



# AGENDA

Meeting of the  
Risk and Audit Committee

**Wednesday 22 March 2023**  
commencing at 3.30pm

*To be held:*  
Clocktower Chambers,  
Palmerston Street, Westport

# Risk and Audit Committee

<b>Reports to:</b>	The Council
<b>Chairperson:</b>	Mayor Jamie Cleine (interim)
<b>Membership:</b>	The Mayor, all Councillors and Māori Representative
<b>Meeting Frequency:</b>	Monthly
<b>Quorum:</b>	A majority of members (including vacancies)

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## Purpose

The Risk and Audit Committee is responsible for:

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

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

## Terms of Reference:

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

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

#### **Internal Audit**

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

#### **Other Matters**

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

**The Committee is delegated the following powers:**

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

**Special Notes:**

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

**Oversight of Policies:**

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

# Appendix - Common Delegations

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

## General Principal

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

These Committees will:

## Strategy, plans and policy

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

## Bylaws

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

## Consultation and engagement

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

## Submissions and legislation

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

**Contracts**

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

**Other**

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

# Risk and Audit Committee

Clocktower Chambers,  
Palmerston Street, Westport



22 March 2023 03:30 PM

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## **RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 1**

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### **APOLOGIES**

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**1. REPORT SUMMARY**

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

**2. DRAFT RECOMMENDATION**

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

**OR**

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

## RISK AND AUDIT COMMITTEE

22 MARCH 2023

### AGENDA ITEM 2

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### MEMBERS INTEREST

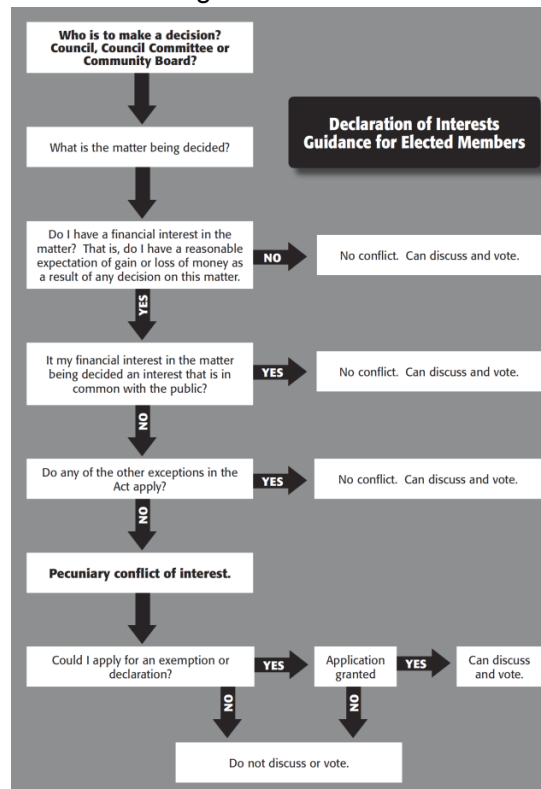
Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

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

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

#### DRAFT RECOMMENDATION:

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



**RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

**AGENDA ITEM 3**

**Prepared by** Douglas Marshall  
Chief Financial Officer

**CONFIRMATION OF MINUTES**

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**1. DRAFT RECOMMENDATION**

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

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

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**PRESENT:** S Roche (Chair), DM A Basher, Councillors P Grafton, J Howard, T O'Keefe, A Pfahlert, C Reidy, R Sampson, L Webb, G Weston, Ned Tauwhare (Iwi Representative)

**IN ATTENDANCE:** R Townrow (Acting CEO), D Marshall (Chief Financial Officer), L Brooks (Finance Manager), E de Boer (Manager Infrastructure Delivery) from 4.11pm, G Barrell (Governance Secretary)

**MEDIA:** Ellen Curnow (Westport News)

Sharon Roche acknowledged those affected up north by Cyclone Gabrielle and spoke briefly about the role of the Risk and Audit Committee.

**MEETING DECLARED OPEN AT 3.30PM**

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**1. APOLOGIES (Page 8)**

**Discussion:**

Cr G Neylon

Mayor J Cleine for lateness as he was attending a briefing regarding the national state of emergency with Cyclone Gabrielle.

**RESOLVED** that the Risk and Audit Committee receive apologies from Cr G Neylon and Mayor J Cleine for lateness.

**Cr A Pfahlert/DM A Basher**

**11/11**

**CARRIED UNANIMOUSLY**

**2. MEMBERS INTEREST (Page 9)**

**Discussion:**

Nil

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

**Cr P Grafton/Cr J Howard**

**11/11**

**CARRIED UNANIMOUSLY**

It was noted an adjustment needed to be made to the RAC Terms of Reference, replacing Mayor J Cleine with Sharon Roche as Chairperson. *Noted and amended.*

**RESOLVED** that the RAC Terms of Reference be amended removing Mayor Jamie Cleine as Chairperson and replacing with Independent Chair, Sharon Roche.

**Cr G Weston/Cr A Pfahlert**  
**11/11**  
**CARRIED UNANIMOUSLY**

### **3. CONFIRMATION OF MINUTES (Page 10)**

#### **Discussion:**

Page 13 item 6: Remove “*Purpose of CCO*” sentence. *Noted and amended.*

Remove “This is the year to let BHL have another 12 months”.

Item 11 Page 17 third paragraph down: Change wording from “*of \$158k additional which will be funded by reserves*” to “*which was funded by external borrowing*”.

**RESOLVED** that the Risk and Audit Committee receive and confirm minutes from the meeting of 14 December 2022 subject to the changes noted.

**Cr C Reidy/Cr T O'Keefe**  
**10/10**

**CARRIED UNANIMOUSLY**

**Independent Chair S Roche abstained as she was not present at that meeting**

### **4. ACTION POINTS (Page 19)**

#### **Discussion:**

**203: Council Report Adoption WAA 2021:** An update was provided. This item is now closed.

**204: Capital Receipts & Expenditure Report:** Chair S Roche summarised concerns expressed that council was unable to see Annual Plan (AP) and LTP approval for what has been budgeted.

Douglas Marshall clarified the figures on Page 21 regarding the Information Management (IM) programme are from the Long-Term Plan (LTP). The adjustments are from the AP and explained where the spending and budget had come from for the IM programme. He assured the committee that approval was given for these.

**ACTION POINT UPDATE:** Mr Marshall to check original intent of IM programme to assure the committee what the original programme of work was. This information will come back to the March 2023 RAC meeting.

**205: Punakaiki Lease:** Cr Sampson notes that there was to be a cost benefit assessment presented to Council. This needs to be done as capital is now at rate payer costs.

Mr Marshall advised the lease is to 2031 and council is committed to this. Need to look at proposals and also rate payer costs. We are awaiting information and need figures for this.

He further clarified that the review for lease amount period was October 2022 and was a CPI adjustment.

**ACTION POINT UPDATE:** Further information to be provided to RAC at its April 2023 meeting.

There was discussion around the effluent plant at the camp, as to whether this should be added to the Risk Register. Ms Roche advised this is being handled at an operational level and clarified the difference between the operational risk register and the governance risk register.

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

**DM A Basher/Cr G Weston**

**11/11**

**CARRIED UNANIMOUSLY**

Mayor J Cleine arrived at 4.01pm

## **5. RISK AND AUDIT WORKPLAN (Page 23)**

### **Discussion:**

S Roche explained the work undertaken to present a new RAC Workplan.

D Marshall advised how the new format was allocated.

Reference was made to the Major Reports to be prepared in the 2023 calendar year section at the bottom of the Workplan. This section includes the Annual Plan, Long Term Plan and Annual Report. Cr Reidy requested this form part of the workplan as opposed to an addition at the bottom.

Ms Roche and Mr Marshall clarified that the bottom section of the workplan was to acknowledge and understand the workload of staff regarding the larger items such as the Annual Plan, Long Term Plan, and those three large pieces of work must be adopted by full Council, not this Committee, so they are included for completeness.

**ACTION POINT:** S Roche and D Marshall to review the Terms of Reference for both RAC and Council and advise whether this body of work should form part of the RAC Workplan. An update will be provided at the March 2023 RAC meeting.

**RESOLVED** that the Risk and Audit Committee receive the Risk and Audit Work Plan for information pending updates if required, subject to a review of the TOR.

**S Roche/G Weston  
11/12  
Cr C Reidy against  
CARRIED**

Eric de Boer arrived at 4.11pm

**6. WAKA KOTAHI NZTA PROCEDURAL AUDIT (Page 25)**  
**Discussion:**

Eric de Boer spoke to the report, noting an extraordinary workload by the team considering the number of weather events.

S Roche noted the importance of having an external body audit this and recommended that the two recommendations from the Auditor still to be dealt with, should appear on the Action Point list.

Cr J Howard sought clarification on R2.2 Mirfins Bridge.

Ms Brooks noted that this item relates to a retention which needs to be checked as to whether it should be refunded to the contractor or credited against expenditure if the retention has already been refunded to the contractor.

E de Boer noted the audit is to ensure nothing is left on the table. It is healthy for BDC staff to do an internal body of work to ensure council comes out the best they can. It was noted that staff will update for the committee, how they progress post construction drive over matters relating to safety concerns that are raised (item 4.1)

Mr de Boer was thanked for his report.

S Roche noted this is a very reassuring report considering it has been three years since the last review and commended the team.

There was an additional item added to the resolution indicated in bullet point (c)

**RESOLVED**

- a) That the Risk and Audit Committee note the findings of the Waka Kotahi Procedural Audit.
- b) That the Risk and Audit Committee support the improvement plan.
- c) That the Risk and Audit Committee include in the action point list recommendations 2.2 and 4.1 as they are still in progress.

**Mayor J Cleine/Cr C Reidy  
12/12  
CARRIED UNANIMOUSLY**

**7. HALF YEAR REPORT TO 31 DECEMBER 2022 (Page 43)**

**Discussion:**

Douglas Marshall spoke to the report and thanked Cr T O'Keefe for sending in her questions to allow staff to fully review and answer. There had been comment regarding the absence of the subvention payment from Buller Holdings Ltd (BHL). This payment was received in mid-December. In the effort to get the Annual Report over the line within the required timeline, this was incorrectly coded. He apologised for this coding issue and assured council it would be rectified in the next report (March quarter).

Ms Roche received assurance from Mr Marshall that, for quality improvement, there are procedures in place to ensure all balance sheet items are verified, and that there will be a better reconciliation process around debtors in future.

Mayor J Cleine reiterated the importance of asking questions. This enables learning for everyone and encouraged members to ask questions prior to meetings, to allow for staff to respond fully and correctly. There may be questions asked at the meeting that staff will need to bring back to council as they may need to gather the required information.

A question was raised from Page 54 regarding the Birchfield dump breach. Is it normal to budget \$40k for breaches?

Ms Brooks will look into this and advise councillors.

There was clarification regarding the Brougham House upgrade: This is for air conditioning and heating as opposed to an entire upgrade.

Thanks was given to Neil Engelbrecht and Lynn Brooks for their report.

**RESOLVED** that the Risk and Audit Committee receive the half year report for the six months ended 31 December 2022 for information.

**Cr J Howard/Cr R Sampson**

**12/12**

**CARRIED UNANIMOUSLY**

**8. INVESTMENTS AND BORROWINGS REPORT - As at 31 December 2022 (Page 55)**

**Discussion:**

D Marshall gave explanation regarding the lower rates from BNZ on the term deposits on Page 59 (3.1) – short term investments were made to assist in cashflow management, but these did attract lower interest rates than longer term investments. He will send out an email explaining this to councillors.

L Brooks advised of an amendment on Page 61 Table 6 Weighted Average Interest Cost shows 3.04%, this should be 4.4%.



S Roche advised she has requested as a quality improvement on reporting, that the call accounts be shown separately in the Summary of Investments to allow for quick reflection of the reconciliation.

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

**DM A Basher/Cr T O'Keefe**  
**12/12**  
**CARRIED UNANIMOUSLY**

**9. CAPITAL RECEIPTS AND EXPENDITURE REPORT (Page 64)**

**Discussion:**

L Brooks spoke to the report noting it presents an overview of the capital receipts and expenditure results compared to the annual budget for the six months ending 31 December 2022.

D Marshall will review the definitions of capex vs opex.

He will also check back on the budget for the website confirming when it was first budgeted for and how it was treated.

It was clarified that due to the delivery of projects and timings, there are carried over each year for Capital Project.

Mayor J Cleine noted that carryovers have been approved by this council.

**RESOLVED** that the Risk and Audit Committee receive the Capital Receipts and Expenditure report for information.

**Cr P Grafton/Cr A Pfahlert**  
**11/12**  
**Cr C Reidy against**  
**CARRIED**

**10. PROJECTS IN PARTNERSHIP UPDATE REPORT (Page 71)**

**Discussion:**

Mayor J Cleine spoke to the report providing an update on the progress of the Projects in Partnership (PiP) Steering Committee. He advised these are externally funded projects and that reporting is to satisfy external funding providers' reporting requirements.

L Brooks will confirm regarding the final off sign costs for Waimangaroa Hall and what else needs to be done funding wise.

