836	7,717,844	16,816,044
Alexandra Network Upgrades with Developments	10,000	0	10,000	10,000	20,000
Cromwell Network Upgrades with Developments	23,539	0	23,539	20,000	43,539
Alexandra Treatment Plant Upgrades	275,000	89,795	185,205	710,000	985,000
Clyde Reticulation	3,627,762	3,473,359	154,403	0	3,627,762
Clyde Main Pump Station	1,233,794	1,241,451	-7,657	0	1,233,794
Cromwell Treatment Plant Future Works	0	0	0	200,000	200,000
Influent and Effluent Monitoring Devices	20,000	20,675	-675	250,000	270,000
Treatment Screens	100,000	96,281	3,719	0	100,000
Pumpstation Flow Meters	210,000	53,107	156,893	170,000	380,000
Lake Roxburgh Village Treatment Plant Upgrade	100,000	4,031	95,969	800,000	900,000
Omakau Treatment Plant Upgrades	0	0	0	0	0
Roxburgh Treatment Plant Improvements	0	1,979	-1,979	101,734	101,734
Earnsclough Road Pumpstation Upgrade	0	0	0	360,000	360,000
Generators	800,000	0	800,000	0	800,000
Dunorling Street Pumpstation Storage Upgrade	1,500,000	9,988	1,490,012	0	1,500,000
Point Renewals	135,785	56,121	79,664	135,785	271,570
Pipe Renewals	120,624	48,674	71,950	2,267,235	2,387,859
Plant Renewals	191,696	181,257	10,439	243,090	434,786
Cromwell Growth Upgrades	750,000	275,646	474,354	2,450,000	3,200,000

Water Supply Total	15,704,349	9,971,328	5,733,021	18,829,370	34,533,719
Alexandra Network Upgrades with Developments	90,000	0	90,000	30,000	120,000
Cromwell Network Upgrades with Developments	45,000	0	45,000	45,000	90,000
Backflow Prevention	315,020	7,407	307,613	400,000	715,020
Bannockburn Reservoir Power Supply	75,000	0	75,000	0	75,000
Bannockburn Pipeline	250,000	10,691	239,309	0	250,000
Cromwell Pisa Reservoir and Rising Main	0	0	0	100,000	100,000
Cromwell Rising Main	350,000	317,026	32,974	6,000,000	6,350,000
Cromwell Treatment Plant Upgrade	400,000	111,603	288,397	4,200,000	4,600,000

Dunstan Flats Reticulation	0	0	0	94,532	94,532
Lake Dunstan Water Supply	10,224,422	8,585,631	1,638,791	0	10,224,422
Omakau Treatment Plant Upgrade	100,000	10,060	89,940	150,000	250,000
Patearoa Treatment Plant Upgrade	100,000	16,321	83,679	0	100,000
Ranfurlly Treatment Plant Upgrade	100,000	27,531	72,469	0	100,000
Roxburgh Source Investigation	6,352	0	6,352	300,000	306,352
Valve Upgrades	245,990	10,107	235,883	0	245,990
Demand Management	150,000	0	150,000	0	150,000
Patearoa Upgrades	0	0	0	0	0
Naseby Treatment Plant Upgrades	150,000	42,434	107,566	0	150,000
Bridge Hill Main	300,000	30,204	269,796	3,700,000	4,000,000
Pipe Renewals	1,228,726	191,701	1,037,025	820,721	2,049,447
Point Renewals	725,833	174,559	551,274	731,824	1,457,657
Plant Renewals	548,006	436,053	111,953	496,974	1,044,980
Continuous Monitoring Devices	300,000	0	300,000	300,000	600,000
Cromwell Growth Upgrades	0	0	0	1,460,319	1,460,319

3. Attachments

Appendix 1 - Forward Work Program Dashboard February 2023.pdf [↓](#)

Appendix 2 - CODC Pipeline February 2023.pdf [↓](#)

Report author:

Reviewed and authorised by:




Chantal Green
Water Services Accountant
8/03/2023

Julie Muir
Three Waters Director
13/03/2023

23.1.7 HEALTH, SAFETY & WELLBEING REPORT

Doc ID: 617104

1. Purpose

To provide the Audit & Risk Committee with an update on the health, safety and wellbeing performance of the organisation.

Recommendations

That the report be received.

2. Discussion

2.1 Reporting period

This report covers the period 1 November 2022 – 31 January 2023 ('the reporting period').

2.2 Health, Safety and Wellbeing Advisor summary

Council has begun its health and safety activities for 2023 with a vision to start as we mean to continue. The Executive Leadership Team attended a half day workshop about health and safety governance where we discussed the important role our senior team play in promoting safe and healthy workplaces.

At the time of this report, Executive Leadership Team members have already begun having assurance conversations with employees about priority areas of critical risk – improving both their assurance of risk management and working relationships across our team.

Contractor management is also an important focus for Health and Safety in 2023. Following feedback from this committee in December 2022, additional information about contractor-related incidents is included in this report.

After reviewing the minutes of meetings with council's major contractors 28 incidents were added to the register. These reports improve our understanding of downstream risks. The Health, Safety and Wellbeing Advisor has provided options to managers for reporting contractor health and safety data. The feedback from this process is being collated at the time of the report.

2.3 Incidents and injuries

There were 40 reports (+7) submitted during the reporting period. No notifiable events were reported.

Reports include both proactive reactive reporting.

Table 1 attributes a severity rating to all reports included in this report. All reports are reviewed by health and safety and operational managers regardless of the severity rating.

Most reports made during the reporting period were business as usual. Notable incidents are explained at section 2.3.9.

Severity rating	Level 1	Level 2	Level 3	Level 4
Risk consequence rating	Negligible or minor (Business as usual)	Moderate	Major	Extreme
Examples	Non-treatment injury, first aid injury	Medical treatment injuries, near miss that could result in medical treatment, wet rescue	Lost time injuries, high-potential near miss	Fatality, life-altering injuries, or potential for either
No. of incident reports	32	6	2	0

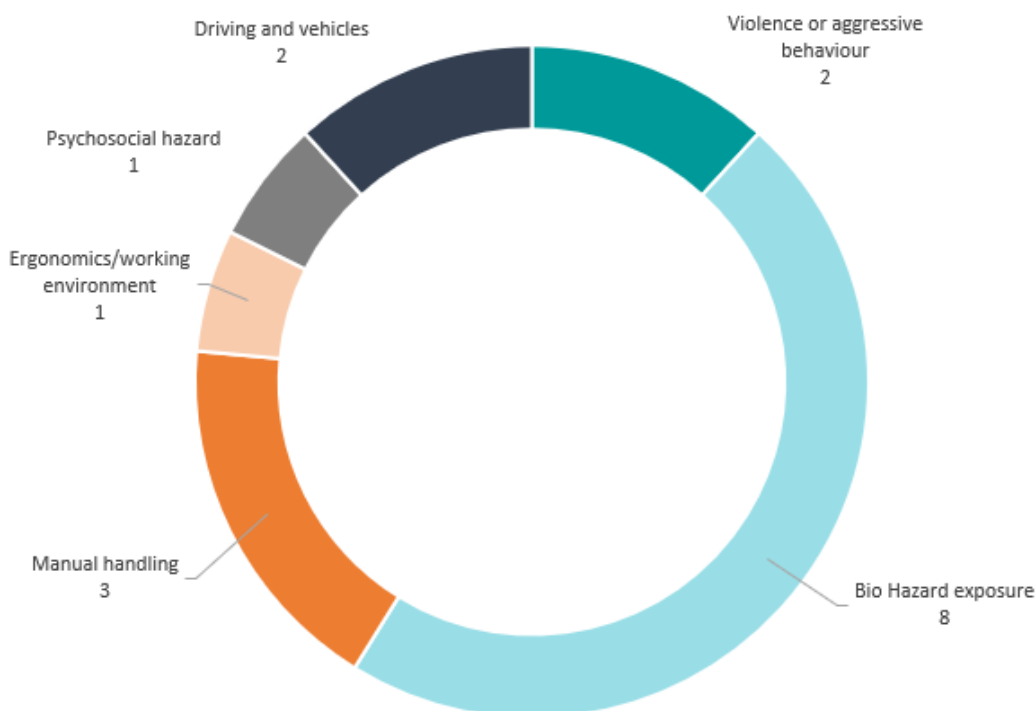
Table 1. Severity rating for all incident reports Nov 22-Jan 23.