**RESOLVED** that the Risk and Audit Committee receive the Projects in Partnership Update Report for information.

**Cr G Weston/Cr A Pfahlert**  
**12/12**  
**CARRIED UNANIMOUSLY**

- There being no further business the meeting concluded at **5.07pm**
  - **Next meeting:** 22 March 2023, Clocktower Chambers, Westport
- 

**Confirmed:** ..... **Date:** .....

## **RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 4**

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### **ACTION POINTS**

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**1. DRAFT RECOMMENDATION**

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

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:																				
204	<p><b>23 Nov 2022</b></p> <p><b>CAPITAL RECEIPTS AND EXPENDITURE REPORT</b></p> <p>Douglas Marshall noted the IT project is funded and undertaken over multiple years but may occur over a shorter period. He will review what was reported in the Annual Plan compared to what is being funded/undertaken now.</p>	D Marshall	<p>The following summary notes the financial position for this important programme of works to improve the council’s information management flows. The predominant benefit is moving our paper-based systems to a digital based approach</p> <p><b>Information Management Programme</b> <b>Financial summary as at 31 December 2022</b></p> <table><tr><th>Financial periods</th><th>Forecast</th><th>Actual</th><th>Budget</th></tr><tr><td>To 30 June 2022</td><td>\$102,000</td><td>\$102,000</td><td>\$328,000</td></tr><tr><td>July 2022 to June 2023</td><td>\$300,000</td><td>\$153,000</td><td>\$219,000</td></tr><tr><td>July 2023 to June 2031</td><td>\$245,000</td><td></td><td>\$100,000</td></tr><tr><td><b>Total</b></td><td><b>\$647,000</b></td><td><b>\$255,000</b></td><td><b>\$647,000</b></td></tr></table> <p>Mr Marshall to check original intent of IM programme to assure the committee what the original programme of work was. This information will come back to the March 2023 RAC meeting.</p> <p>The Chief Financial Officer has revied the above budgets to determine if any budget from pre-1 July 2021 was unspent. There is not so the above budget is what is current available.</p> <p>Staff note Cr Reidy’s comments about ensuring the correct accounting treatment of operating and capital expenses particularly with regard to any spend on IT/Information Management programme/website upgrades. A note has been added to our annual report file for the 30 June 2023 financial year to ensure that we correctly account for such items.</p>	Financial periods	Forecast	Actual	Budget	To 30 June 2022	\$102,000	\$102,000	\$328,000	July 2022 to June 2023	\$300,000	\$153,000	\$219,000	July 2023 to June 2031	\$245,000		\$100,000	<b>Total</b>	<b>\$647,000</b>	<b>\$255,000</b>	<b>\$647,000</b>	<p>15 Feb 2023</p> <p>22 March 2023</p>
Financial periods	Forecast	Actual	Budget																					
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<b>Total</b>	<b>\$647,000</b>	<b>\$255,000</b>	<b>\$647,000</b>																					

## RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
205	<b>14 Dec 2022</b> <b>Punakaiki Lease</b> Bring report to RAC re Punakaiki Lease	K Trigg and M Williams	<p>The report on the Punakaiki lease covers a number of matters including</p> <ul style="list-style-type: none"> <li>• The current lease arrangement</li> <li>• Future development of the campground by the lessee</li> <li>• Operation of the wastewater effluent site for the campground</li> </ul> <p>This last bullet point requires a review of different options which is taking a little bit longer to complete.</p> <p>Staff will give verbal updates over the next couple of meetings until a final options report can be prepared for the Committee consideration</p> <p>Needing to look at proposals and also ratepayer costs. Further update to be provided to April 2023 RAC Meeting</p>	15 Feb 2023          19 April 2023
206	<b>15 February 2023</b> <b>Waka Kotahi NZTA Procedural Audit</b> As per the resolution: Include in the action point list, recommendations 2.2 and 4.1 as they are still in progress	D Marshall  E de Boer	<p>R2.2 - Reviews the validity of the Mirfins Bridge retention balance of \$25,196.63</p> <p>R4.1 - Urgently investigates the findings from the post construction drive over and takes action where necessary to address the safety concerns raised.</p>	19 April 2023       22 March 2023
207	<b>15 February 2023</b> <b>Major Reports at bottom of RAC Workplan</b> S Roche and D Marshall to review the Terms of Reference for both RAC and Council and advise whether this body of work should form part of the RAC Workplan.	D Marshall and S Roche	A review has been completed of the TOR for both full council and RAC and it is clearly states in the full Council TOR that Council has 'The power to adopt a Long-Term Plan or Annual Plan, or Annual Report. Therefore, the RAC workplan is correct in that RAC does not have the delegation to oversee and adopt these items, but that details are provided on the RAC workplan in order for Councillors to be aware of key programmes of work for information	22 March 2023

## **RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 5**

**Prepared by:** Douglas Marshall  
Chief Financial Officer

**Attachments:** Attachment 1 - RAC Work Plan

#### **RISK AND AUDIT WORK PLAN**

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##### **1. DRAFT RECOMMENDATION**

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

**Risk and Audit Committee**  
**Proposed Programme 2023 Calendar Year**

Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
<b>Risk &amp; Assurance Items</b>													
NZTA Procedural Audit	IS	Manager Infrastructure Delivery	✓										
Ernst & Young Report on BDC's Annual Report and its Preparation	CFO	Finance Manager		✓									
Strategic Risk Register Update	CFO	CFO			✓			✓			✓		
Strategic Risk Framework Review	CFO									✓			
Health and Safety Report Update	CFO	HR		✓			✓			✓			✓
BHL Letter of Expectation	CFO												✓
CCO Statements of Intent	CFO	Finance Manager		Draft			Final						
CCO Director Appointments and Remuneration	CFO	Finance Manager			Review Appointments								
BHL Quarterly Financials	CFO	Finance Manager		✓			✓			✓			✓
BHL Annual Report	CFO	Finance Manager									Receive CCO Annual Reports		Adopt Annual Report
Westport Airport Authority Financials - 30 June	CFO	Finance Manager										✓	
Westport Airport Authority Financials - Half year	CFO	Finance Manager	✓							✓			
Insurance	CFO	Management Accountant								Insurance Update Report			Finalise
Review of BDC Created Policy	CFO										✓		
Review of Business Continuity Plan	CFO											✓	
<b>Internal Audits</b>													
Dredge Activities	CFO	Project Accountant			✓						✓		
Harbour Activities	CFO	Project Accountant				✓						✓	
Follow-up on Ernst & Young Matters Raised in Their Annual Report	CFO	Finance Manager				✓		✓					
<b>Monitoring Items</b>													
BDC Quarterly / Half Yearly Financials	CFO	Finance Manager	✓			✓			✓			✓	
BDC Investments and Borrowings	CFO	Finance Manager	✓				✓			✓			✓
BDC Debtors	CFO	Finance Manager		✓			✓			✓			✓
BDC Capital Receipts and Expenditure	CFO	Financial Accountant	✓			✓			✓			✓	
PIP Report	CEO	CEO	✓			✓			✓			✓	
Capital Report Multi-Year Projects													✓

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

Major Financially Based Reports to be Prepared in the 2023 Calendar Year													
Annual Plan			Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption						
Long Term Plan								Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption
BDC Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Final Audit	Adopt & Publish Annual Report & Summary Document
<b>Rating Policy Review</b>													
Rating Policy Review						Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption

## RISK AND AUDIT COMMITTEE

22 MARCH 2023

### AGENDA ITEM 6

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

**Reviewed by** Kate Salmond  
HR Manager

## HEALTH AND SAFETY REPORT

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### 1. REPORT SUMMARY

This Health and Safety report is intended to provide the Committee with insight into initiatives and activities including their progress as part of our organisational commitments to providing a safe and healthy workplace. It covers the August – October 2022 and November 2022 – January 2023 quarters.

### 2. RECOMMENDATION

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

### 3. ISSUES & DISCUSSION

#### 3.1 Health, Safety and Wellbeing in the Workplace:

During the quarter from 1 August 2022 to 31 October 2022, the following have been reported:

Incidents Reported	Injuries Reported	Lost Time Hours	Observations
12	4	0	7

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

Injuries reported were of a minor nature, with first aid treatments applied.

The seven observations reported related to the daily inspection requirements at the airport and general duties.



During the quarter from 1 November 2022 to 31 January 2023, the following have been reported:

Incidents Reported	Injuries Reported	Lost Time Hours	Observations
10	1	0	2

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

One incident was a fire in a bin, FENZ extinguished the fire.

An injury reported at the NBS Theatre was a patron who tripped on the facility's stairs. To avoid this risk going forward, staff will now assist customers to their seat.

One observation was noted for a window at Library. This is currently being addressed, with quotes having been sought to replace.

### **3.2 Employee Welfare and Safety: Training on de-escalation, dealing with conflict, resilience, risk assessment and security**

To support employee welfare and provide training to address previously identified risk areas (see below in *italics* from the *September 2021 Health and Safety Report*), all staff were given the opportunity to attend face to face WARN (Wellness, Awareness, Resilience & Negotiation) Training in March of this year.

*This training covered factors such as:*

- *How to manage yourself and others during and after stressful events*
- *Learning practical techniques to strengthen personal resilience*
- *Dealing effectively with problems while managing risk-exposure*
- *Reducing pressure and stress*
- *Communicating in crisis situations*
- *Communicating with empathy*
- *Techniques to deescalate and engage*
- *Identifying the value of conducting risk assessment profiles*
- *Have a good understanding of situational awareness*
- *Identifying the early warning signs of danger*

- *Strengthen personal resilience – how to quickly overcome difficult encounters/situations.*

*Our senior leadership team and tier three staff were also given the opportunity to attend WARN's Advanced Communication Session for Leadership and Managers which focused on:*

- *Making immediate decisions in crisis situations*
- *Taking responsibility for your own actions and those of your team*
- *Building a resilient culture amongst staff*
- *Operating effectively in a changing environment*
- *Utilising good stress management techniques*

*In April, we will be launching the opportunity for all employees to engage in WARN e-learning. This e-learning will also be built into our inductions for new employees, where appropriate.*

*BDC has a number of current risk mitigations in place for workers varying from:*

- *Health & Safety Inductions and new starter Risk Assessments.*
- *Development of workers working with angry and aggressive customers.*
- *Scenario training for workers working with angry and aggressive customers.*
- *Security screens and doors.*
- *CCTV installed including signage for the public to reduce the likelihood.*
- *Perspex barriers between customers and workers.*
- *Immediate Support via activation of the Green Button.*

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

- *De-escalation training of workers.*
- *Review of policy and procedures for post incident trauma.*
- *Redesign of reception area at brougham house that allow standing to greet away from counter, privacy, space and triaging.*

- *Secure parking and quality lighting for all BDC parking areas.*
- *Risk assessments prior to risk activity occurring.*
- *Dynamic risk assessment training and development.*
- *Public Meetings security.*

### **3.3 Revised Health & Safety Committee**

Due to numerous business changes, there was a need to revise and reset our Health and Safety Committee. This has now been successfully completed, with H&S Representatives from all key business areas being assigned. Monthly H&S meetings are now taking place, with actions and follow up requirements being dealt with promptly.

### **3.4 Safety Reporting Systems**

The Damstra reporting system has now been merged with Buller Holdings.

### **3.5 COVID-19 Update:**

Council continues to encourage employees to stay home if they are sick and have flu or cold like symptoms. Current Government guidance has been reiterated to all employees, via email.

Hand sanitiser, antibacterial surface wipes and face masks have also been made available to all employees and we have actively distributed these items to our customer facing teams given the increased level of interaction required in these departments.

## **RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 7**

**Prepared by:** Neil Engelbrecht  
Financial Accountant

Lynn Brooks  
Finance Manager

**Reviewed by:** Douglas Marshall  
Chief Financial Officer

**Attachment 1:** BDC Monthly Operational Report as at 31 January 2023

### **OPERATIONAL PERFORMANCE – as at 31 January 2023**

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#### **1. REPORT SUMMARY**

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

The business-as-usual result to date is a loss of \$1.533m against a budgeted surplus of \$0.339m, a negative variance of \$1.872m. This difference is mostly due to a timing variance in expenditure which is expected to resolve as the year progresses. Otherwise, revenue and expenditure are mainly on budget. More details relating to the variances can be found in the appendix.

The additional grant revenue and expenditure shows a surplus of \$1.092m against a budgeted surplus of \$0.297m, a positive variance of \$0.795m as a portion of grants relate to capital expenditure which is not included in this operations report.

The flood event result to date is an overall surplus of \$5.244m, it should be noted a portion of the flood event revenue relates to capital expenditure which is not included in this operations report.

The total reported surplus to January 2023 \$4.803m compared to a budgeted surplus of \$0.635m, a positive variance of \$4.167m. The main reason for this variance is grant and flood recovery revenue and expenditure. It is also due to timing differences between when the budget anticipated the revenue or expenditure would occur and the actual timing of the revenue and expenses and non-budgeting of flood recovery income and expenditure.

**2. RECOMMENDATION**

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

### 3. OPERATIONAL FINANCIAL PERFORMANCE

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

	Actual YTD	Annual Plan	YTD Variance		Projected Full Year	Annual Plan Full Year	Projected Variance Full Year
Operational Revenue	18,995,801	18,943,137	52,664	●	32,072,726	32,032,726	40,000
Operational Expenditure	20,529,137	18,604,489	(1,924,648)	■	31,893,033	31,831,033	(62,000)
TOTAL OPERATIONAL VARIANCE			(1,871,984)	■			(22,000)
Additional Grant Revenue	1,931,135	341,768	1,589,367	●	1,282,539	913,051	369,488
Additional Grant Expenditure	839,191	45,229	(793,962)	■	77,552	77,552	0
TOTAL ADDITIONAL GRANT VARIANCE			795,406	●			369,488
Flood Event Revenue	7,427,746	0	7,427,746	●	0	0	0
Flood Event Expenditure	2,183,766	0	(2,183,766)	■	0	0	0
TOTAL FLOOD EVENT VARIANCE			5,243,979	●			0
TOTAL PROFIT / (LOSS)			4,167,401	●			347,488
Net Profit / (loss)	4,802,588	635,187	4,167,401	●	1,384,680	1,037,192	347,488

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

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

Overall, operating revenue is \$0.052m higher than budgeted with the variance being mainly due to additional theatre income, higher than anticipated building activities and resource consents, offset due to timing differences on Westport Harbour and below budgeted income for community facilities, mainly relating to lower than budgeted lease income. It was budgeted to lease out the campground which did not materialise. \$40k of additional funding is expected to be received from the Ministry of Transport for Airport capital expenditure by the end of the year.

Because the corresponding Airport expenditure is not reported in this Operations Report, this additional revenue will be reported as a favourable difference for the remainder of the accounting year.

Operational expenditure is \$1.925m higher than budgeted mainly due to rehabilitation work on the dredge which was expected to be completed prior to 30 June 2022 and timing differences (mainly infrastructure delivery).

The dredge rehabilitation work was delayed to allow for completion of dredging in Westport prior to June 2022 and for it to occur when a dredging contract in Nelson was secured. The Nelson dredging and rehabilitation work was undertaken in September/October 2022.

The cost of this rehabilitation work, as well as the operating cost of the dredge, is all funded via the Tranche 2 Central Government service contract.

The dredge slipping expenditure will be a mixture of capital expenditure and repairs, and this work is being completed in line with the 2021-2031 Long-Term Plan which sets out that the work on the dredge would only be completed if a sound business case was developed, and it was.

To date, additional grant revenue consists of advance funding from Provincial Growth Fund (PGF) for the ongoing port projects, Mayors Taskforce for Jobs, KMTT restoring flora grant, National Transition Unit and Department of Internal Affairs. PGF grants will be spent on a combination of capital expenses and repairs.

Council will continue to receive significant funding over the next period for flood recovery works. As more information is confirmed regarding grant funding this will be included in future reports.

The report includes confirmed grant funding from the National Emergency Management Agency (NEMA) (Tranche 2) projects for the port projects.

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

Waka Kotahi have funded flood recovery roading costs for both capital and operational costs, and Department of Internal Affairs have funded wages costs for flood recovery salaries.



**BULLER DISTRICT COUNCIL**  
**Operating Report for the Seven Months to January 2023**

Prepared by: Neil Engelbrecht  
Reviewed by: Lynn Brooks/Douglas Marshall

	Actual Year to Date	Annual Plan Budget	YTD Variance	Status	Full Year Prediction	Annual Plan Budget	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
<b>Operational Revenue</b>								
Community Services	291,790	191,275	100,515	●	341,119	341,119	0	NBS Theatre higher than predicted shop sales, admissions, and timing of external fundine.
Westport Harbour	1,249,541	1,398,695	(149,154)	■	2,766,000	2,766,000	0	Timing difference of dredging at port Nelson income. This has not been budgeted for. Timing of Westport Gravel removal, year to date budgeted income is higher than actuals. Nett effect of these 2 accounts for \$129k of the variance.
Governance & Representation	25,857	33,600	(7,743)	▲	33,600	33,600	0	
Water Supplies	2,816,668	2,769,274	47,394	▲	3,877,579	3,877,579	0	
Airport	99,718	89,848	9,870	▲	198,538	158,538	40,000	Ministry of Transport additional funding
Community Facilities	414,577	534,235	(119,658)	■	1,355,759	1,355,759	0	Orowaiti Cemetary and leasehold income less than budget, the remainder relates to budget phasing resulting in timing differences.
Roading & Transport	2,110,190	2,193,563	(83,373)	■	6,079,712	6,079,712	0	Timing difference on NZTA streetlight income and a variation of in the timing of delivery of the roading programme, the majority of the roading programme work occurs in the latter part of the financial year.
Regulatory Services	994,413	826,624	167,789	●	1,365,695	1,365,695	0	Higher than predicted building activity and resource consents. Additional reserve contributions not included in budget. Even though there was an increase in income, the cost related to Regulatory Service was well controlled, and have to date not increased in line with the income.
Solid Waste	767,685	729,655	38,030	▲	1,012,696	1,012,696	0	
Support Services	42,910	42,817	93	▲	76,360	76,360	0	
Council - General Rates & Treasury	8,008,845	7,948,035	60,810	●	12,043,974	12,043,974	0	Mainly due to more investment income received compared to budget.
Wastewater	2,185,226	2,182,702	2,524	▲	2,916,676	2,916,676	0	
Stormwater	(11,619)	2,814	(14,433)	▲	5,018	5,018	0	
<b>Total Operational Income</b>	<b>18,995,801</b>	<b>18,943,137</b>	<b>52,664</b>	●	<b>32,072,726</b>	<b>32,032,726</b>	<b>40,000</b>	
<b>Operational Expenditure</b>								
Community Services	2,601,569	2,466,174	(135,395)	■	4,121,329	4,121,329	0	Variance relates mainly to performance fees, additional shows were held that was not budgeted for, resulted in a corresponding increase in operational revenue.
Westport Harbour	2,506,891	1,422,586	(1,084,305)	■	2,535,881	2,535,881	0	Variance mainly due to timing of slipping costs (to date \$1.053m) incurred in advance of external funding for Westport dredging.
Governance & Representation	1,046,067	1,081,670	35,603	▲	1,808,375	1,808,375	0	
Water Supplies	2,339,790	2,161,878	(177,912)	■	3,731,799	3,669,799	(62,000)	Higher than budgeted repairs to date Westport Water \$143, Reefton Water \$25k, Cape Foulwind \$20k and Inangahua Water \$11k, less underspends in insurance and interest costs due to timing difference from budget phasing. Maintenance Contract review \$32k, pump hire for \$30k not able to be claimed from flood recovery, will be permanent overspend at end of year if unable to be mitigated in Westport Supply. Remainder of variance expected to be timing difference only.
Airport	319,594	301,026	(18,568)	▲	509,699	509,699	0	
Community Facilities	1,742,971	1,906,437	163,466	●	3,336,965	3,336,965	0	Repairs and maintenance expenditure is less than budget year to date.
Roading & Transport	4,694,169	4,518,053	(176,116)	■	7,912,099	7,912,099	0	Variance is due to the timing difference of the delivery of the roading programme.
Infrastructure Delivery (income and expenditure netted off)	274,942	(5,079)	(280,021)	■	(9)	(9)	0	Timing Only.
Regulatory Services	1,664,228	1,684,299	20,071	▲	2,895,908	2,895,908	0	
Solid Waste	890,687	875,556	(15,131)	▲	1,475,992	1,475,992	0	Timing difference. Difference relates to overhead allocations.
Support Services	438,866	170,872	(267,994)	■	234,787	234,787	0	Variance is mainly due to increase in consulting services, majority relate to infrastructure planning and asset management prooerty.
Wastewater	1,504,700	1,601,669	96,969	●	2,645,599	2,645,599	0	Difference is mainly due to less consultancy services and power expenditure.
Stormwater	504,663	419,348	(85,315)	■	684,609	684,609	0	Difference is mainly due to repairs and maintenance expense being higher than budgeted.
<b>Total Operational Expenditure</b>	<b>20,529,137</b>	<b>18,604,489</b>	<b>(1,924,648)</b>	■	<b>31,893,033</b>	<b>31,831,033</b>	<b>(62,000)</b>	
<b>OPERATIONAL PROFIT / (LOSS)</b>	<b>(1,533,336)</b>	<b>338,648</b>	<b>(1,871,984)</b>	■	<b>179,693</b>	<b>201,693</b>	<b>(22,000)</b>	
<b>Additional Grant Revenue</b>								
Community Services	394,987	14,297	380,690	●	394,987	25,499	369,488	\$216k Mayors Taskforce for Jobs, \$146k KMTT Restoring flora and other small sundry grants all unbudgeted.
Westport Harbour	903,747	0	903,747	●	0	0	0	Provincial Growth Fund Port projects grant received and MBIE port Preceinct Grant received, both not budgeted.
Commercial and Corporate Services	196,417	0	196,417	●	0	0	0	National Transition Unit and Department of Internal Affairs funding that was not budgeted for.
Water Supplies	0	0	0	▲	0	0	0	
Community Facilities	182,873	222,292	(39,420)	▲	587,552	587,552	0	
Roading & Transport	200,000	105,179	94,821	●	300,000	300,000	0	Westport Town Precinct & Pathways TIF grant exceeding budgeted amount. Timing difference.
Solid Waste	53,113	0	53,113	●	0	0	0	Grant received from ministry for the environment, not budgeted for.
<b>Total Additional Grants Income</b>	<b>1,931,135</b>	<b>341,768</b>	<b>1,589,367</b>	●	<b>1,282,539</b>	<b>913,051</b>	<b>369,488</b>	
<b>Additional Grant Expenditure (excludes Capital Expenditure)</b>								
Community Services	261,143	0	(261,143)	■	0	0	0	Mayors taskforce for job grant expenditure and small KMTT project expenses. Relates to unbudgeted income above.
Westport Harbour	483,172	0	(483,172)	■	0	0	0	Provincial Growth Fund Port projects. Mainly relating to repairs & Maintenance on the PGF project. Unbudgeted spend as per the income noted above.
Commercial and Corporate Services	0	0	0	▲	0	0	0	
Water Supplies	0	0	0	▲	0	0	0	
Community Facilities	34,436	45,229	10,793	▲	77,552	77,552	0	
Roading & Transport	0	0	0	▲	0	0	0	
Solid Waste	60,440	0	(60,440)	■	0	0	0	All expenditure relates to consultancy expenses, unbudgeted for. This is spend from the unbudgeted grant income noted above.
<b>Total Additional Grants Expenditure</b>	<b>839,191</b>	<b>45,229</b>	<b>(793,962)</b>	■	<b>77,552</b>	<b>77,552</b>	<b>0</b>	
<b>ADDITIONAL GRANTS PROFIT / (LOSS)</b>	<b>1,091,945</b>	<b>296,539</b>	<b>795,406</b>	●	<b>1,204,987</b>	<b>835,499</b>	<b>369,488</b>	

# ATTACHMENT 1

## Flood Event Revenue

All Flood Event Revenue	7,427,746	0	7,427,746	●	0	0	0	MBIE Housing, NEMA funding, DIA funding, MPI and Waka Kotahi flood events income received.
<b>Total Unbudgeted Flood Event Revenue</b>	<b>7,427,746</b>	<b>0</b>	<b>7,427,746</b>	●	<b>0</b>	<b>0</b>	<b>0</b>	

## Flood Event Expenditure (excludes Capital Expenditure)

Flood Event Operational Expenditure	2,183,766	0	(2,183,766)	■	0	0	0	Flood related operational expenditure to Jan including Mayoral Relief Fund payments. Projection is for operational expenses only, not capital.
<b>Total Unbudgeted Flood Event Expenditure</b>	<b>2,183,766</b>	<b>0</b>	<b>(2,183,766)</b>	■	<b>0</b>	<b>0</b>	<b>0</b>	
<b>FLOOD EVENT PROFIT / (LOSS)</b>	<b>5,243,979</b>	<b>0</b>	<b>5,243,979</b>	●	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PROFIT / (LOSS)</b>	<b>4,802,588</b>	<b>635,187</b>	<b>4,167,401</b>	●	<b>1,384,680</b>	<b>1,037,192</b>	<b>347,488</b>	

Favourable  
 Unfavourable  
 Neutral +/- \$50k

### Key

● Favourable variance + \$50k or more  
 ■ Unfavourable variance - \$50k or more  
 ▲ Neutral variance within +/- \$50k

## **RISK AND AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 8**

**Prepared by** Neil Engelbrecht  
Financial Accountant

Lynn Brooks  
Finance Manager

**Reviewed by** Douglas Marshall  
Chief Financial Officer

#### **INVESTMENTS AND BORROWINGS – As at 31 January 2023**

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##### **1. REPORT SUMMARY**

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

##### **2. DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive the Investments and Borrowings report for information.**

##### **3. ISSUES AND DISCUSSION**

###### **3.1 Term Investments**

Total term investments (Including call account and other loans) have decreased by \$1.46m since the last report to 31 December 2022 from \$17.988m to \$16.513m at 31 January 2023. The call account reduced by \$1.45m from \$1.80m at 31 December 2022 to \$350k at 31 January 2023. Reserve contribution investments reduced by \$10k from \$1.18m at 31 December 2022 to \$1.17m at 31 January 2023. These movements reflect finance staff managing cashflow needs in this period.

###### **3.2 Bank Balance**

Council's current account closing balance have decreased by \$34k since the last report to 31 December 2022. The balance decreased from \$718k at 31 December 2022 to \$684k at 31 January 2023.

### **3.3 Interest Revenue**

Interest revenue to the end of January is \$431k against a YTD budget of \$434k and a full year budget of \$797k.

Council continues to reinvest term investment funds at the most favourable interest rate when deposits are available for renewal. The improving interest rates are reflected in the interest revenue for the year.

### **3.4 Borrowings and Net Debt Position**

Total borrowings remain at \$33.2m. Net debt (borrowings less term investments and call account balance) has increased by \$1.46m since last reported to \$18.30m due to the net movements noted above.

### **3.5 Compliance with Treasury Management Policy**

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

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

Currently investments in NBS total \$3.468m representing 25% of the total investment portfolio. This planned breach will continue as investments mature and are rolled over as this level of investment is part of a sponsorship agreement.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

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

### **4.2 Significance Assessment**

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

### **4.3 Values Assessment**

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

Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.

Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

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

#### **4.4 Risk Analysis**

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

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

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

#### **4.5 Policy / Legal Considerations**

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

Council's Investment Policy and Treasury Policy govern the management of cash assets and borrowings.

#### **4.6 Tangata Whenua Considerations**

None identified.

#### **4.7 Views of Those Affected**

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

#### **4.8 Costs**

There are no extraordinary costs relating to investments and borrowings.

#### **4.9 Benefits**

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

#### **4.10 Media / Publicity**

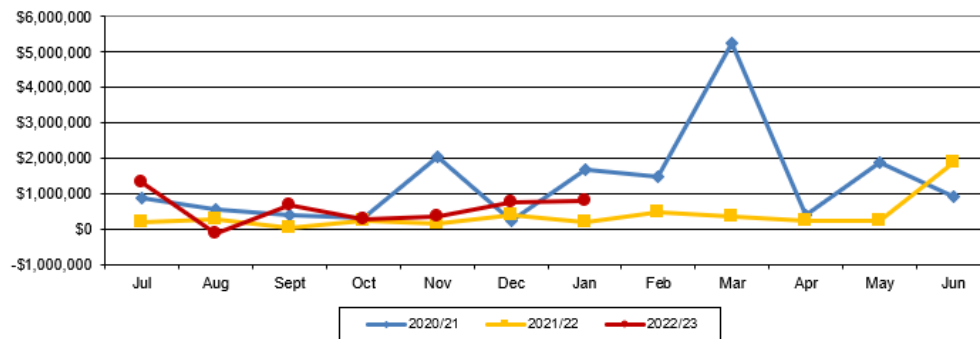
None identified.