2.3.1 Employee incidents

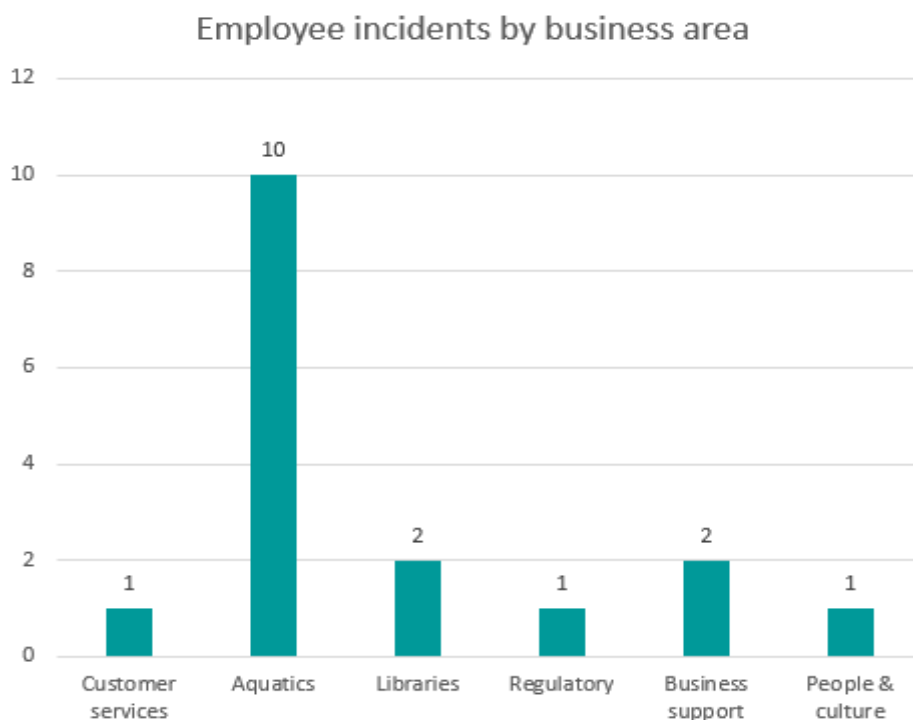
17 reports (43%) affected employees. Most incident reports come from the Aquatic centres and relate to biohazard exposures.

There was one ACC claim during the reporting period. This claim is associated with the lost time injury noted at Table 2. The injury related to manual handling (see section 2.3.9).

Employee incidents by cause Nov 2022-Jan 2023



Graph 1. Employee incidents and reports by cause. Total reports (n=17). Violence and aggressive behaviour (2), Biohazard exposure (8), Manual handling (3), Ergonomics/working environment (1), Psychosocial hazards (1), Driving and vehicles (2)



Graph 2. Employee incidents by business area. Customer services (1), Aquatics (10), Libraries (2), Regulatory (1), Business support (2), People & culture (1)

2.3.2 Employee injuries

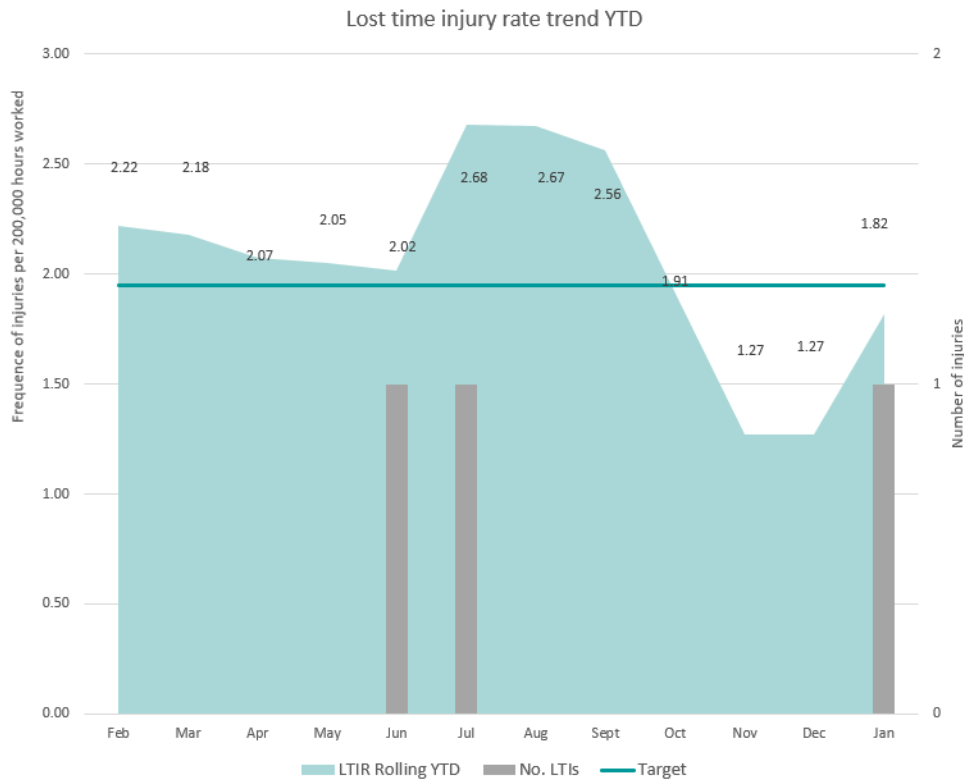
There were three recordable injuries affecting employees during the reporting period.

Reporting period	Non-treatment injury	First aid incident (FAI)	Medical treatment incident (MTI)	Restricted duties	Lost time incident (LTI)	Fatality	Total recordable injuries
Jan-Mar 22	1	0	0	0	0	0	1
Apr-Jul 22	1	0	0	1	2	0	4
Aug-Oct 22	1	1	1	0	0	0	3
Nov 22-Jan 23	1	1	0	0	1	0	3

Table 2. Recordable injuries (employees).

2.3.3 Lost time injury frequency rate (LTIFR)

At the end of the reporting period, the LTIFR stands at 1.82. Council’s LTIFR target is 1.95.



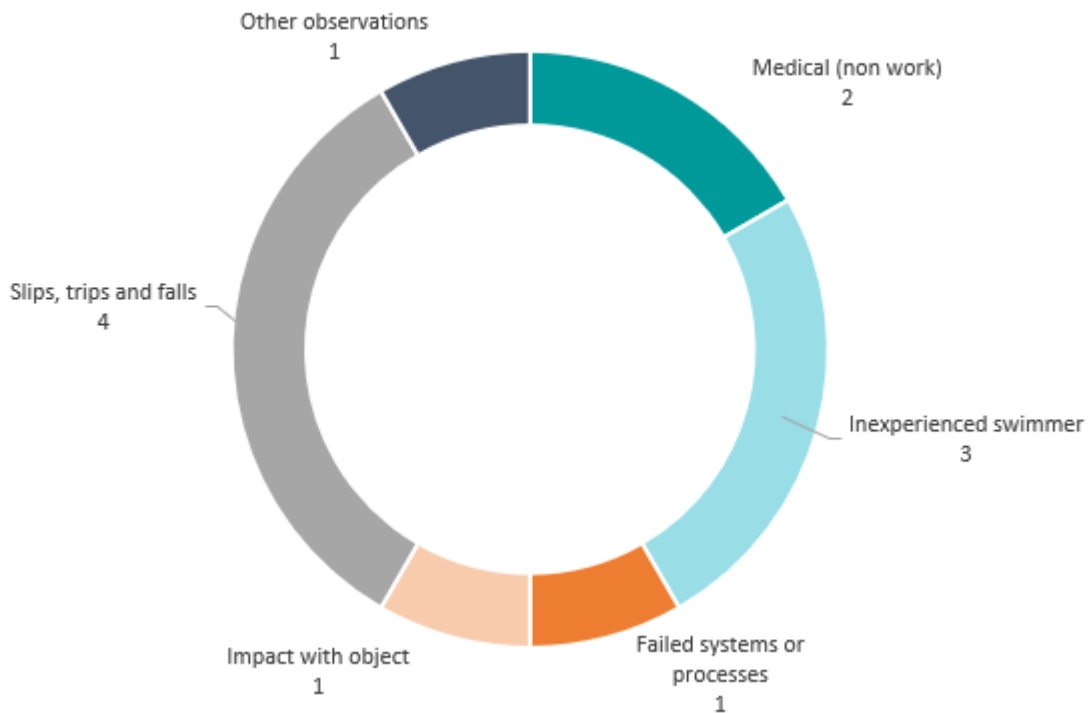
Graph 3. Lost time injury frequency rate rolling 12-month average.

2.3.4 Public incidents

12 reports (30%) affected members of the public. These incidents occurred in a council workplace or operated facility.