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31-Jan-22	Last Report 31-Dec-22	Last Year 30-Jun-22
Current Account Council	\$683,537	\$718,347	\$1,866,900

### 2. MONTH END BANK BALANCES



### 3. SUMMARY OF INVESTMENTS

	This Month 31-Jan-23	Last Report 31- Dec -22	Last Year 30-Jun-22
Term deposits	14,107,572	14,122,151	16,377,141
LGFA Borrower Notes	455,000	455,000	455,000
Call Account	350,000	1,800,000	700,000
Other loans (Includes loan to Holding Company)	1,600,982	1,610,982	1,610,982
<b>Total Investments</b>	<b>\$16,513,453</b>	<b>\$17,988,133</b>	<b>\$19,143,123</b>

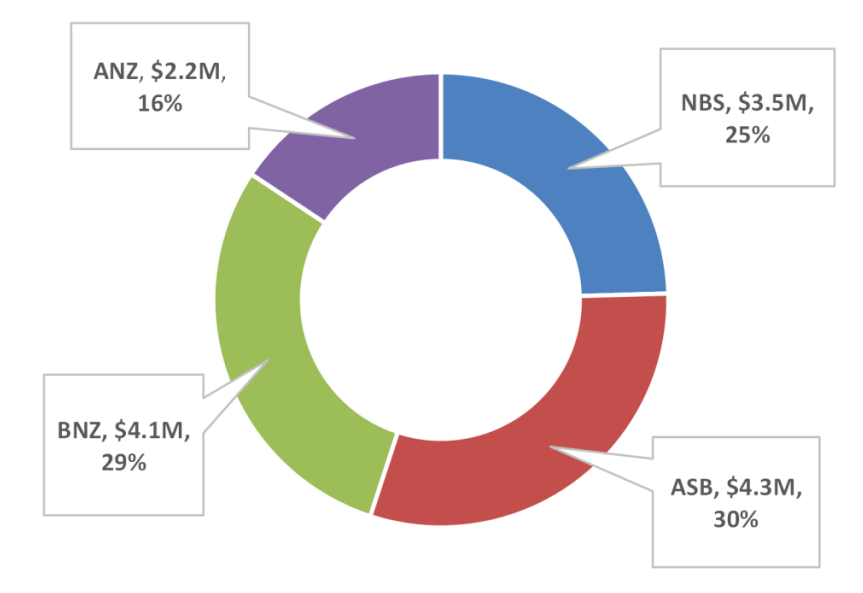
### 3.1 Term Deposits

Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	ASB	1,325,000	6-Mar-2022	6-Mar-2023	2.10%
Term Deposit	BNZ	1,000,000	10-Mar-2022	10-Mar-2023	2.40%
Term Deposit	BNZ	500,000	8-Apr-2022	8-Apr-2023	2.70%
Term Deposit	NBS	400,000	4-May-2022	4-May-2023	2.70%
Term Deposit	ANZ	1,000,000	4-May-2022	4-May-2023	2.70%
Term Deposit	NBS	1,000,000	29-Jun-2022	29-Jun-2023	3.65%
Term Deposit	BNZ	1,000,000	30-Jun-2022	30-Jun-2023	3.65%
Term Deposit	NBS	1,534,038	18-Jul-2022	18-Jul-2023	3.65%
Term Deposit	ANZ	1,199,821	10-Oct-2022	9-Oct-2023	4.10%
Term Deposit	ASB	1,000,000	12-Oct-2022	12-Oct-2023	4.20%
Term Deposit	BNZ	1,636,800	4-Dec-2022	4-Mar-2023	2.80%
Term Deposit	NBS	534,037	13-Dec-2022	13-Jun-2023	4.50%
Term Deposit	ASB	977,776	23-Dec-2022	23-Jun-2023	4.55%
Term Deposit	ASB	1,000,000	23-Jan-2023	26-Aug-2023	4.90%
<b>Total Term Deposits</b>		<b>14,107,572</b>			

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

The BNZ term deposit placed on 4 December 2022 for just 3 months was to fill a gap in the maturity profiles where council is trying to have cash available from term deposits to balance our monthly cashflow needs.

### 3.2 Term Deposits Summary by Trading Bank



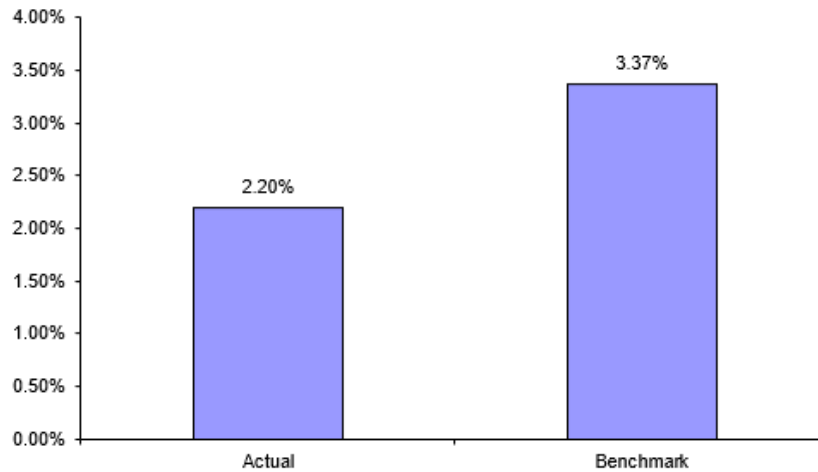
The maximum allowable investment per issuer is \$10m.

### 3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	80,000	1-Mar-2023	4.52%
LGFA Borrower Note	LGFA	125,000	1-Mar-2024	4.00%
LGFA Borrower Note	LGFA	125,000	1-May-2026	3.70%
LGFA Borrower Note	LGFA	125,000	1-Mar-2027	4.19%



#### 4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



#### 5. INTEREST REVENUE

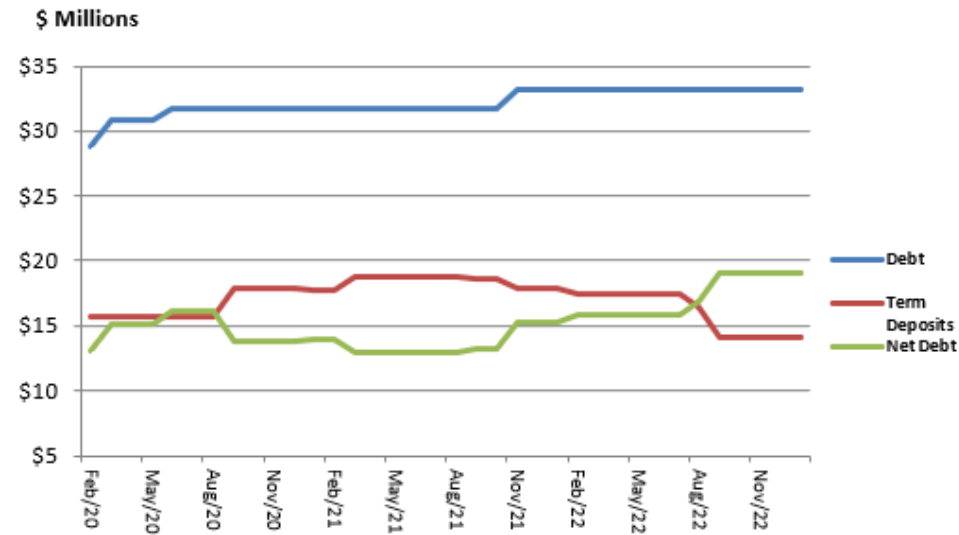
	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$430,760	\$434,570	\$796,699

#### 6. SUMMARY OF BORROWINGS

	This Month 31-Jan-23	Last Report 31-Dec-22	Last Year 30-Jun-22
<b>External Debt</b>			
Westpac Loan Facility	13,213,860	13,213,860	13,213,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	<b>\$33,213,860</b>	<b>\$33,213,860</b>	<b>\$33,213,860</b>
Weighted Average Interest Cost	4.74 %	4.43%	4.07%

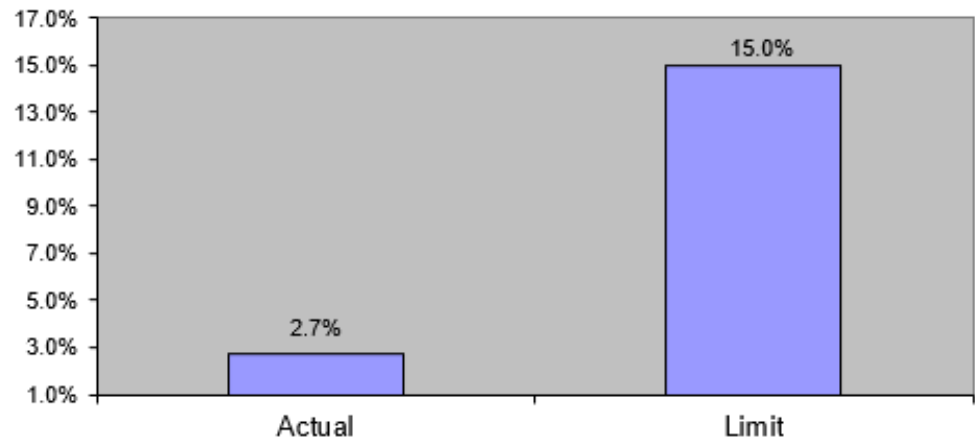
<b>Net Debt</b>			
Total Borrowings	33,213,860	33,213,860	33,213,860
Less: Term deposits (including Call Account)	14,912,472	16,377,151	17,532,141
	<b>\$18,301,388</b>	<b>\$16,836,709</b>	<b>\$15,681,719</b>

7. DEBT AND INVESTMENTS 3-YEAR TREND

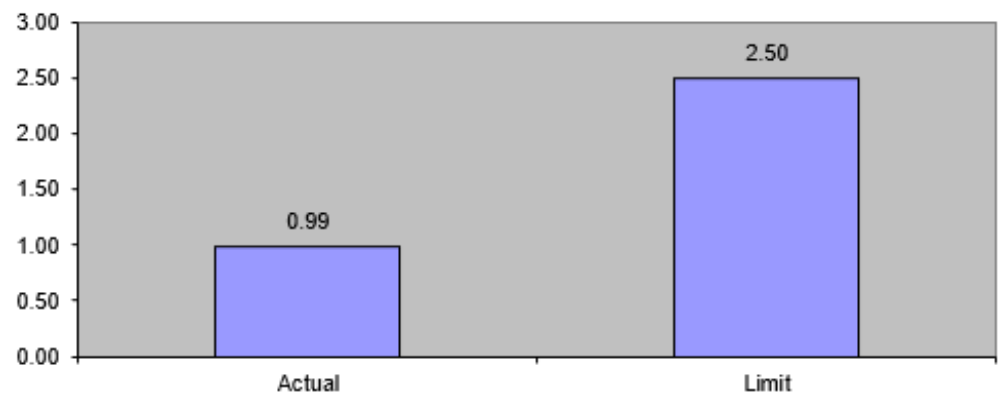


The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account.

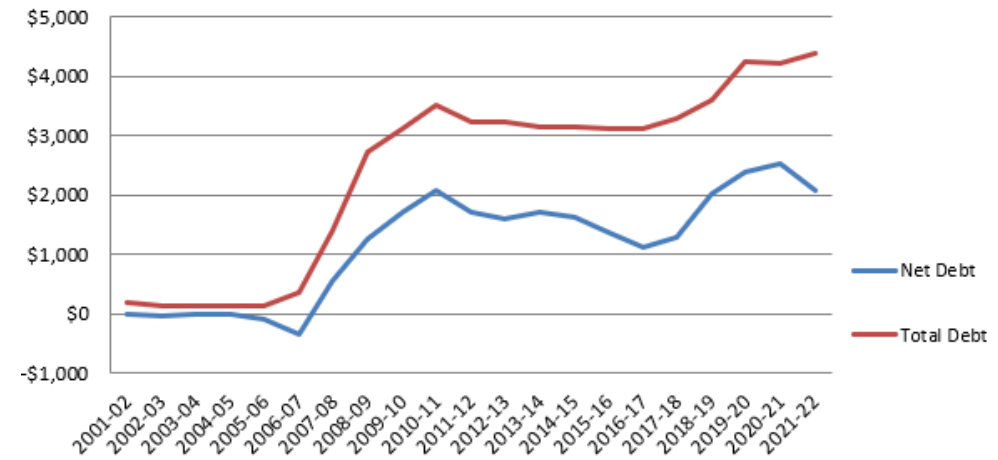
7.1 Interest Expense / Total Income



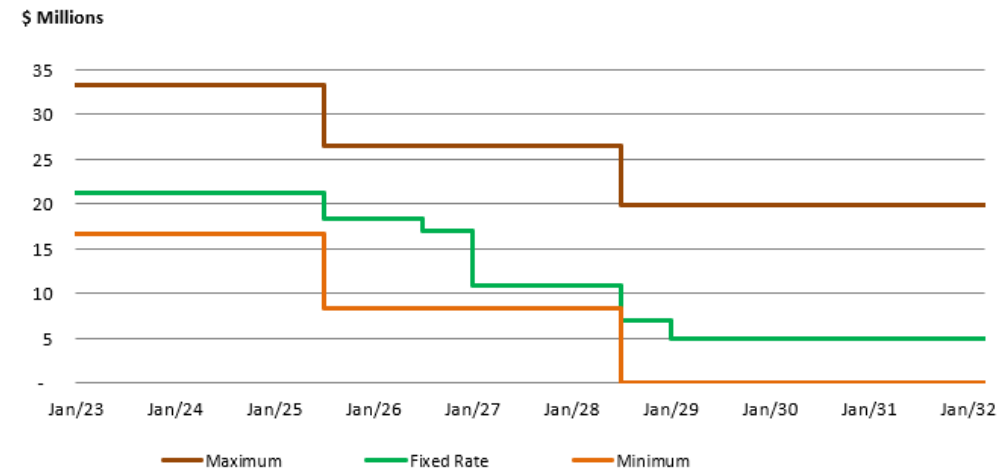
7.2 Gross Debt / Total Income



7.3 Debt and Net Debt per Rateable Property



7.4 Fixed Rate Debt - Compliance with Treasury Policy



## **RISK & AUDIT COMMITTEE**

**22 MARCH 2023**

### **AGENDA ITEM 9**

**Prepared by** Juliette Aldridge  
Financial Services Officer

Lynn Brooks  
Finance Manager

**Reviewed by** Douglas Marshall  
Chief Financial Officer

**Attachments**      **Attachment 1** – Rates arrears report as at 31 January 2023  
  
                         **Attachment 2** – Sundry debtors report as at 31 January 2023

#### **BDC OUTSTANDING DEBTORS REPORT 31 JANUARY 2023**

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##### **1      REPORT SUMMARY**

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

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

##### **2      DRAFT RECOMMENDATION**

**That Council receive the debt recovery report as at 31 January 2023 for information.**

##### **3.     ISSUES AND DISCUSSION**

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

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

### **3.2 Rates**

Debt follows the usual pattern whereby every third month when the rates are charged the rate debt increases, then it decreases for the following two months.

The total rates debt as at January 2023 has increased slightly since the last quarter with slight increases over most categories.

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

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

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

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

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

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

### **3.3 Sundry Debtors**

This report has a slightly different format in that part of the report includes for comparison the balance of debt outstanding as at the last report being 31 July 2022.

Debt shows an increase in \$ value outstanding of \$46,357 although the number of individual debts has decreased from 215 to 174 .

The increase since the last report relates to an amount owing from a Government Agency in the Sundry Income Category which has taken some time to resolve but is close to be resolved.

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

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

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

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

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

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

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

#### **4.2 Significance Assessment**

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

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

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

#### **4.3 Risk Analysis**

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

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

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

#### **4.4 Values**

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

#### **4.5 Policy / Legal Considerations**

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council

and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986 and the Resource Management Act 1991.