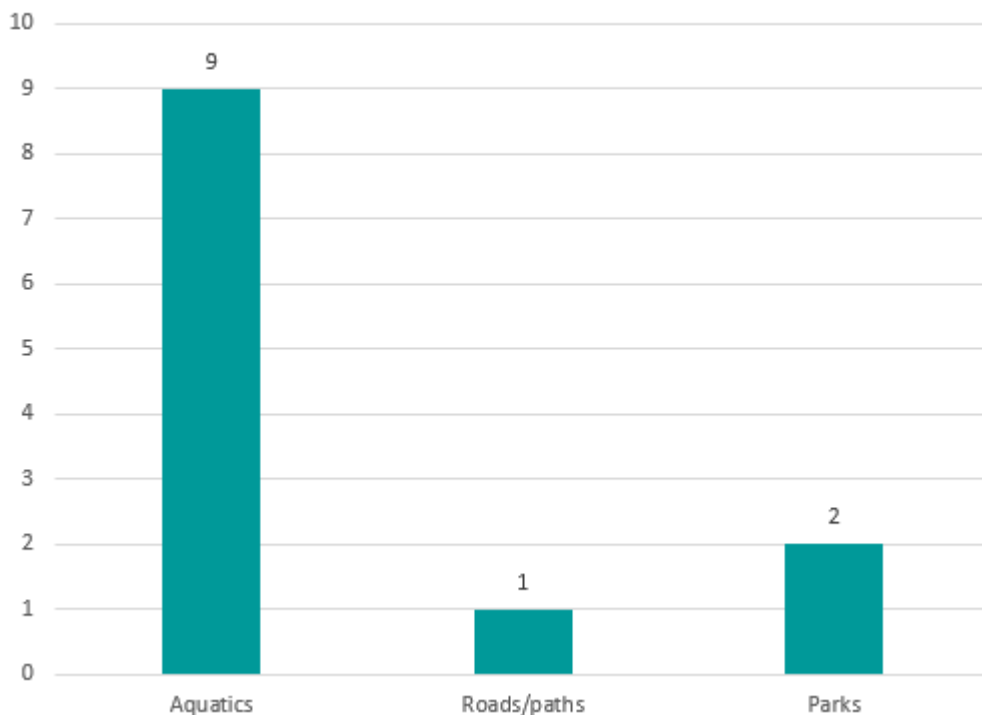
There was one wet rescue from a council-operated pool during the reporting period and a total of three reports relating to inexperience swimmers (+1 last period). 75% of public incidents occurred in Aquatic facilities.

Public incidents by cause Nov 2022-Jan 2023



Graph 4. Public incidents and reports by cause. Total reports (n=12). Medical (non-work) (2), Inexperienced swimmer (3), Failed systems or processes (1), Impact with object (1), Slips, trips and falls (4), Other observations (1).

Public incidents by business area



Graph 5. Public incidents by business area. Aquatics (9), Roads/paths (1), Parks (2)

2.3.5 Public injuries

There were seven recordable injuries affecting the public. The two medical treatment injuries involved falls on council-controlled pathways (see section 2.3.9).

Reporting period	Non-treatment injury	FAI	MTI	Fatality	Total recordable injuries
Jan-Mar 22	2	17	0	0	19
Apr-Jul 22	1	4	0	0	5
Aug-Oct 22	1	2	0	0	3
Nov 22-Jan 23	0	5	2	0	7

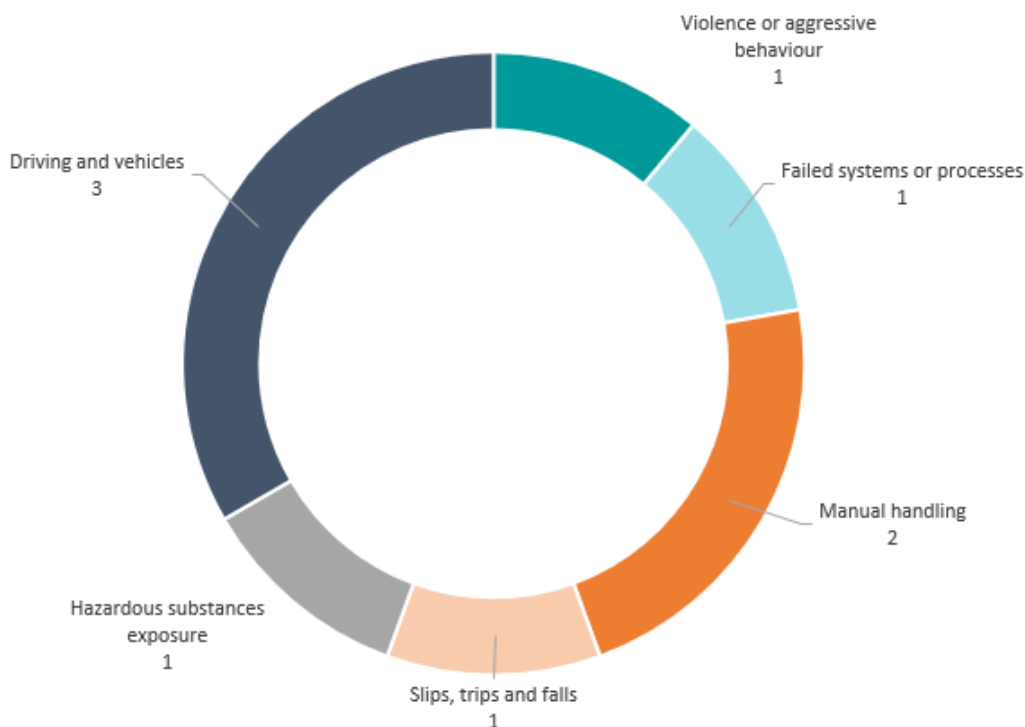
Table 3. Recordable injuries (public).

2.3.6 Contractor incidents

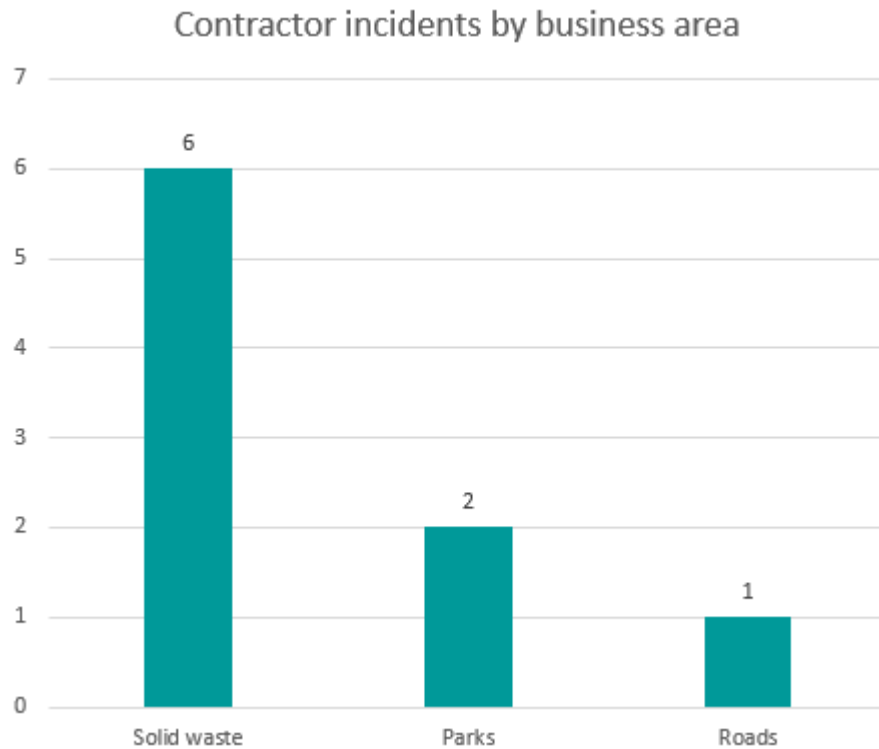
9 reports (22%) involved contractors at contractor managed worksites.

Contractor incidents are usually included in monthly reports submitted to council’s contract manager unless the contract terms require earlier notification.

Contractor incidents by cause Nov 2022-Jan 2023



Graph 6. Contractor incidents and reports by cause. Total reports (n=9). Violence or aggressive behaviour (1), Failed systems or processes (1), Manual handling (2), Slips, trips and falls (1), Hazardous substances exposure (1), Driving and vehicles (3)



Graph 7. Contractor incidents by business area. Solid waste (6), Parks (2), Roads (1)

2.3.7 Contractor injuries

The injuries reported related to manual handling.

Reporting period	Non-treatment injury	FAI	MTI	Fatality	Total recordable injuries
Nov 22-Jan 23	0	2	0	0	2