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

**4.6 Tangata Whenua Consultation Considerations**

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

**4.7 Views of Those Affected**

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

**4.8 Costs**

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

**4.9 Benefits**

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

**4.10 Media / Publicity**

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



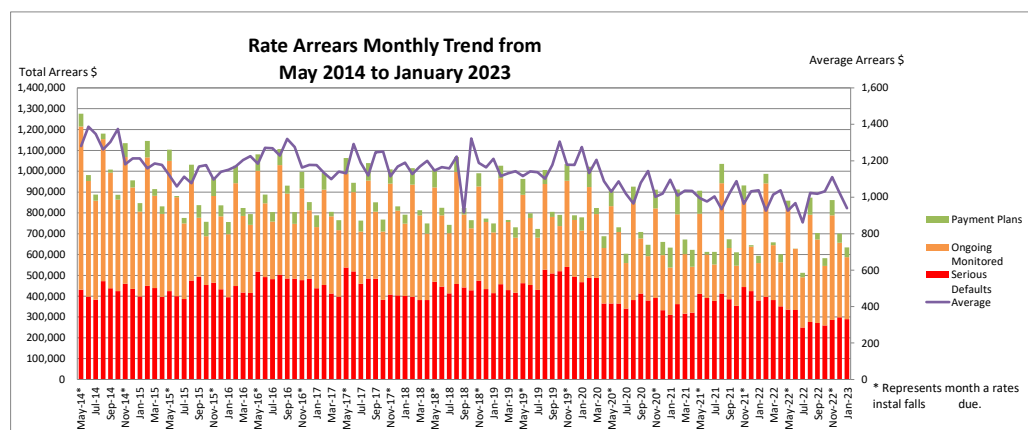
## Rates Accounts - Debt Recovery Report

Report cutoff date 31 January 2023  
 Last rates instalment due date 28 November 2022  
 Next rates instalment due date 28 February 2023

## Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence						Comment
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter	Continue Sale Process	
Red	Placed with External Debt Collection	15	113,561	19,946	93,615	21%				J			Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		J					Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	4	15,735	7,386	8,349	2%							Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	16	80,379	19,003	61,376	14%	✓		✓				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	31	80,211	46,530	33,681	7%					J		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	15	25,299	18,075	7,224	2%	J				J		Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	41	18,280	15,632	2,648	1%				J	J		Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	33	95,596	36,683	58,913	13%	J						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
Orange	No Payments - Property on Market	10	22,183	9,394	12,789	3%	J						Annual Review.
Orange	Missed August and November 2022 instalments	77	54,338	53,075	1,263	0%					J		Letters sent - monitoring.
Orange	Missed one instalment only	207	81,788	81,788	0	0%					J		Letters sent - monitoring.
Green	Payment plans	226	46,932	38,655	8,277	2%				J			Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	38	184,327	19,720	164,607	36%						J	Report to June 2019 Council Meeting.
	<b>Totals</b>	<b>713</b>	<b>818,629</b>	<b>365,887</b>	<b>452,742</b>	<b>100%</b>							

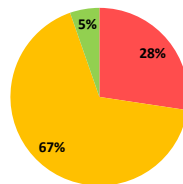
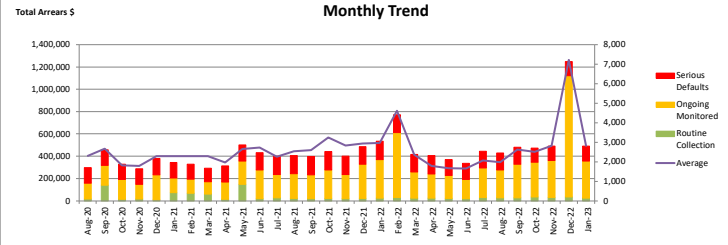
Internal Debt Recovery			
Red	289,886	35.4%	
Orange	297,484	36.3%	
Green	46,932	5.7%	
Abandoned land	184,327	22.5%	
	818,629	100.0%	



## Sundry Debtors - Debt Recovery Report

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

Status Flag	Debtor Type	Age of Debt - 31 Jan 2023		Age of Debt - 31 July 2022		Variance July 22 v January 23		No. of Account Holders per Debt Thresholds			Action to Date				Further Action to Commence					Comments
		No. of Debtors	Overdue	No. of Debtors	Overdue	No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	At Debt Agency/ Mortgagee	Letter Sent	Payment Plan	In Dispute	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
●	Leasehold Properties	20	134,654	20	149,853	0	15,199	8	9	3	1	10	9		✓			✓	✓	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
●	Orowaiti Connection	2	6,750	2	6,750	0	0	0	2	0				2				✓		Long standing arrears collected when property transfers.
●	Libraries	0	0	0	0	0	0	0	0	0										Small amounts monitored.
●	Water	11	24,636	19	20,287	8	(4,349)	7	4	0		11			✓			✓		Payment plans promoted for those with long standing debt.
●	Resource Management	15	54,785	20	61,562	5	6,777	8	5	2	4	9	2		✓	✓		✓		Long standing arrears receiving increased collection measures.
●	Rentals	15	38,912	20	38,908	5	(4)	11	3	1		15				✓		✓		\$27k debtor in Liquidation, this debt remains on Council records until final notification of wind up. The balance is under routine monitoring.
●	Regulatory Licences e.g. Food Premises	24	5,765	35	9,071	11	3,306	24	0	0		24								Timing of Annual Licences billing.
●	Sundry	38	181,592	41	108,400	3	(73,192)	29	5	4		38					✓			Instalment arrangements entered into for those with long standing debt.
●	Westport Harbour	17	18,119	24	19,782	7	1,663	16	1	0		8	8	1						Annual payment plans in place. Rents, Berthage etc
●	Trade Waste	5	10,592	6	11,242	1	650	3	2	0	2			3					✓	Annual invoicing cycle in June of each year.
●	Airport Parking	1	40	1	40	0	0	1	0	0		1							✓	Small amounts monitored.
●	Building Consents	12	10,568	9	11,671	(3)	1,104	10	2	0		12								Where overdue, this represents inspections not yet completed due to timing of building process.
●	Swimming Pools	5	660	8	1,150	3	490	5	0	0		5								
●	Cemetery	8	4,185	8	5,884	0	1,699	8	0	0		8								
●	LIMs	1	300	2	600	1	300	1	0	0		1								
●	Totals	174	491,557	215	445,200	41	(46,357)	131	33	10										

Internal Debt Recovery  
(debit balances due)Debtor Arrears  
Monthly Trend

## **RISK AND AUDIT COMMITTEE**

**MARCH 2023**

### **AGENDA ITEM 10**

**Prepared by** Rachel Townrow  
Acting Chief Executive

**Attachments** Attachment 1 - Projects in Partnership NEMA Update

#### **MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE REPORT**

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##### **1 REPORT SUMMARY**

This report provides an update on the progress of the Projects in Partnership Steering Committee. It will be provided to the Risk and Audit Committee on a regular basis until the projects are completed. See attached for progress reports as listed below.

##### **2 DRAFT RECOMMENDATION**

**That the Risk and Audit Committee receive the Projects in Partnership Update Report for information.**

##### **3. REPORTS**

###### **NEMA Reports**

- NEMA Financials Tranche 1
- NEMA Financials Tranche 2

###### **PiP Reports**

- 3 Waters
- Betterment
- Wharf Repair
- Tiphead
- Dredging (verbal update to PiP committee only)
- Reefton Stopbank
- Reefton Landfill

###### **Commercial & Corporate Services Portfolio Report**

- Buller District Ports Package

**NEMA Tranche 1 Programme  
For Period 2022/23 - January**

	ORIGINAL BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims to Submit	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION	PROJECT VARIANCE
<b>Grand Total</b>	<b>0</b>	<b>1,350,257</b>	<b>(1,290,991)</b>	<b>(59,266)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Immediate Response and recovery costs</b>							
Expenses	1,450,000	494,255			955,746	1,450,000	0
Revenue	(1,450,000)		(441,718)	(52,537)	(955,746)	(1,450,000)	0
<b>Solid Waste Management</b>							<b>0</b>
Expenses	1,500,000	856,002			0	856,002	643,998
Revenue	(1,500,000)		(849,273)	(6,729)	0	(856,002)	(643,998)

**NEMA Tranche 2 Programme  
For Period 2022/23 - January**

	ORIGINAL BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims to Submit	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION	PROJECT VARIANCE
<b>WP1 Drinking Water Repairs</b>	<b>0</b>	<b>87,241</b>	<b>(73,350)</b>	<b>(13,890)</b>	<b>(13,890)</b>	<b>0</b>	<b>0</b>
Expenses	329,848	87,241			242,607	329,848	0
Revenue	(329,848)		(73,350)	(13,890)	(256,498)	(329,848)	0
<b>WP2 Stormwater Repairs</b>	<b>0</b>	<b>96,263</b>	<b>(54,158)</b>	<b>(42,105)</b>	<b>(42,105)</b>	<b>0</b>	<b>0</b>
Expenses	456,600	96,263			360,337	456,600	0
Revenue	(456,600)		(54,158)	(42,105)	(402,442)	(456,600)	0
<b>WP3 Wastewater Repairs</b>	<b>0</b>	<b>353,583</b>	<b>(108,569)</b>	<b>(245,014)</b>	<b>(245,014)</b>	<b>0</b>	<b>0</b>
Expenses	480,400	353,583			126,817	480,400	0
Revenue	(480,400)		(108,569)	(245,014)	(371,831)	(480,400)	0
<b>WP4 CCTV and Cleaning</b>	<b>0</b>	<b>989,085</b>	<b>(481,378)</b>	<b>(507,707)</b>	<b>(507,707)</b>	<b>0</b>	<b>0</b>
Expenses	1,183,903	989,085			194,818	1,183,903	0
Revenue	(1,183,903)		(481,378)	(507,707)	(702,525)	(1,183,903)	0
<b>WP5 3W Inspections</b>	<b>0</b>	<b>28,550</b>	<b>(21,127)</b>	<b>(7,423)</b>	<b>(7,423)</b>	<b>0</b>	<b>0</b>
Expenses	61,000	28,550			32,450	61,000	0
Revenue	(61,000)		(21,127)	(7,423)	(39,873)	(61,000)	0
<b>Project Management WP 1-5</b>	<b>0</b>	<b>231,939</b>	<b>0</b>	<b>(231,939)</b>	<b>(231,939)</b>	<b>0</b>	<b>0</b>
Expenses		231,939			(231,939)		
Revenue	0		0	(231,939)	0	0	0
<b>WP6 3W Betterment Projects</b>	<b>0</b>	<b>63,751</b>	<b>0</b>	<b>(63,751)</b>	<b>(63,751)</b>	<b>0</b>	<b>0</b>
Expenses	1,582,000	63,751			1,518,249	1,582,000	0
Revenue	(1,582,000)		0	(63,751)	(1,582,000)	(1,582,000)	0
<b>WP7 Westport Port Repairs</b>	<b>0</b>	<b>116,614</b>	<b>0</b>	<b>(116,614)</b>	<b>(116,614)</b>	<b>0</b>	<b>0</b>
Expenses	5,920,000	116,614			5,803,386	5,920,000	0
Revenue	(5,920,000)		0	(116,614)	(5,920,000)	(5,920,000)	0
<b>WP8 Westport Dredging Project</b>	<b>0</b>	<b>378,000</b>	<b>0</b>	<b>(378,000)</b>	<b>(378,000)</b>	<b>0</b>	<b>0</b>
Expenses	4,716,000	378,000			4,338,000	4,716,000	0
Revenue	(4,716,000)		0	(378,000)	(4,716,000)	(4,716,000)	0
<b>WP9 Inangahua River Projects</b>	<b>0</b>	<b>331,470</b>	<b>(173,557)</b>	<b>(157,913)</b>	<b>(157,913)</b>	<b>0</b>	<b>0</b>
Expenses	1,224,000	331,470			892,530	1,224,000	0
Revenue	(1,224,000)		(173,557)	(157,913)	(1,050,443)	(1,224,000)	0
<b>WP10 Tiphead Repairs</b>	<b>0</b>	<b>236,959</b>	<b>(44,982)</b>	<b>(191,976)</b>	<b>(191,976)</b>	<b>0</b>	<b>0</b>
Expenses	1,000,000	236,959			763,041	1,000,000	0
Revenue	(1,000,000)		(44,982)	(191,976)	(955,018)	(1,000,000)	0
<b>Programme Management</b>	<b>0</b>	<b>37,278</b>	<b>(4,385)</b>	<b>(32,893)</b>	<b>(32,893)</b>	<b>0</b>	<b>0</b>
Expenses	190,440	37,278			153,162	190,440	0
Revenue	(190,440)		(4,385)	(32,893)	(186,055)	(190,440)	0
<b>TOTAL</b>							
Expenses	17,144,191	2,950,733		0	14,193,458	17,144,191	0
Revenue	(17,144,191)		(961,506)	(1,989,226)	(16,007,771)	(17,144,191)	0
Threshold Deduction	174,914		174,914		0	174,914	
<b>Total</b>	<b>174,914</b>	<b>2,950,733</b>	<b>(786,592)</b>	<b>(1,989,226)</b>	<b>(1,814,312)</b>	<b>174,914</b>	<b>0</b>

Pre T2 Infrastructure Eligible costs approved t	647,172	Claim 3
Less BDC Threshold for July event	(173,850)	537,578 eligible costs approved 23/2/23 and invoiced
Claimable Portion	473,322	93,802 costs under review
NEMA 60% contribution	283,993 (deducted from the balance of the \$1m	Claim 4
40% T2 eligible contribution	179,232 approved Oct 22	1,159,820 Submitted for review

## PMO -Project Report - Flood Recovery - Return to Service - Work Packages 1 - 5

### Programme/Project Details

<b>Location and Region:</b>	Whole of Buller District. Works concentrated in Westport which received the most damage from the 2 events.
<b>Project Budget:</b>	\$2,511,751
<b>Reporting Period (ending):</b>	January-2023
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	
<b>Project Manager:</b>	Mark Wiechern
<b>Programme Outcomes:</b>	This Programme of works covers all 3W repair (Drinking Water/ Stormwater/ Wastewater) in Work Packages 1-5. The programme encompassed both the July 2021 and February 2022 severe weather events damage. 60% of funding is from NEMA, and the remaining 40% is by Cabinet approval of the T2 funding submission (outside of NEMA policy).