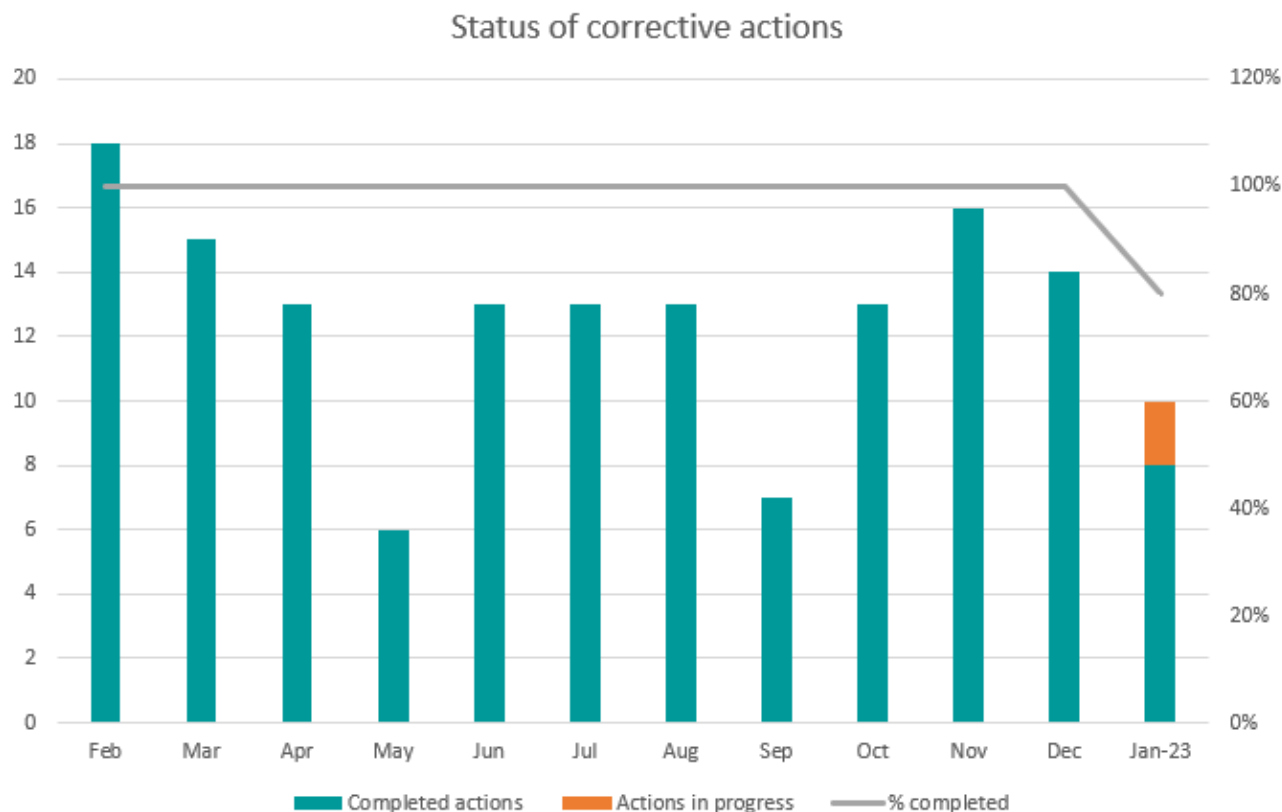
Table 4. Recordable injuries (contractor).

The three outstanding reports after the employee, public, contractor analysis relate to property and equipment.

2.3.8 Status of corrective actions

There are two outstanding corrective actions this period.

The action to install speed bumps one of the carparks at Alexandra Service Centre has been completed. This change will hopefully reduce the speeds in the carpark.



Graph 8. Status of corrective actions. Feb 100% (18), Mar 100% (16), Apr 100% (15), Apr 100% (13), May 100% (6), Jun 100% (13), Jul 100% (13), Aug 100% (13), Sep 100% (7), Oct 100% (13), Nov 100% (16), Dec 100% (14), Jan 23 80% (8 completed, 2 in progress)

2.3.9 Notable incidents

This section provides detail about any lost time injuries, WorkSafe notifications, or other notable incidents occurring during the reporting period that the Committee should be aware of.

Incident	Actions taken
<p><u>Lost time injury</u></p> <p>An employee was bending to move a pool inflatable when they felt a pull in their back. They continued with their shift and later experienced sharp back spasms.</p>	<ul style="list-style-type: none"> As ambulance was unavailable and dispatched a duty physiotherapist Employee was taken from work to local medical centre Employee was off duty for 5 days (excluding the day of the injury) Learning was shared at the Health and Safety Committee meeting in February.
<p><u>Near miss</u></p> <p>A member of the public threatened a contracted employee at a waste transfer station with their vehicle after a dispute about fees.</p>	<ul style="list-style-type: none"> Police attended and issued a trespass notice. Contractor has provided an incident report. Contractor has provided training to staff about de-escalation and risk

	<p>management when presented with this type of scenario.</p> <ul style="list-style-type: none"> • Learning was shared at the Health and Safety Committee meeting in February.
<p><u>Medical treatment injury</u></p> <p>A member of the public fell after tripping on a fence gate near the wastewater connection work outside their home in Clyde, breaking their arm.</p>	<ul style="list-style-type: none"> • Contractor managed worksite. • The person was aware of the gates and the work being done. • Contractor inspected the site, backfilled the connection and removed the temporary fence.
<p><u>Medical treatment injury</u></p> <p>A member of the public fell on a council-maintained pathway in Cromwell receiving facial injuries.</p>	<ul style="list-style-type: none"> • The person attended hospital as an out-patient. • Service request was logged after the person raised the concern to council employees. • Contractor put cones out at the site before returning to make repairs the following day.

Table 5. Notable incidents and associated actions taken.

2.4 Critical risk

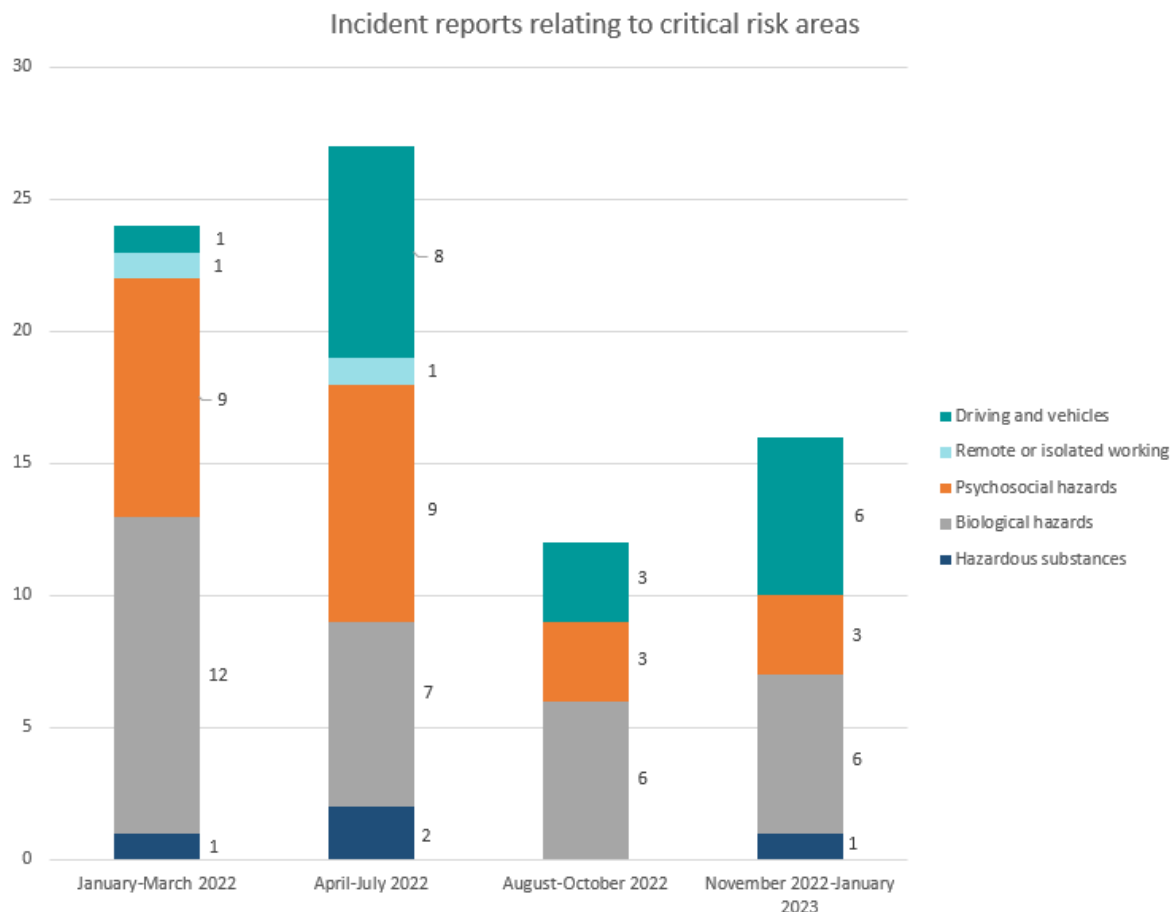
The priority critical risk register is included at Attachment 1. This register sets out the steps taken to manage risks that could cause serious harm or death.

During the reporting period there were 17 reports (43%) related to one or more areas of critical risk. These reports were low severity as per the ratings at Table 1.

Graph 9 illustrates how these reports are distributed across the priority critical risk areas.

Note: An incident report may be included in more than one area of critical risk. Affected persons include employees, contractors and the public.

During this period two Executive Leadership Team members completed Critical Risk Conversations at Aquatic Centres as part of their due diligence activities.



Graph 9. Incident reports relating to critical risk areas compared to previous reporting periods

2.5 Occupational health

Early intervention

Early intervention allows employees to have work-related pain or discomfort addressed before it becomes an injury or illness.

Following office re-arrangement in Cromwell and Alexandra Service Centres, employees were offered workstation assessments during December 2022. The visiting occupational physiotherapist completed 21 workstation assessments.