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

Aspect	Status	Comments
<b>Overall:</b>	G	Repair works have progressed well. Approximately 92% complete by tasks or 82% complete by cost vs projected total costs.
<b>Budget:</b>	G	Work will complete under original estimates by a value approximating slightly above the contingency allowed for this repairs programme
<b>Scope:</b>	A	Still require scope signoffs by NEMA for Brougham brick arch however .
<b>Resource:</b>	A	Should be ok however the engaged contractors have increasing work loads from competing projects/funding streams. Requires strict management by PM for priorities.
<b>Schedule:</b>	G	All works excluding Brougham brick arch to be closed by March 31. Brougham Brick Arch closed by May 31 at the latest due complexity of access.
<b>Risks / Issues:</b>	A	Mainly Resourcing as above.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
<p>The 3W Repairs Programme (Workpackages 1 - 5) is nearing completion with only portions of 8 faults still being worked on. It is anticipated that with the exception of the Brougham street brick arch, all other work will be closed out by the end of March 2023, with most remaining works to be undertaken at the start of the summer months. We are still forecasting an underspend of between \$250,000 - \$300,000 (roughly aligns with the contingency value apportioned to the programme), allowing for not further concealed repairs coming to light. The CCTV Programme of work has come to a conclusion after 16 months, with a number of major faults being identified for the Council BAU 3W team to plan and rectify outside of this scope.</p>	<p>Completing the Westport Waste water treatment plant fault repairs will be a key focus and priority for February/March. These include the final grit cleanout which also allows for access to undertake the diffusers for replacement. The remaining electrical repairs and Domett street Tomo repair should also be completed in this period. Additionally locking down the Brougham brick arch repairs scope and receiving pricing will be a key objective for this same period. This requires a number of processes to execute however including a heritage assessment of the old wharf structure, Kiwirail grant application, design and survey work. Once the project team receives supplier estimates for the Brougham Street Brick Arch Repair (via westreef/Hydrotech) this will be submitted to NEMA for final approval.</p>

Updated Project Road Map/Schedule													
Project task	2022			2023									Comments
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Planning and BDC Approvals													
Easements and access Agreement													
Construction (Includes continuation of HDD Design)													
Construction Complete													
Commissioning and Testing													
Handover and Asset Manager Acceptance													

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Westport WWTP Diffusers Replacement	31-Mar-23	28-Mar-23	10%	0
Westport WWTP Grit Cleaning	31-Mar-23	28-Mar-23	66%	0
CCTV - Final Remaining Sites	16-Dec-22	31-Jan-23	100%	0
Domett St Tomo - Damaged Pipe Repair	16-Feb-23	31-Mar-23	25%	0
Cats Creek - Clean out Flood Silt	1-Oct-22	1-Oct-22	100%	0
Westport Waste Pump Stations - Remaining Electrical Repairs	31-Mar-23	31-Mar-23	80%	0
Waimangaroa Drinking Water Repair	1-Feb-23	1-Mar-23	70%	0
Reefton Reservoir Access Track	16-Mar-23	16-Mar-23	20%	0
Brougham St Brick Arch - CCTV and Clean-out	31-May-23	31-May-23	3%	0
Reefton Brick Arch CCTV	16-Dec-22	31-Jan-23	100%	0
Emergency works, repairs and clean ups post events	31-May-22	31-May-22	100%	0



Financials							
Budget and Expenditure Summary							
Programme/Project Item	Original Budget	Current Budget	Actual To 31/01/2023	Forecast cost to complete	Estimate at Completion	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0	
Consents/Approvals (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Design (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Construction (Phase 4)	\$1,962,180	\$1,962,180	\$1,554,721	\$310,000	\$1,864,721	-\$97,459	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$226,837	\$226,837	\$231,939	\$32,275	\$264,214	\$37,378	
Contingency	\$322,734	\$322,734	\$0	\$0	\$0	-\$322,734	
<b>Total</b>	<b>\$2,511,751</b>	<b>\$2,511,751</b>	<b>\$1,786,660</b>	<b>\$342,275</b>	<b>\$2,128,935</b>	<b>-\$382,816</b>	

Risks/Issues/Outcomes		
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)		
Risk ID - Risk/Issue	Mitigation	Residual Risk
WP1 - WP5 / 2 - BDC will be forced to utilise AP funds to remedy (unplanned, possibly unbudgeted works)	No proceeding until BAU Funds are ear-marked as backup.	9
WP1 - WP5 / 6 - Westport Waste Treatment Plant - long lead time on parts	Discuss with Pgm Manager toraise with NEMA for consideration	4
WP1 - WP5 / 4 - Potential delays at certain flood 'repair' sites due to inclement weather (E.g. Reefton Access Track)	Manage the contractors schedule	2
WP1 - WP5 / 5 - Risk that information or records of work may not be suitable for the Planning Team (AssetFinder Input)	Identify the itrems required with the BDC Planning Team and discuss with suppliers in first instance	2

## Communications

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

#### Key achievements/outcomes

Ongoing public stakeholder engagement continues with a number of news media statements and articles being published. The monthly Flood Recovery update Bulletin remains the primary community engagement tool for the 3W repairs. As the Programme draws to an close in the coming months, a summary media release should be considered to summarise the extent of work undertaken by Council and it's contractors.

### Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
20 – 25 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10 – 16 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 – 9 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 – 3 <b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
<b>Almost certain</b>	5	Event is expected to occur more than once in the next year
<b>Likely</b>	4	Event is expected to occur once in the next year
<b>Possible</b>	3	Event could occur at least once in the next two years
<b>Unlikely</b>	2	Event could occur at least once in the next 3 to 5 years
<b>Rare</b>	1	Event is unlikely to occur in the next 5 years

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

## PMO -Project Report - Three Waters - Stormwater & Drainage - NEMA T2 Betterment

ATTACHMENT 1



### Programme/Project Details

<b>Location and Region:</b>	Westport
<b>Project Budget:</b>	\$1,582,000
<b>Reporting Period (ending):</b>	January-2023
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	NEMA
<b>Project Manager:</b>	Rob Poole
<b>Programme Outcomes:</b>	<p>Project Scope:</p> <p>The scope is made up of 8 sub-projects that fall under the NEMA Betterment funding source. The programme of works objective is to provide 3W flood resilience to select priority assets across the reticulated networks (Stormwater, Wastewater and Drinking Water) for Westport.</p> <p>Westport WWTP is joint funded by NEMA and IAF</p>

### Project Overview/Traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
<b>Overall:</b>	G	The Programme has been prioritised by BDC and accepted by NEMA
<b>Budget:</b>	G	<p>\$1,582,000</p> <p>* WWTP Project is joint funded between IAF (\$250k) and NEMA (\$500k)</p>
<b>Scope:</b>	G	<p>This programme of works includes the following projects from both the July 2021 and February 2022 flood events:</p> <ul style="list-style-type: none"> <li>* Lifting flood damaged Wastewater Pump Station electrical cabinets above the 1% AEP flood height (1 in 100yr)</li> <li>* Provide backflow prevention to 5no. Stormwater outfall locations</li> <li>* WWTP Grit and Sediment Removal Plant &amp; Replacement Screen</li> <li>* Coates St SW Upgrade</li> <li>* Westport Domain SW Reinstatement</li> <li>* Alternative Drinking Water Supply Investigation</li> <li>* Mill &amp; Roebuck St SW manholes</li> </ul>
<b>Resource:</b>	G	<p>Backflow prevention, Mill St, Roebuck St and Domain - WestReef</p> <p>Westport WWTP - Design by Davis Ogalvie. Construction TBC</p> <p>Coates St - Design by Calibre. Construction TBC</p> <p>Raising Pump Stations - Design and construction TBC but provisionally Brightwater Engineering</p> <p>Alternative Drinking Water - Design TBC. Provisionally Davis Ogalvie</p>
<b>Schedule:</b>	G	Physical works to begin in Feb 23. Last project to be completed in early 2024 (Westport WWTP)
<b>Risks / Issues:</b>	G	<p>Full completion of works will not be completed until late 2023, outside of NEMA timeframe</p> <p>Reducing scopes of some projects to ensure they remain under the budget</p>

## Current Updated Programme

Previous Reporting Period	Next Reporting Period
WW Pump Stations - Finalisation of design levels for pump stations to be raised by Land River Sea Consulting SW Backflow Prevention - 2no. WaStops installed by WestReef WW Grit & Sediment - Engagement of Davis Ogilvie for design and project management. Domain SW Drainage - Cleaning of Domain drainage Alt Drinking Water Supply - Scope document approved Mill & Roebuck St - Quotes received from WestReef and instruction issued Coates St - Calibre are progressing the design, aiming to have design complete by mid March 23	WW Pump Stations - Engagement of Brightwater Engineering SW Backflow Prevention - 3no. WaStops to be ordered and installed WW Grit & Sediment - DO to continue design works Domain SW Drainage - New sump to be installed on Menzies St mid March Alt Drinking Water Supply - Request for consultant tenders to go out to market or direct approach to consultant Mill & Roebuck St - Westreef scheduled to undertake works in 2wk in mid March Coates St - Design to be received in early March and Contractor procurement to commence

## Updated Project Road Map/Schedule

Project task	2023				Comments
	Feb-23	Mar-23	Apr-23	May-23	
<b>Lifting wastewater pump stations above 1% AE level</b>	Procurement				Lifting 7-9no flood damaged Wastewater Pump Station electrical cabinets above the 1% AEP flood height in Westport. <b>*Project delivery will extend beyond June 2023*</b>
<b>SW Backflow Prevention - Install Wastops</b>	Construction	Construction			Installation of 5no. backflow prevention devices within the Westport SW network.
<b>WWTP – Grit/Sediment and Screen Plant</b>	Design Procurement	Design	Design	Design	Installation of a new combined Grit/Sediment and Screen plant at the Westport WWTP. <b>*Project delivery will extend beyond June 2023*</b>
<b>Coates Street SW Upgrade - Stage 1</b>	Design	Design	Consenting	Consenting	Design and installation of Open Swale drains along Coates/ Forbes Street in Westport.
<b>Westport Domain SW Reinstatement</b>		Construction			Reinstatement of an old SW drain through the Westport Domain. Changed now to sump install on Menzies St
<b>Alternative Drinking Water Supply Investigation</b>		Design Procurement	Design	Design	Design and investigation of an alternative Drinking Water supply for Westport. <b>*Project delivery will extend beyond June 2023*</b>
<b>Mill St and Roebuck SW Upgrade</b>		Construction			Upgrading two weak nodes of Westport's SW network on Mill and Roebuck Streets. Installation of new manholes.

## Milestones

Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
WW Pump stations - 10243	7-Dec-23	7-Dec-23	0%	0
SW Backflow Prevention - 10244	18-Mar-23	18-Mar-23	40%	0
WW Grit & Sediment - 10245	13-Dec-23	13-Dec-23	0%	0
Domain SW Drainage - 10246	4-May-23	4-May-23	10%	0
Alt Drinking Water supply - 10247	18-Oct-23	18-Oct-23	0%	0
Mill St SW upgrade - 10248	26-Mar-23	26-Mar-23	0%	0
Roebuck St SW upgrade - 10249	26-Mar-23	26-Mar-23	0%	0
Coates St SW upgrade - 10250	29-Jul-23	29-Jul-23	0%	0

## Financials

## Budget and expenditure summary

Programme/Project Item	Project Budget	Original Budget Estimate	Actual Spend	Forecast cost to complete	Project Variance	Status	Commentary
WW Pump stations - 10243	\$ 313,200	\$ 5,320	\$ 5,320	\$ 313,200	\$ -	In Planning	0
SW Backflow Prevention - 10244	\$ 178,350	\$ -	\$ -	\$ 178,350	\$ 0	In Construction	0
WW Grit & Sediment - 10245	\$ 435,000	\$ -	\$ -	\$ 435,000	\$ -	In Design	0
Domain SW Drainage - 10246	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ 0	In Planning	Following preliminary site investigation in the Domain, the scope of the project changed to a new sump on Menzies St
Alt Drinking Water supply - 10247	\$ 174,000	\$ -	\$ -	\$ 174,000	\$ -	Tendering	0
Mill St SW upgrade - 10248	\$ 22,620	\$ -	\$ -	\$ 22,620	\$ -	In Construction	0
Roebuck St SW upgrade - 10249	\$ 26,000	\$ -	\$ -	\$ 26,000	-\$ 0	In Construction	0
Coates St SW upgrade - 10250	\$ 217,500	\$ 16,720	\$ 16,720	\$ 217,500	\$ -	In Design	0
Betterment PM costs - 10251	\$ 200,330	\$ 41,711	\$ 41,711	\$ 200,330	\$ 0	In Construction	0
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
<b>Total</b>	<b>\$ 1,582,000</b>	<b>\$ 63,751</b>	<b>\$ 63,751</b>	<b>\$ 1,582,000</b>	<b>\$ 0</b>		

## Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
NEMA T2 Betterment/Betterment PM costs/10251 / 13 - caused by cost allotted to project code that's unbudgetted, programme over run,	0	10
Project /WW Pump stations/10243 / 1 - budget is limited to \$360k and it is likely that this is not sufficient for all pump stations	further controls for risk 1	8
Betterment PM costs/WW Grit & Sediment /10245 / 4 - Long lead times for key components as some are imported.	PMO oversight of consultant	6
WW Pump stations/WW Grit & Sediment /10245 / 6 - Wet weather will impede the construction programme	Contractor construction programme and methodology	6
WW Grit & Sediment /Coates St SW upgrade/10250 / 12 - Original plan to drain stormwater to a paddock may not be feasible and a new design will be required	Awaiting design information. Costs of preliminary design are fixed.	6
WW Grit & Sediment /WW Pump stations/10243 / 2 - This project is complicated by a mix of M&E, civil and hydraulic components	further controls for risk 2	4
Coates St SW upgrade/WW Grit & Sediment /10245 / 5 - There is a lack of contractors specialising in this field	Review of pricing and methodologies	4

## Communications

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

WW Pump Stations - None to date however this will involve substantial community engagement

SW Backflow Prevention - None required

WW Grit &amp; Sediment - None required

Domain SW Drainage - None to date however this will involve some minimal community engagement

Alt Drinking Water Supply - No engagement required at this options report stage.

Mill &amp; Roebuck St - None required

Coates St - Project will involve some community engagement. So far BDC have been in contact with the local Horse Riding Club to discuss our provisional plans.

## Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
16 - 25 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10 - 15 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 - 9 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 - 3 <b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
Almost certain	5	Event is expected to occur more than once in the next year
Likely	4	Event is expected to occur once in the next year
Possible	3	Event could occur at least once in the next two years
Unlikely	2	Event could occur at least once in the next 3 to 5 years
Rare	1	Event is unlikely to occur in the next 5 years

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

## PMO -Project Report - Infrastructure Strategy - Recovery - Westport Wharf Repair and Reinstatement



### Programme/Project Details

<b>Location and Region:</b>	Westport Port, Bulk Precinct, Buller district, West Coast
<b>Project Budget:</b>	\$5,920,000
<b>Reporting Period (ending):</b>	January-2023
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	National Emergency Management Agency (NEMA)
<b>Project Manager:</b>	Phil Rossiter
<b>Programme Outcomes:</b>	<p>Project Scope:</p> <p>This project seeks to repair and reinstate safe and fit-for-purpose wharf infrastructure at the bulk shipping precinct that was damaged during the July 2021 and February 2022 Buller River flood events.</p>

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

Aspect	Status	Comments
<b>Overall:</b>	A	Project planning well underway. Preliminary repair design completed. Programme delay experienced due to IL3 vs IL4 decision (still awaiting NEMA response having submitted request in December 2022).
<b>Budget:</b>	A	The budget of \$5,919,587 was based on an estimate and conceptual repair design which introduces a degree of risk (about budget adequacy), however planning and risk mitigation work is underway to increase the likelihood that a fit-for-purpose repair can be achieved with the available budget and there
<b>Scope:</b>	A	A high-level scope has been developed and is being refined based on a combination of user-input and a recently completed detailed structural site inspection. There is a requirement to agree the Importance Level of the repair. This has been under discussion/deliberation with NEMA and is on-going,
<b>Resource:</b>	G	Resources required for this initial stage of the project are secured. Additional resources will be required as the project progresses.
<b>Schedule:</b>	A	A programme has been developed and is generally on target, however the failure to identify the timeframe involved in NEMA providing endorsement on the Importance Level of the repaired wharf is delaying design progression, subsequent milestones, and overall programme. The programme currently indicates project completion by May 2024 however the key determinant of this will be the construction/repair duration that will only be confirmed once tenders are received. Several milestones (Importance Level decision for repair work and Kiwirail building demolition) need to be satisfied in the next reporting period to avoid on-going schedule slip.
<b>Risks / Issues:</b>	A	A number of risks have been identified and mitigations and management actions are underway and on-going and tracking to plan. The status of this aspect is amber to reflect the presence of risks and their potential to adversely impact the project, if not controlled.