Fit testing

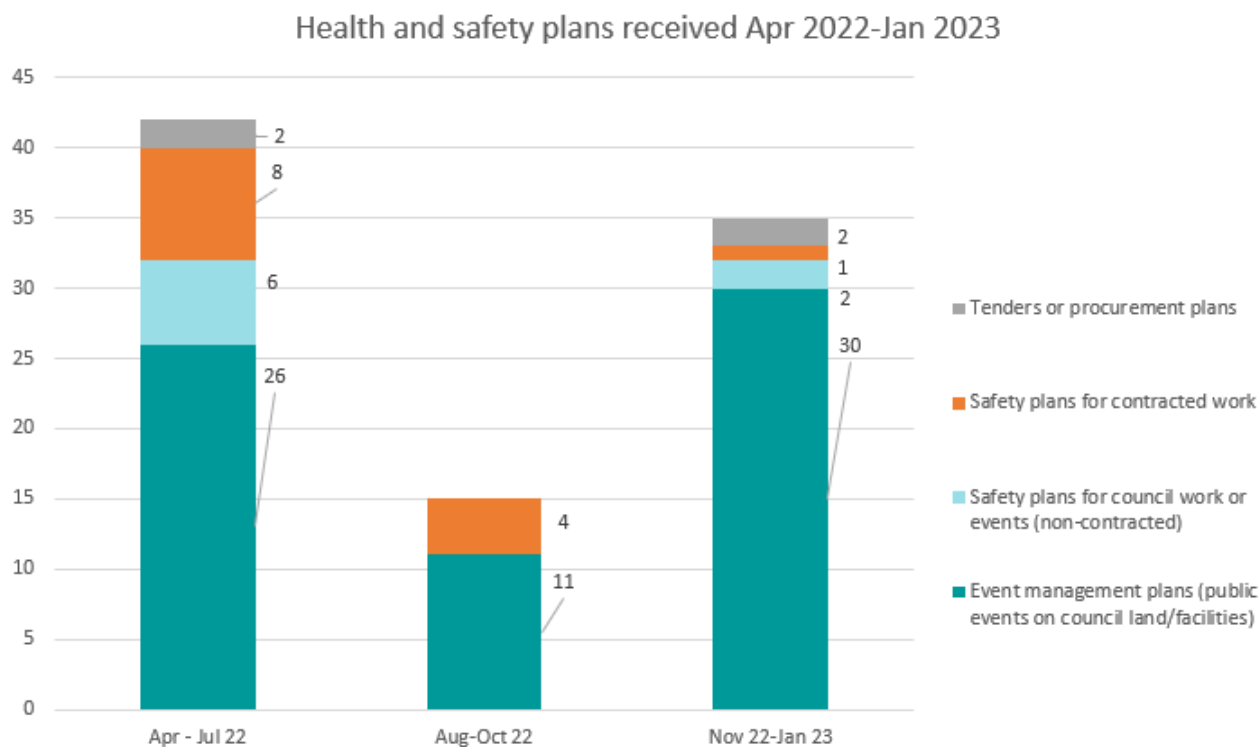
P2 mask fit testing is scheduled for Building Control Officers in Q2. These masks are primarily used for inspections that require entry into roof spaces.

2.6 Contractor management

2.6.1 Health and safety plans received

This section sets out the health and safety plans received by Council.

As part of a review into how activity managers share contractor-related incidents, health and safety has also requested information about what safety plans our activities received, which role review them and how they are stored.



Graph 10. Health and safety plans received by council. Total plans received Nov 22-Jan 23 (n=35). This period: Event management plans (30), safety plans for council work or events (non-contracted) (2), safety plans for contracted work (1), tenders or procurement plans (2). Previous periods (Apr-Oct 22): Event management plans (37), safety plans for council work or events (non-contracted) (6), safety plans for contracted work (12), tenders or procurement plans (2).

2.6.2 Observations and inspections of contractor work

Council completed 21 inspections, audits or observations of contractor work during the reporting period.

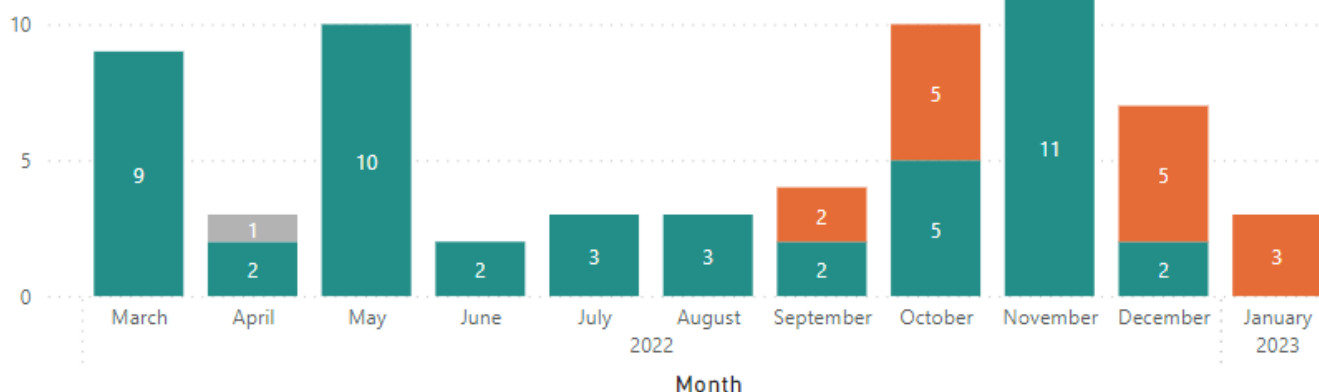
Project work inspections reduced over the Christmas and New Year period but resumed in February 2023 and will be reported in the next reporting period.

The observation tool trialled by Capital Projects and Solid Waste has been well received. Vacancies in the Roding Team have recently been filled and Health and Safety will be completing training with this team in the next reporting period. We hope to see more observation reports in 2023.

These observations are in addition to monthly contractor meetings between council employees and contractors and service providers.

No. site inspections or observations completed per month

Activity ● Capital Project ● Property ● Solid Waste



Graph 11. Number of site inspections or observations completed per month March 2022 – January 2023. Mar (9), Apr (3), May (10), Jun (2), Jul (3), Aug (3), Sept (4), Oct (10), Nov (11), Dec (7), Jan (3)

2.7 Training and competency

Training area / course	This period
New staff inductions	10
First aid certificates (new and refresher)	3
UAV (drone) training	6
Due diligence training (Executive Leadership Team)	6

Table 6. Training register excerpt

2.7.1 Planned training

- Aquatics team in Cromwell have introduced a new e-learning modules for Chemicals in the Work. This training is now a minimum requirement for all Aquatics employees.
- The People & Culture Team completed a trial of driver training e-learning intended to complement our practical driver training and authorisation programmes.
- The Executive Leadership Team completed a due diligence health and safety workshop with Leading Safety in January. This team also completed a review of major incident response procedures.

2.8 Wellbeing

At the end of 2022, People & Culture began work on a reward and recognition project. The project begins with research into how our employees want to be recognised for their work. So far, People & Culture Advisor Kirsten Adams, has carried out 59 conversations. These three-question, mini surveys will be collated into a proposal for improving the way we recognise the work of council employees.

2.8.1 Indicator 1: No. employee sessions with EAP (Employee Assistance Programme)

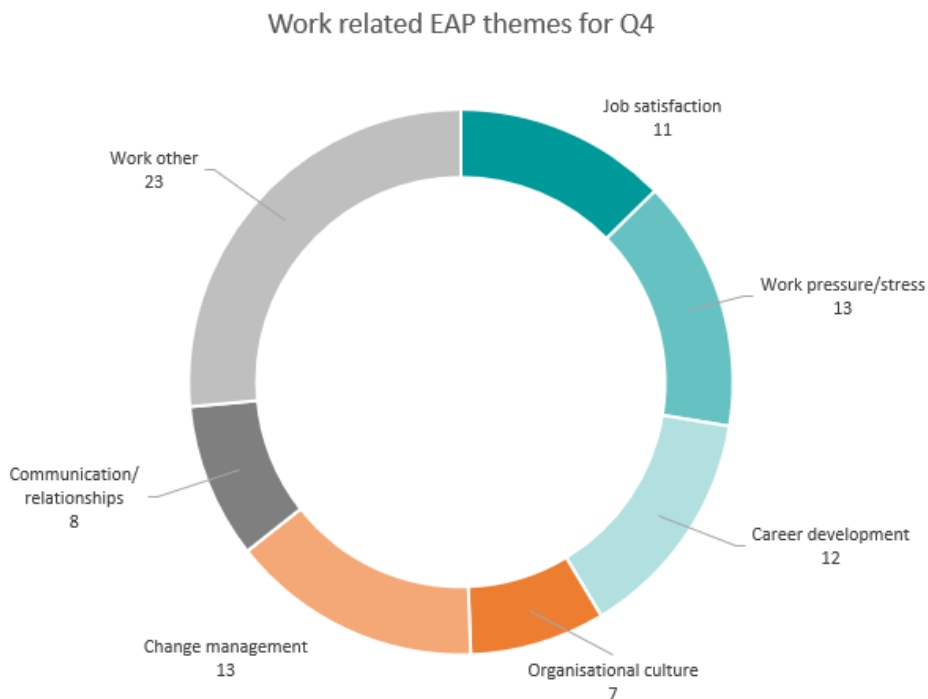
The data included in this section covers the period October-December 2022.

Council’s workplace supporter made 17 referrals (+1) during the reporting period. 13 individual employees (+4) accessed additional services from the EAP.

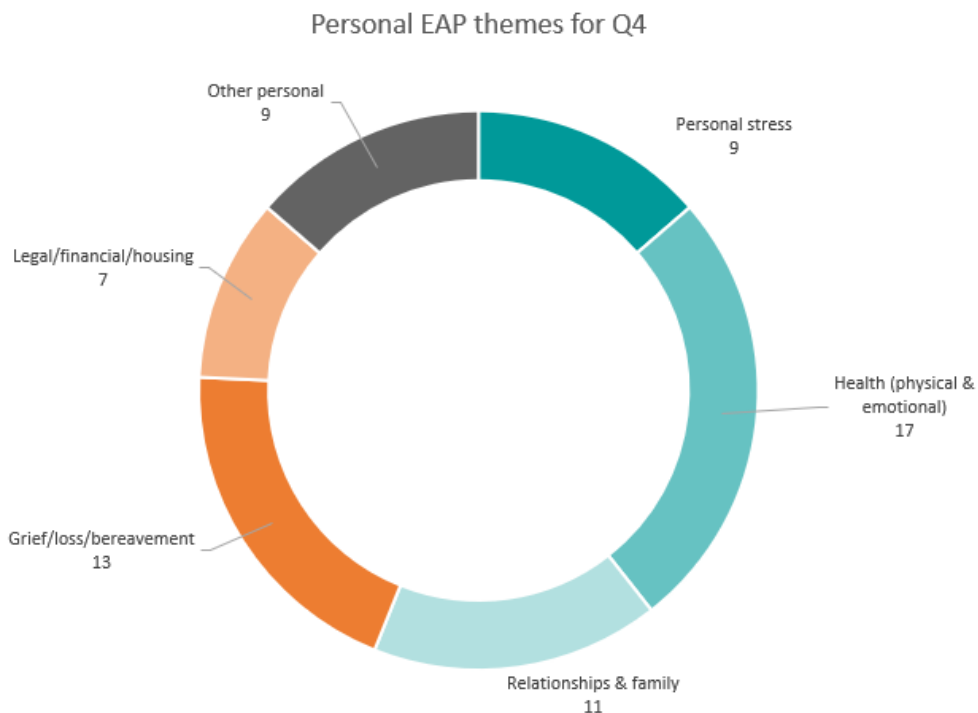
The top work-related and personal themes from EAP are illustrated in the graphs below.

Bereavement affected several employees across our team at the end of October 2022, this accounts for a large portion (19) of the “work other” contact themes in Graph 12 work-related themes. This is separate from the grief/loss/bereavement theme in Graph 13 Personal themes.

Please note that graphs 12 and 13 represent the number of times a theme is covered with EAP counsellors or the workplace supporter, not the number of people using the service.



Graph 12. Work related EAP themes for Q4 2022. Job satisfaction (11), work pressure/stress (13), career development (12), organisational culture (7), change management (13), communication/relationships (8), work other (23).



Graph 13. Personal related EAP themes for Q4 2022. Personal stress (9), health (physical & emotional) (17), relationships & family (11), grief/loss/bereavement (13), legal/financial/housing (7), other personal (9).

Work pressure, stress and change management remain in the top work-related themes. The Executive Leadership Team has been taking steps to explore these concerns by recognising the themes at the fortnightly Executive Leadership Team livestream (ET Digest). This team is actively encouraging employees to raise their workload concerns so managers can assist with prioritising and work planning.

EAP Top 3 Themes

Position	Work-related themes (Top 3)	No. of conversations	Last report
1	Work other	23	#10
2=	Work pressure/stress	13	#3
2=	Change management	13	#1

Table 7. Work-related themes (Top 3).

Position	Personal themes (Top 3)	No. of conversations	Last report
1	Health	17	#2=
2	Grief/loss/bereavement	13	#6
3	Relationships & family	11	#2=

Table 8. Personal themes (Top 3).

2.8.2 Indicator 2: Employee attendance at wellbeing events and activities and feedback from post-activity surveys

My Everyday Wellbeing

My Everyday Wellbeing introduced monthly live webinars in January 2023 covering a wide variety of themes. Their engagement report is due in April.

Employee awards

The employee recognition awards were held on December 2, 2022. This season acknowledged the work of six individuals and three teams in areas such as customer experience, sustainability and living to our organisational values.

Aotearoa Bike Challenge 2023

Facilitated by Waste Minimisation Officer Abi Hawkins, council 54 employees pedalled over 20,000 km as part of the Aotearoa Bike Challenge.

2.8.3 Scheduled activities**Move it March**

This popular, team-based competition to promote physical activity will be held throughout March.

Mid-year event

In 2022, council held its first wellbeing event for employees. The half day event, which saw the launch of the My Everyday Wellbeing platform and a keynote from guest speaker Dr Tom Mulholland, received good feedback from staff.

The event is planned for July 2023. A cross-department working group has been formed to help plan the day.

3. Attachments**Appendix 1 - Health and Safety priority risks and controls -- 2023.docx** [↓](#)

Report author:



Rachel Ennis
Health, Safety and Wellbeing Officer
8/03/2023

Reviewed and authorised by:



Louise Fleck
General Manager - People and Culture
10/03/2023

23.1.8 FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

Doc ID: 616250

1. Purpose

To consider the financial performance for the period ending 31 December 2022.

Recommendations

That the report be received.

2. Discussion

The financial report is presented to the Committee as requested for awareness of the current financials.

2022/23		6 MONTHS ENDING 31 DECEMBER 2022			2022/23
Annual Plan		YTD	YTD	YTD	Revised Budget
\$000		Actual	Revised Budget	Variance	\$000
		\$000	\$000	\$000	
	Income				
36,238	Rates	18,138	18,022	116	36,238
6,062	Govt Grants & Subsidies	2,718	3,276	(558)	6,552
8,161	User Fees & Other	3,622	4,363	(741)	8,729
14,930	Land Sales	-	1,000	(1,000)	14,930
2,233	Regulatory Fees	1,509	1,117	392	2,233
2,192	Development Contributions	3,246	1,096	2,150	2,192
500	Interest & Dividends	91	250	(159)	500
-	Reserves Contributions	405	-	405	-
-	Profit on Sale of Assets	169	-	169	-
40	Other Capital Contributions	95	15	80	41
70,356	Total Income	29,993	29,139	854	71,415
	Expenditure				
13,876	Staff	6,780	7,033	253	14,207
603	Members Remuneration	273	301	28	603
8,918	Contracts	5,306	4,512	(794)	9,185
2,735	Professional Fees	1,440	1,609	169	3,304
10,857	Depreciation	8,283	5,429	(2,854)	10,857
11,232	Costs of Sales	108	2,581	2,473	11,232
4,182	Refuse & Recycling Costs	1,826	2,091	265	4,182
-	Cost Allocations	(2)	-	2	-
1,799	Repairs & Maintenance	959	957	(2)	1,911
1,433	Electricity & Fuel	583	709	126	1,421
-	Loss on Sale of Asset	146	-	(146)	-
636	Grants	1,188	425	(763)	763
1,118	Technology Costs	574	550	(24)	1,095
378	Projects	364	656	292	1,289
658	Rates Expense	599	329	(270)	658
474	Insurance	604	237	(367)	474
1,635	Interest Expense	133	723	590	1,635
2,133	Other Costs	813	1,120	307	2,243
62,667	Total Expenses	29,977	29,262	(715)	65,059
7,689	Operating Surplus / (Deficit)	16	(123)	139	6,356

3. Financial Reporting

The financials for December 2022 show an overall favourable variance of \$139k. Development and reserve contributions are higher than budget. This is predominately due to the timing of subdivisions in Cromwell and when the invoicing of contributions occurs. Grants and subsidies are behind budget. This is due to the timing of the Waka Kotahi subsidies (\$970k). User fees and charges are (\$741k) behind budget, due to the timing of metered water (\$781k). Land sales are behind budget. Titles are expected to be ready for the Dunstan Park subdivision stage 3 in March 2023.

Income of \$29.993M against the year-to-date budget of \$29.139M

Overall, income has a favourable variance against the revised budget by \$854k. This is being driven by the timing of development contributions with a variance of \$2.150M (F), offset by the timing of Waka Kotahi subsidies (U), metered water charges (U) and land sales (U).