## ATTACHMENT 1

Current Updated Programme													
Previous Reporting Period								Next Reporting Period					
<p>The project is following its intended path, albeit with delays progressing the repair design due to the timeframe involved in securing NEMA confirmation of the repair design Importance Level. A preliminary design has been completed to enable a constructability review and market engagement in relation to key identified risk mitigation measures. Risks have been identified and mitigations are in place and being worked on (as above). Kiwirail has confirmed demolition of their adjacent buildings at their cost which will significantly simplify and de-risk access and repair works (and removes one project ISSUE). Resources required for this early stage of the project have been secured. Stakeholder mapping has occurred and their needs identified. The budget is currently considered adequate and specific steps are being taken to ensure this remains the case.</p>								<p>Define and agree on Importance Level repair goal and initiate constructability review of preliminary IL3 repair design. Commence constructability review and detailed design. Initiate Kiwirail building demolition (by third-party beyond the scope of this project).</p>					
Updated Project Road Map/Schedule													
	2022			2023									
Project task	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
Project management, coordination, and delivery													Scheduled to continue to June 2024
Investigations & planning (Sep '22 to Apr '23)													
Design (Sep '22 to May '23)													
Consents & approvals (Feb '23 to May '23)													
Construction procurement (Mar '23 to Jun '23)													
Construction & site management (Jul '23 to Jul '24)													Scheduled to continue to July 2024
Handover & closeout (Aug '24)													Programmed to commence August 2024



## ATTACHMENT 1

Milestones							
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion		Comments		
Conceptual engineering design	23-Sep-22	23-Sep-22	100%	0			
Geotechnical investigation & assessment	11-Nov-22	11-Nov-22	100%	0			
Topographical survey acquisition	9-Nov-22	9-Nov-22	100%	0			
Detailed engineering inspection and assess	16-Nov-22	16-Nov-22	100%	0			
Kiwirail liaison and building fate determina	28-Feb-23	28-Jan-23	100%	0			
Preliminary engineering design	14-Dec-22	14-Jan-23	100%	0			
Construction supplier engagement/validati	18-Jan-23	31-Mar-23	0%	0			
Statutory approvals	10-May-23	10-May-23	0%	0			
Detailed design	12-Apr-23	21-May-23	0%	0			
Construction procurement	7-Jun-23	30-Jun-23	0%	0			
Construction	8-May-24	31-Jul-24	0%	0			
Handover	31-Aug-24	31-Aug-24	0%	0			

Financials							
Budget and Expenditure Summary							
Programme/Project Item	Original Budget	Current Budget	Actual To 31/01/2023	Forecast cost to complete	Estimate at Completion	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$108,000	\$58,539	\$49,461	\$108,000	\$0	
Consents/Approvals (Phase 4)	\$0	\$61,200	\$0	\$61,200	\$61,200	\$0	
Design (Phase 4)	\$0	\$150,000	\$36,275	\$113,725	\$150,000	\$0	
Construction (Phase 4)	\$0	\$5,432,387	\$0	\$5,432,387	\$5,432,387	\$0	
Closeout (Phase 5)	\$0	\$12,000	\$0	\$12,000	\$12,000	\$0	
Project Management	\$0	\$156,000	\$21,800	\$133,640	\$155,440	-\$560	
Contingency	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$0	\$5,919,587	\$116,614	\$5,802,413	\$5,919,027	-\$560	

Risks/Issues/Outcomes		
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)		
Risk ID - Risk/Issue	Mitigation	Residual Risk
Wharf / 1 - Because there is insufficient consideration or estimation of cost effective repair/construction approaches and materials and/or collaboration with the construction/repair market	Monitor and communicate	6
Wharf / 2 - Because Kiwirail has dilapidated buildings immediately behind some of the wharf area and may not remove (demolish) the buildings (or demolish them in time) to enable cost-effective repair of the section of adjacent wharf	N.B. KIWIRAIL CONFIRMED BUILDING DEMOLITION TO COMMENCE IN FEBRUARY 2023. RISK WILL CLOSE WHEN THIS OCCURS. Monitor, communicate, and adjust repair scope early, if building removal not likely	6
Wharf / 3 - Because the materials specified in the repair design are scarce and/ or have very long-lead times	Monitor and communicate	8
Wharf / 4 - Because it is more complicated than necessary and unfit-for-purpose.	Monitor and communicate	8
Wharf / 5 - Because the project is seen as too hard, or too distant, or not interesting enough relative to other market opportunities at the time	Monitor and communicate	6

### Communications

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

Some external communication/media was undertaken in relation to the geotechnical drilling and investigation work and the purpose of this and relation to the wider repair programme. It is appropriate to progress further planning and design work and clarify matters such as programme timing and next steps before further communications are considered. No physical works are expected at the site until at least the second quarter of 2023. On-going updates have been provided via BDC's communication team as part of wider flood recovery reporting.

### Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
10-12 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who consider escalating it to the Finance, Risk and Audit Committee.
7-9 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4-6 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1-3 <b>Low</b>	Replan all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
Almost certain	5	Event is expected to occur more than once in the next year
Likely	4	Event is expected to occur once in the next year
Possible	3	Event could occur at least once in the next two years
Unlikely	2	Event could occur at least once in the next 3 to 5 years
Rare	1	Event is unlikely to occur in the next 5 years

		Risk Assessment Matrix				
Consequence	Catastrophic (8)	3	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (2)	5	6	9	12	15
	Minor (1)	2	4	6	8	10
	Insignificant (0)	1	2	3	4	5
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
		Likelihood				

**PMO -Project Report - Flood Recovery - Return to Service - Work Package 10 - Tiphead Rock Revetment Wall****Programme/Project Details**

<b>Location and Region:</b>	Westport Tiphead, Coates Road
<b>Project Budget:</b>	\$1,000,000
<b>Reporting Period (ending):</b>	January-2023
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	NEMA
<b>Project Manager:</b>	Robert Poole
<b>Programme Outcomes:</b>	This Project covers repair of flood damage sustained to the BDC Port asset know as the 'Tiphead', a rock revetment training wall, located at the entrance to the Buller River (Westport Port).

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

Aspect	Status	Comments
<b>Overall:</b>	G	Project construction phase began on 16/1/23
<b>Budget:</b>	G	The design, procurement and project management elements of this project will exceed budget due to insufficient allowance at the time of budget preparation. Overall, the project is on track to be delivered well under budget and movement within cost centres has been endorsed by Cabinet, subject to NEMA approval.
<b>Scope:</b>	G	Scope has been defined and IFC drawings have been completed by Riley Consultants Ltd.
<b>Resource:</b>	G	Project is adequately resourced with Rosco Contractors undertaking the project and SBA Civil providing Project Management resource to BDC
<b>Schedule:</b>	G	The project is on track for practical completion on 1/3/23 and a further 8 days required for replanting and site disestablishment The designer has undertaken 2 site inspections. No more are anticipated
<b>Risks / Issues:</b>	G	Suitability of the rock has been formally approved by the designer (Riley). NTC to be issued regarding the rock as it does not meet specification, requesting rate reduction. Noting that this rock as been accepted by the designer.

## ATTACHMENT 1

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
Physical works started on the 16th January 2023, with an anticipated 6 week programme. with practical completion originally programmed for 1st March 23. It appears that the quantity of rock required is greater than previously calculated, it is anticipated that an additional 3,000t of rock will be required, or \$127,000 approx. This increase will not take the project above budget as this can be covered by provisional items that are not required but are included in the budget (concrete beam, void filling, roading) total \$146,170.5	Continuation of construction work through placement of approx.of a further 3000ton of rock to a total of 8000ton of rock.  The additional 3000ton of rock has pushed out the project duration by 16 days.  Practical completion scheduled for 17th March 23 and demobilisation complete by 23rd March 23.

Updated Project Road Map/Schedule													
Project task	2022			2023									Comments
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Planning and BDC Approvals													
Easements and access Agreement													
Construction (Includes continuation of HDD Design)													
Construction Complete													
Handover and Asset Manager Acceptance													

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual	% completion	Comments
Design	1-Oct-22	1-Oct-22	100%	0
Survey and Modeling	25-Nov-22	25-Nov-22	100%	0
Survey -Initial Site Setout	28-Nov-22	28-Nov-22	100%	0
Survey - Site Extent and Finalise Extent with	16-Dec-22	16-Dec-22	100%	0
Physical Works on site	21-Feb-23	17-Mar-23	75%	0
Practical Completion (based on estimated d	22-Feb-23	17-Mar-23	0%	0

Financials							
Budget and Expenditure Summary							
Programme/Project Item	Original Budget	Current Budget	Actual To 31/01/2023	Forecast cost to complete	Estimate at Completion	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0	
Consents/Approvals (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Design (Phase 4)	\$70,000	\$70,000	\$67,838	\$8,500	\$76,338	\$6,338	
Construction (Phase 4)	\$780,000	\$780,000	\$58,245	\$492,488	\$550,733	-\$229,267	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$100,000	\$100,000	\$110,875	\$36,000	\$146,875	\$46,875	
Contingency	\$50,000	\$50,000	\$0	\$0	\$0	-\$50,000	
Total	\$1,000,000	\$1,000,000	\$236,958	\$536,988	\$773,946	-\$226,054	

Risks/Issues/Outcomes		
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)		
Risk ID - Risk/Issue	Mitigation	Residual Risk
WP10 - Tiphead / 3 - Elevated Risk of Flood Damage During Construction	The Methodology needs to remain fluid enough to protect works at short notice.	10
WP10 - Tiphead / 2 - The position of the site is open to Public interaction, and a heightened risk profile	Strict protocols allowed for within the tenderer/contractor HSE and Methodology to mitigate public interaction	10
WP10 - Tiphead / 8 - Risk that contractors do not meet the necessary legal requirements for HS&E through lack of on site presence from qualified HS&E staff	Monitored through regular site visits,	10
WP10 - Tiphead / 9 - Risk of road layout confusion Plant on vehicle collisions	TMP to be reviewed with BDC roading team	10
WP10 - Tiphead / 10 - Site vehicles crossing a popular cycle track	TMP to be reviewed with BDC roading team	10

### Redeployment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period.

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type - Full-time - Part-time - Contractor
Project Manager	3	0	0	0	0	0	0	Contractors
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

### Communications

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

The local Kawatiri MTB Group and a volunteer group who have managed planting within the extent of works have met onsite before construction began with the contractor and BDC to discuss the works, agreeing methods to salvage the recently planted native plants.


### Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
20-23 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10-16 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4-9 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1-3 <b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
<b>Almost certain</b>	5	Event is expected to occur more than once in the next 5 years
<b>Likely</b>	4	Event is expected to occur once in the next year
<b>Possible</b>	3	Event could occur at least once in the next two years
<b>Unlikely</b>	2	Event could occur at least once in the next 3 to 5 years
<b>Rare</b>	1	Event is unlikely to occur in the next 5 years

Risk Assessment Matrix						
Consequence	Catastrophic (5)	5	10	15	20	23
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
Likelihood						

PMO - Project Report - Infrastructure Strategy - Recovery - Reefton Campground Stopbank			
Programme/Project Details			
Location and Region:	Reefton - Buller		
Project Budget:	\$150,000		
Reporting Period (ending):	January-2023		
Project Principal:	Buller District Council (BDC)		
Project Partner(s):			
Project Manager:	Brendon Russ		
Programme Outcomes:	Reefton Campground: The toe of the Reefton Campground stop bank was eroded as a result of both the July 2021 and February 2022 flood events. The Inangahua Riverbed changed course which necessitates the recontouring of the river fairway.		
Project Overview/traffic Light Status/High-Level Summary ( G = Green- Good ; A = Amber- Warning; R = Red - Issue)			
Aspect	Status	Comments	
Overall:	G	River training design has been completed by WSP. Resource consent application is underway by WSP. Stage One of the river training has been completed by Rosco Contracting. Stage two of the river training if required will take place February 2023	
Budget:	G	Forecasted to spend \$95k of the \$150k budget	
Scope:	G	The toe of the Reefton Campground stop bank was eroded as a result of both the July 2021 and February 2022 flood events. The Inangahua Riverbed changed course which necessitates the need for recontouring of the river fairway (river training).	
Resource:	G	Brendon Russ (BDC-Project Manager), Mark Healey (WSP-Design) & Anne McNoe (WSP-Resource consent application)	
Schedule:	G	Design work completed by WSP, Resource consent application by WSP is underway and is expected to be completed by February 2023. Stage one of the river training works have been completed by Rosco Contracting. Stage two river training if required will commence in February 2023.	
Risks / Issues:	G	Risk & opportunities register updated and included as part of this report.	
Current Updated Programme			
Previous Reporting Period		Next Reporting Period	
River training works on the Inangahua River opposite the camping ground have been completed by Rosco Contractors under emergency works provisions of the RMA. WSP have been engaged to prepare and submit a resource consent application for the works. The river training may need to be altered slightly in the near future to better direct the water into the centre of the channel. Also the river training could potentially have affects on the True left bank where a new power station is being constructed. The Reefton water intake immediately downstream from the river training have reported a drop in water levels, which is currently being investigated.		Inspections of the river training to check if any adverse effects are taking place.	