The main variances are:

- **Government grants and subsidies (\$558k) U** - Waka Kotahi New Zealand Transport Agency (Waka Kotahi) roading subsidy contribution has an unfavourable variance of (\$970k). Subsidies are claimed for both the operational and capital roading work programmes and fluctuate based on the work programme. This is offset by favourable variances for Strategic Tourism Assets Protection programme funding \$161k, funding for the freedom camping programme \$110k and Three Waters transition support funding \$95k.
- **User fees and other (\$741k) U** – Metered water charges has a variance of (\$781k). The second read round will take place in March, April, and May 2023. This will bring them in line with the budget.
- **Land sales (\$1M) U** – Land sales have not occurred during this half year of the financial year. Titles are expected to be ready for the Dunstan Park subdivision stage 3 in March 2023.
- **Regulatory fees \$392k F** – Building permit fees are higher than budget by \$246k, along with dog registration fees of \$101k. The dog registrations income is received predominately in July, while the budget spreads the income over 12 months.
- **Development Contributions \$2.150M F** – This variance relates to the timing of development contributions which are dependent on the resource consent process and developer timeframes. Cromwell development contributions in roading, water and wastewater are higher than budget.
- **Interest and dividends revenue (\$159k) U** - Large projects are being predominately managed within cashflows, minimising the level of loan funding uplifted. This includes subdivision developments which are held on the balance sheet. This results in less cash available to be invested. There are currently no term deposits.
- **Reserves contributions \$405k F** – These are difficult to gauge when setting budgets and are dependent on developers' timeframes. As with development contributions above, these are mainly for the Cromwell area.

Expenditure of \$29.977M against the year-to-date budget of \$29.262M

Expenditure has an unfavourable variance of (\$715k). The main drivers behind this are depreciation, contracts, grants, insurance and rates expense. Offsetting this favourable variance is cost of sales, staff, refuse and recycling costs and interest expense.

The main variances are:

- **Staff \$253k F** – This is due to the lag between staff movements and the replacement of new staff, plus the relevant recruitment costs.
- **Contracts (\$794k) U** – Contract expenditure is determined by workflow and the time of the contract. The outcome of this is that the phased budgets will not necessarily align

with actual expenditures, meaning some work appears favourable and some contracts spend year-to-date appear unfavourable. Planned maintenance \$247k, contract \$40k, physical works contract (\$678k), roading contract (\$402k) are the key timing variances year-to-date. The physical works contracts variance relates to wastewater operations (\$250k) and water supply operations (\$492k). The water supply operations have seen an increase in service requests and re-active repairs. The wastewater operations variance is due to the July 2022 flooding events where the Omakau treatment pond was flooded. \$165k of the repair cost is being funded through the emergency works funds.

- **Costs of sales \$2.473M F** – Cost of sales is linked to the land sales mentioned earlier and reflect the development costs for subdivisions. The subdivision costs are held on the balance sheet in ‘property and intended for sales’ until each stage is complete and land sales are received. There have been no sales in the first half of the financial year to allocate out development costs to the cost of sales.
- **Refuse and recycling costs \$265k F** – The waste management activity can fluctuate depending on the amount of waste being processed. Emissions trading scheme has a favourable variance of \$168k. The emission trading scheme charges fall due in March 2023.
- **Depreciation (\$2.854M) U** – The 30 June 2022 revaluation of assets created a significant increase to the value of the assets held on the fixed asset register. As a result, the depreciation costs for the assets have also increased. Revaluations included: land and buildings, waste assets, water, wastewater, stormwater and roading. Due to the timing of the revaluations this additional depreciation cost has not been collected through rated depreciation. Therefore, this increase can be treated as a non-cash increase in expenditure.
- **Grants (\$763k) U** – This is predominately due to the Roxburgh Pool grant of \$500k. This grant was brought forward from last financial year. The remaining variance is due to district grants of \$10k to Central Otago Goldfield Trust funded from general reserves (resolution 22.7.9), Vincent grant of \$26k to Alexandra District Museum Incorporated funded from general reserves (resolution 22.2.4) and Cromwell grant of \$49k to Cromwell Bike Park funded from Cromwell reserves contribution fund (resolution 22.4.7).
- **Projects \$292k F** - This is due to the phasing schedule of Tourism Central Otago projects and the costs incurred for the Southland Otago Three Waters Director position. The Southland Otago Three Waters Director position is a cost share arrangement with other councils in the area to assist with the Three Waters reform.
- **Rates Expense (\$270k) U** – Central Otago rates expenses for 2022/23 on council owned property has been paid in full during the first quarter of this financial year, while the budget has been recognised over a 12-month period.
- **Other costs \$307k F** - A detailed breakdown for other costs is tabled below.

Other costs breakdown

2022/23		YTD			2022/23
Annual Plan	Other Costs breakdown	Actual	Revised Budget	YTD Variance	Revised Budget
\$000		\$000	\$000	\$000	\$000
678	Administrative Costs	210	343	133	678
662	Office Expenses	300	337	37	662
229	Operating Expenses	109	114	5	229
415	Advertising	62	195	133	415
178	Valuation Services	96	89	(7)	178
81	Retail	35	42	7	81

2,243	Total Other Costs	813	1,120	307	2,243
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This table has rounding (+/- 1)

- Other costs include only need based expenses which fluctuate against budget from time-to-time. There is no significant variance of note to report on at present.

Capital Expenditure

Year-to-date, 24% of the total capital spend against the full year's revised capital budget has been expensed.

2022/23						2022/23	
Annual Plan	CAPITAL EXPENDITURE	YTD Actual	YTD Revised Budget	YTD Variance		Revised Budget	Progress to date against revised budget
\$000		\$000	\$000	\$000		\$000	
16,190	Council Property and Facilities	1,575	10,114	8,539	●	24,516	6%
400	Waste Management	53	453	400	●	905	6%
50	Customer Services and Administration	29	47	18	●	95	31%
481	Vehicle Fleet	-	205	205	●	597	0%
58	Planning	4	203	199	●	407	1%
260	Information Services	153	709	556	●	1,493	10%
165	Libraries	71	237	166	●	492	14%
1,482	Parks and Recreation	483	1,131	648	●	2,551	19%
7,205	Roading	1,473	4,968	3,495	●	9,937	15%
23,987	Three Waters	14,142	17,167	3,025	●	34,334	41%
50,278	Grand Total	17,983	35,234	17,251		75,327	24%

This table has rounding (+/- 1)

Council Property and Facilities \$8.539M F – The main drivers to this variance are resource constraints. The Alexandra Airport terminal: pavement renewal project is subject to go back to Council to seek approval for increase in budget to complete the work. The Alexandra Airport Second Hanger precinct road/taxiways would be carried forward to next financial year to commence the project. The William Fraser building project has been tendered and works are waiting for contractor to commissioned. Molyneux park toilet – waiting for resource consent and it will be carried forward to next financial year. The Cromwell Memorial Hall project is still in design phase with details of the design expected to be completed within the next few months. Demolition of existing building and construction is expected to start by end of 2023. The Cromwell Town Centre project is still in early concept plan phase. A tender to find designer/architect for the next phase of landscaping design and new civil facilities is expected to go out to the market soon.

Waste Management \$400k F – The green waste processing project along with the Cromwell transfer station upgrade project have not yet started.

Vehicle Fleet \$205k F – Vehicle renewals and purchases are under budget. The vehicle renewals programme is still ongoing, however there are expected delays due to global supply constraints.

Planning \$199k F – The dog pound project is at the final drawings stage and is expected to start building towards May/June 2023 with the completion in the next financial year. The dog registration software project which was carried over to this financial year has not yet started.

Information Services \$556k F – Information service projects are behind budget. Projects include internet and network \$104k, people information system \$27k, geographic information systems \$84k, financial performance improvement \$107k, enterprise resource planning information systems \$85k, enhanced customer enterprise digital services \$39k, enhanced user experience ICT \$40K and cyber security \$13k.

Libraries \$166k F – The Alexandra library building upgrade is behind budget by \$138k, with the project in the design stage.

Parks and Recreation \$648k F – This is driven by a mixture of the timing of project budgets, work programmes and contractors' availability to perform the work. Parks and reserves have a favourable variance by \$404k, with major projects including Alexandra town centre \$167k, Anderson Park \$29k, Clyde Fraser Domain \$40k, Omakau recreational reserve \$96k, Pioneer Park \$26k and other reserves Alexandra \$35k. The Alexandra town centre includes the Alexandra River Park project which received the required resource consents at the end of December to start the design works. Cemeteries shows a favourable variance of \$68k. The Alexandra cemetery landscaping and planting project has been delayed due to the need to install power cables before continuing with this project. Swimming pools has a favourable variance of \$130k, including Cromwell Pool \$101k and Alexandra Pool \$27k.

Roading \$3.495M F – This is due to the timing of the work programme and budget. Roothing projects includes drainage renewal roading (\$91k), grave road renewals \$304k, sealed road renewals \$568k, minor improvements (\$95k), district wide footpath renewals \$182k, Clyde Heritage precinct – stage 2, \$799k.

Three Waters \$3.025 F – This is predominately due to timing of construction works, these can be ahead of budget or behind due to the work programme. The main driver to this variance includes Lake Dunstan water supply (\$4.588M). Cromwell water treatment plant has a favourable variance of \$2.349M. The project is expected to go into design stage later this financial year and start construction part-way through next financial year. Investigation works have been completed for Bridge Hill falling main with a variance of \$239k, design is underway and tender anticipated later in this financial year. Construction is scheduled to begin next financial year. Lake Roxburgh village wastewater treatment plant upgrade has a favourable variance of \$397k. The initial scoping and design work is underway. The tender process is likely to occur later this financial year with construction during this financial year.

4. Accounts Receivable

As at 31 December 2022, Council had \$112k outstanding in accounts receivables greater than 90 days. The key contributors over \$5k include:

- Sundry debtors of \$57k for eleven debtors
- Resource consents of \$4.9k for two debtors
- Building consent of \$48k of eight debtors

Type of Debtor	Current	30 Days	60 Days	> 90 Days
Other	\$ 76,027	\$ 17,337	\$ 8,675	\$ 79,639
Building Consents	\$ 44,853	\$ 74,869	\$ 940	\$ 6,489
Resource Consents	\$ 2,570	\$ 23,611	\$ 7,672	\$ 26,002
TOTAL	123,450	115,817	17,286	112,129

Type of Debtor	Dec-22	Nov-22	Oct-22	Dec-21
Other	\$ 181,678	\$ 624,959	\$ 495,972	\$ 217,182
Building Consents	\$ 127,149	\$ 104,248	\$ 24,874	\$ 63,739
Resource Consents	\$ 59,854	\$ 237,973	\$ 136,788	\$ 118,522
TOTAL	368,681	967,180	657,634	\$ 399,443

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

There is a credit balance of (\$34k) in current month outstanding invoices in "under 500". This relates to building and resource consent debtors where payment has been made in advance of the invoice.

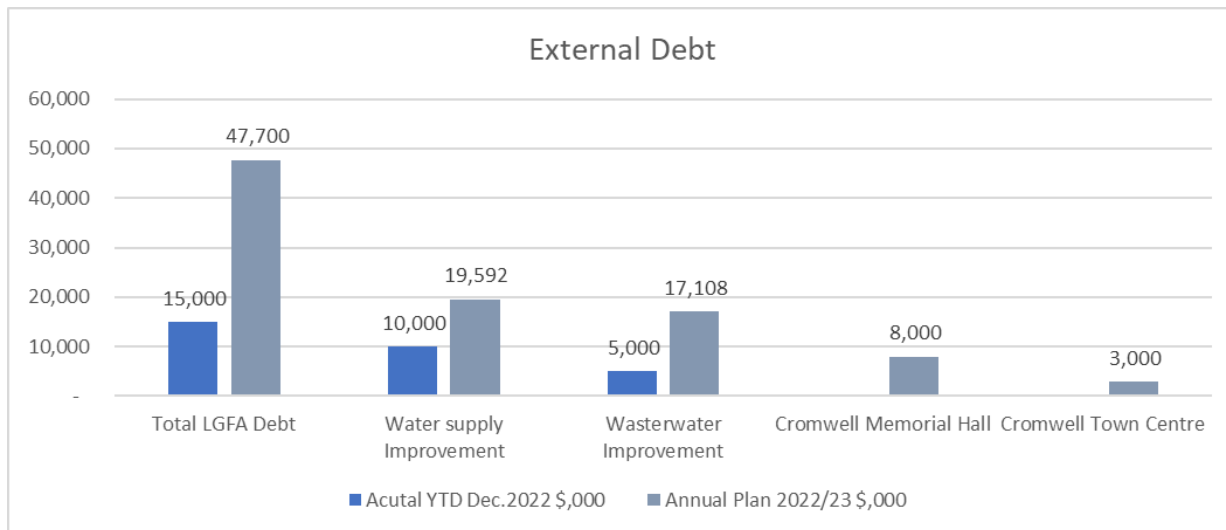
Sundry Debtor	Totals	Under 500	500 to \$1k	\$1k to \$2k	\$2k to \$10k	\$10k to \$50k	Over \$50k
Current	\$ 122,450	\$ (34,201)	\$ 26,089	\$ 20,453	\$ 64,309	\$ 45,799	\$ -
Percentage	100%	-28%	21%	17%	53%	37%	0%
No. of Invoices	413	335	41	16	17	4	0
30 Days	\$ 115,817	\$ 7,638	\$ 10,838	\$ 6,221	\$ 50,442	\$ 40,679	\$ -
Percentage	100%	7%	9%	5%	44%	35%	0%
No. of Invoices	88	52	17	5	13	1	0
60 Days	\$ 17,286	\$ 4,934	\$ 5,547	\$ 3,670	\$ 3,134	\$ -	\$ -
Percentage	100%	29%	32%	21%	18%	0%	0%
No. of Invoices	42	30	8	3	1	0	0
> 90 Days	\$ 112,129	\$ 6,980	\$ 4,515	\$ 9,645	\$ 31,311	\$ 59,678	\$ -
Percentage	100%	6%	4%	9%	28%	53%	0%
No. of Invoices	62	37	8	6	8	3	0

5. Investment

As at 31 December 2022, Council had cash balances of \$3M. There are no term deposits as of 31 December 2022. To reduce the interest impact on external debt borrowing, projects are being managed through cashflows. This does mean that while there are less than planned external debt that there are limited cashflows to lock into term deposits.

6. External Debt

As at 31 December 2022, Council has uplifted \$15M from total 2022/23 Annual Plan of \$47.7M.



7. Internal Loans

Forecast closing balance for 30 June 2023 is \$4.14M.

OWED BY	Original Loan	1 July 2022 Opening Balance	30 June 2023 Forecast Closing Balance
Public Toilets	670,000	468,048	443,899
Tarbert St Bldg	25,868	11,574	10,019
Alex Town Centre	94,420	44,545	39,117
Alex Town Centre	186,398	79,921	68,342
Alex Town Centre	290,600	139,137	122,048
Centennial Milkbar	47,821	18,192	14,973
Vincent Grants	95,000	9,500	-
Pioneer Store Naseby	21,589	9,609	8,213
Water	867,000	691,212	663,496
ANZ Bank Seismic Strengthening	180,000	143,504	137,750
Molyneux Pool	650,000	563,650	531,150
Maniototo Hospital	1,873,000	1,723,630	1,670,314
Alexandra Airport	218,000	197,216	189,584
Roxburgh Community Pool Upgrade*	250,000	-	241,384
Total	5,469,695	4,099,738	4,140,288

This table has rounding (+/- 1)

**The Roxburgh Pool loan has no opening balance as it has been uplifted in the 2022/23 financial year.*

8. External Community Loans

The total amount of external loans at the beginning of the financial year 2022/23 was \$134k. As at 31 December 2022, the outstanding balance was \$104k. Council has received \$29.6k in principal payments and \$3.5k in interest payments.

Owed By	Original Loan	1 July 2022 Actual Opening Balance	Principal	Interest	31 DECEMBER 2022 Actual Closing Balance
Cromwell College	400,000	95,351	18,498	2,560	76,853
Maniototo Curling	160,000	21,910	7,136	474	14,774
Oturehua Water	46,471	16,844	4,017	518	12,827
	606,471	134,105	29,651	3,552	104,424

9. Reserve Funds table

- As at 30 June 2022 the Council had an audited closing reserve funds balance of \$281k. This reflects the whole district's reserves and factors in the district-wide reserves which are in deficit at (\$27.814M). Refer to Appendix 1.
- Taking the 2021-22 audited Annual Report closing balance and adding 2022-23 income and expenditure, carry forwards and resolutions, the whole district is projected to end the 2022-23 financial year with a closing deficit of (\$60.242M). This is dependent of all capital funding being expensed, and based on year-to-date and current comments, this is not a realistic expectation, meaning the reserves should finish with a more favourable result than currently forecast.

10. Attachments

Appendix 1 - 202212 Audited CODC Reserve Funds 2022-23 [↓](#)

Report author:



Donna McKewen
Accountant
14/03/2023

Reviewed and authorised by:



Saskia Righarts
Group Manager - Business Support
14/03/2023

24 March 2023

6 CHAIR'S REPORT

23.1.9 CHAIR'S REPORT

Doc ID: 618262

1. Purpose

To consider the Chair's report.

Recommendations

That the report be received.

2. Attachments

Nil

24 March 2023

7 MEMBERS' REPORTS

23.1.10 MEMBERS' REPORTS

Doc ID: 618259

1. Purpose

To consider the members' reports.

Recommendations

That the reports be received.

2. Attachments

Nil

8 STATUS REPORTS

23.1.11 MARCH 2023 GOVERNANCE REPORT

Doc ID: 621973

1. Purpose

To report on items of general interest and the current status report updates.

Recommendations

That the report be received.

2. Discussion

Status Report

The status report has been updated with actions undertaken since the last meeting (appendix 1).

3. Attachments

Appendix 1 - Audit and Risk Status Updates [↓](#)

Report author:

Reviewed and authorised by:



Wayne McEnteer
Governance Manager
13/03/2023

Saskia Righarts
Group Manager - Business Support
13/03/2023

9 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 2 June 2023.

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 Ordinary Audit and Risk Meeting	<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)(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> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</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
23.1.12 - Water Services Update on Compliance Status	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
23.1.13 - Audit New Zealand Report To The Council on the 30 June 2022 Annual Report	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

<p>23.1.14 - Strategic Risk Register</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>	<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>
<p>23.1.15 - Litigation Register</p>	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</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>
<p>23.1.16 - Cybersecurity, Information and Records Management, and Privacy Plans for 2022-2025 Implementation Update</p>	<p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</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>
<p>23.1.17 - March 2023 Confidential Governance Report</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>	<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>