# ATTACHMENT 1

Updated Project Road Map/Schedule													
Project task	2022						2023						Comments
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Planning and BDC Approvals													
Resource Consent													WSP has been engaged for the resource consent application for river training and rock revetment works
Design													WSP have been engaged to design the proposed river training works
Construction Stage One – River Training													Completed By Rosco Contracting
Construction Stage Two – River Training													Will only take place if required
Handover and Asset Manager Acceptance													

Milestones					
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments	
Milestone 1 - Planning and Scope Approval	1-Aug-22	1-Aug-22	100%	0	
Milestone 2 - Resource Consent Granted	28-Feb-23	31-Mar-23	65%	0	
Milestone 3 - Design	1-Jul-22	1-Jul-22	100%	0	
Milestone 4 - Contract Awarded - Stage One	1-Aug-22	1-Aug-22	100%	0	
Milestone 5 - Construction Commenced - Stage One	1-Aug-22	1-Aug-22	100%	0	
Milestone 6 - Completion - Stage One	31-Aug-22	31-Aug-22	100%	0	
Milestone 7 - Contract Awarded - Stage Two	31-Mar-23	31-Mar-23	0%	0	
Milestone 8 - Construction - Stage Two	30-Apr-23	30-Apr-23	0%	0	



## ATTACHMENT 1

Financials						
Budget and expenditure summary						
Programme/Project Item	Original Budget	Current Budget	Actual To 31/01/2023	Forecast cost to complete	Estimate at Completion	Project Variance
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0
Consents/Approvals (Phase 4)	\$10,000	\$10,000	\$0	\$10,000	\$10,000	\$0
Design (Phase 4)	\$5,000	\$5,000	\$0	\$5,000	\$5,000	\$0
Construction (Phase 4)	\$115,500	\$115,500	\$30,248	\$30,000	\$60,248	-\$55,252
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0
Project Management	\$12,000	\$12,000	\$4,849	\$7,151	\$12,000	\$0
Contingency	\$7,500	\$7,500	\$0	\$7,500	\$7,500	\$0
<b>Total</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$35,097</b>	<b>\$59,651</b>	<b>\$94,748</b>	<b>-\$55,252</b>

### Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
10229 / 1 - Flooding of the Inangahua River means that the river reverts towards the campground stopbank	On going maintenance required on the temporary stop bank	10
10229 / 2 - Reefton township water intake is found to have reduced capacity due to river retrainment and Reefton water supply is reduced	none	10
10229 / 3 - Retrospective resource consent delays works or requires further works	Maintain close comms with resource consent manager	6

### Communications

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

An update to the community was given during the month of November, updating the public on progress with this project  
Internal BDC stakeholders are being updated on a regular basis

### Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
Extreme	Risk Owner must immediately escalate risk to the SLT who must then escalate it to the Finance, Risk and Audit Committee.
High	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
Moderate	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed on a monthly basis.
Low	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence		
Likelihood	Score	Description
Almost certain	5	Event is expected to occur more than once in the next year
Likely	4	Event is expected to occur once in the next year
Possible	3	Event could occur at least once in the next two years
Unlikely	2	Event could occur at least once in the next 3 to 5 years
Rare	1	Event is unlikely to occur in the next 5 years

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

## PMO -Project Report - Solid Waste - Recovery - Reefton Historic Landfill



### Programme/Project Details

<b>Location and Region:</b>	Reefton – West Coast
<b>Project Budget:</b>	\$1,074,000
<b>Reporting Period (ending):</b>	January-2023
<b>Project Principal:</b>	Buller District Council (BDC)
<b>Project Partner(s):</b>	
<b>Project Manager:</b>	Brendon Russ
<b>Programme Outcomes:</b>	Historic Reefton Landfill: The Reefton Historic Landfill was scoured out as a result of the February 2022 flood event. The Inangahua River watercourse is now exposed to the contents of the historic landfill, with the landfill sidewall now requiring reinstatement to return it to its pre-flood condition.

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

Aspect	Status	Comments
<b>Overall:</b>	G	Design & resource consent application is underway by WSP. Contractors on the BDC "Return to Service Approved Contractors Panel" currently on GETS will be invited to tender for this project.
<b>Budget:</b>	G	\$1,074,000
<b>Scope:</b>	G	The Reefton Historic Landfill was scoured out as a result of the February 2022 flood event. The Inangahua River watercourse is now exposed to the contents of the historic landfill, with the landfill sidewall now requiring reinstatement to return it to its pre-flood condition.
<b>Resource:</b>	A	Brendon Russ (BDC-Project Manager), Mark Smith (WSP-Design) & Anne McNoe (WSP-Resource consent application)
<b>Schedule:</b>	G	WSP design to be completed early February 2022. Work to commence onsite early April 2023
<b>Risks / Issues:</b>	G	Risk & opportunities register updated and included as part of this report.

### Current Updated Programme

Previous Reporting Period	Next Reporting Period
Initial landfill clean-up and river retraining to protect site has been undertaken. WSP have completed the detailed design for the remedial works WSP have been engaged to prepare a resource consent application for the river training works that have already taken place and also for the construction of the replacement rock revetment. WSP have given an updated delivery date for submitting the resource consent application of 10/3/23	Completion of tender documents - Will be completed by 3 March 23 Direct source tender with BDC approved panel Contractor - Tenders close 10 March 23 Council paper to be prepared requesting additional funds to supplement the NEMA funding to construct a repair that is recommended by WSP - To be completed week of 13 March 23 Contract awarded by end of March 23

## ATTACHMENT 1

Updated Project Road Map/Schedule													
Project task	2022				2023								Comments
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Planning and BDC Approvals													Project Budget approved July 2022.
Resource Consent													WSP has been engaged for the resource consent application for river training and rock revetment works.
Design													WSP have been engaged to design on the remedial works required for the Historic Reefton Landfill
Contract Award													
Construction													Construction is expected to take 2 months
Handover and Asset Manager Acceptance													

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Milestone 1 - Planning and Scope Approval	30-Sep-22	30-Sep-22	100%	0
Milestone 2 - Resource Consent Granted	28-Feb-23	10-Apr-23	50%	0
Milestone 3 - Design	12-Feb-23	17-Feb-23	100%	0
Milestone 4 - Tender	10-Mar-23	10-Mar-23	0%	0
Milestone 5 - Contract Awarded	31-Mar-23	31-Mar-23	0%	0
Milestone 6 - Construction Period	30-May-23	30-May-23	0%	0
Milestone 7 - Handed over and Asset Manager acceptance	5-Jun-23	5-Jun-23	0%	0

Financials							
Budget and expenditure summary							
Programme/Project Item	Original Budget	Current Budget	Actual To 31/01/2023	Forecast cost to complete	Estimate at Completion	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$10,515	\$10,515	\$11,869	\$0	\$11,869	\$1,354	
Consents/Approvals (Phase 4)	\$30,000	\$30,000	\$0	\$30,000	\$30,000	\$0	
Design (Phase 4)	\$106,225	\$106,225	\$79,089	\$27,135	\$106,224	-\$2	
Construction (Phase 4)	\$787,640	\$787,640	\$179,924	\$606,364	\$786,288	-\$1,352	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$85,920	\$85,920	\$25,491	\$60,429	\$85,920	\$0	
Contingency	\$53,700	\$53,700	\$0	\$53,700	\$53,700	\$0	
<b>Total</b>	<b>\$1,074,000</b>	<b>\$1,074,000</b>	<b>\$296,373</b>	<b>\$777,628</b>	<b>\$1,074,000</b>	<b>\$0</b>	

Risks/Issues/Outcomes		
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)		
Risk ID - Risk/Issue	Mitigation	Residual Risk
10019 / 1 - Caused by flooding of the Inangahua River combined with the temporary nature of the current stop bank	On going maintenance required on the temporary stop bank	10
10019 / 2 - Caused by excavation of contaminated ground	Agree method with contractor then follow up with regular site inspections by BDC	10
10019 / 3 - resource consent will be required for this project before commencement	Monitor outputs and seek early warning on any issues	6

### Communications

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

An update to the community was given during the month of November, updating the public on progress with this project  
Internal BDC stakeholders are being updated on a regular basis

### Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
20 – 25 <b>Extreme</b>	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
10 – 15 <b>High</b>	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 – 9 <b>Moderate</b>	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 – 3 <b>Low</b>	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

Table 5: Likelihood of Occurrence

Likelihood	Score	Description
<b>Almost certain</b>	5	Event is expected to occur more than once in the next year
<b>Likely</b>	4	Event is expected to occur once in the next year
<b>Possible</b>	3	Event could occur at least once in the next two years
<b>Unlikely</b>	2	Event could occur at least once in the next 3 to 5 years
<b>Rare</b>	1	Event is unlikely to occur in the next 5 years

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

## Buller District Port Package (R07.02907.02/03)

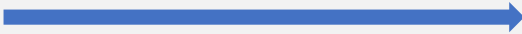
### Project Details

<b>Location and Region:</b>	Westport, Buller district, West Coast
<b>Contracted Amount:</b>	\$3,300,000 excl. GST
<b>Reporting Period:</b>	For period ending 28 <sup>th</sup> February 2023
<b>Project Principal/Recipient:</b>	Buller District Council
<b>Project Partner(s):</b>	Ministry for Business, Innovation & Employment (MBIE)
<b>Project Manager:</b>	Phil Rossiter
<b>Programme Outcomes:</b>	(a) new employment, the preservation of jobs and the redeployment of workers in communities and within the infrastructure sector hit by COVID-19; and (b) investment toward a more productive, sustainable, and inclusive economy, enabling our regions to grow and support a modern and connected New Zealand.

### Project Overview (High-Level Summary)

Aspect	Status	Comments
<b>Overall:</b>	<b>G</b>	The project is following its planned trajectory, albeit with known and accepted delays in several key project components due to Covid-19 and Westport flood factors. Work on the final project tasks is nearing completion and will be completed within the next reporting period.
<b>Budget:</b>	<b>G</b>	\$3.3M has been secured from the COVID-19 Response and Recovery Fund for two key strategic areas: 1) \$2M for Westport gravel removal and wharf back-sheathing repairs; and 2) \$1.3M for investment and repairs, maintenance and upgrades to the bulk shipping and fishing precincts. The budget will be sufficient to achieve the overall project intent (Component A budget will support completion of Component B), with a small surplus forecast. Additional private investment is following this catalyst funding.
<b>Scope:</b>	<b>G</b>	The project intent is clear, and a detailed scope has been evolving in response to user priorities and unforeseen changes (i.e., the July 2021 and February 2022 floods) that have changed the focus and sequencing of work in the bulk shipping precinct. The scope was constantly reviewed and optimised to ensure maximum impact and value for the precinct and its users and to catalyse third-party (private) investment.
<b>Resource:</b>	<b>G</b>	Contractor resourcing and availability is constrained and is having an impact on timeliness. This is not just Covid-related, but more so because of July 2021 and February 2022 flooding. Contractor resourcing has been secured for the final remaining work.
<b>Schedule:</b>	<b>G</b>	The project remains on target to be practically completed in March 2023, with project wash-up and reporting occurring thereafter. The understanding and support of MBIE (Kānoa) has been appreciated as the project has worked with resourcing and supply challenges.
<b>Risks / Issues:</b>	<b>G</b>	No significant/acute project risks have been identified at this stage, other than the issues declared later in this report.

State of Play	
Last Month	Next Month
<ul style="list-style-type: none"> <li>The harbourmaster office upgrade was practically completed, with just final external fixings and balustrades remaining (these could not be fitted until some security wiring was completed).</li> <li>The site entry/exit upgrade was practically completed, with final line-marking and security wiring and livening to occur.</li> </ul>	<ul style="list-style-type: none"> <li>Collate documentation and paperwork relating to upgrade works on the harbourmaster office.</li> <li>Complete livening of security system.</li> <li>Complete line-marking on Port entry/exit.</li> <li>Complete wharf edge strengthening (final task) in the bulk precinct.</li> <li>Start drafting project completion documentation.</li> </ul>

Project Road Map/Schedule						
Programme/Project task	Dec '22	Jan '23	Feb '23	Mar '23	Apr '23	Comments
Work Programme A: Westport gravel removal and seawall repairs						Component A was <b>completed</b> as at the end of June 2022.
Work programme B: Westport bulk shipping and fishing precincts						Practical completion forecast for March 2023. Project close-out to occur thereafter.

Milestones				
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme A: Westport gravel removal and seawall repairs</b>				
Award design contract	30/09/2020	21/12/2020	100	Engineer (WSP ChCh) appointed for expert input and advice on wharf structures. Hydrological and survey input appointed for gravel extraction
Award procurement contract	30/10/2020	1/04/2021	100	Gravel extraction is river based; therefore, dredge is required and will be used
Obtain all consents	30/11/2020	1/04/2021	100	Consents in place for river-based dredging
Award construction contract	30/11/2020	30/04/2021	100	Gravel extraction is river-based; therefore, dredge is required
Complete construction	30/04/2021	30/06/2022	100	Complete. 155,720m <sup>3</sup> of gravel removed
Opening event	31/03/2022	31/08/2022	0	To be determined/confirmed
Milestone	Baseline Date	Actual/Target Date	% Complete	Comments
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>				
Award detailed design contract	30/10/2020	31/01/2021	100	Innumerable design tasks – not one design contract
Award procurement contract	30/10/2020	30/06/2022	100	Final tasks (harbourmaster office upgrade and site entry/exit upgrade) assigned to contractors
Obtain all consents	31/12/2020	30/06/2022	100	Building consent secured for harbourmaster office upgrade
Obtain all property rights	31/12/2020	31/05/2021	100	No issues
Award construction contract	28/02/2021	10/07/2022	100	Final construction elements awarded
Complete construction	28/02/2022	31/03/2023	95	Forecast for completion in March 2023
Opening event	31/03/2022	30/04/2023	0	To be determined/confirmed



## Financials

A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.

Programme/Project Item	Indicative Cost	Actual Spend	Forecast (remaining) cost to complete	Project Variance	Commentary
<b>Work Programme A: Westport gravel removal and seawall repairs</b>					
Project management and coordination	\$75,000	\$114,985	\$0	-\$39,985	Additional planning and task coordination required
Engineering assessments and design	\$35,000	\$36,945	\$0	-\$1,945	Additional engineering assessment and design required
Consents	\$10,000	\$0	\$0	\$10,000	No consents identified as required
Procurement, legal and tenders	\$20,000	\$0	\$0	\$20,000	Less legal/procurement input forecast
Civils works/site works for gravel extraction	\$1,400,000	\$1,662,500	\$0	-\$262,500	Significant gravel volumes identified requiring extraction
R&M to seawalls/wharf back-sheathing	\$460,000	\$17,980	\$0	\$442,020	Nil variance forecast at this stage. Project estimate considered realistic.
<b>Component Total</b>	<b>\$2,000,000</b>	<b>\$1,832,410</b>	<b>\$0</b>	<b>\$167,590</b>	<b>Forecast surplus to be used to support Component B</b>
<b>Work Programme B: Westport bulk shipping and fishing precincts</b>					
Project management and coordination	\$40,000	\$38,015	\$12,500	-\$10,515	Additional planning and task coordination required
Procurement, legal and tenders	\$20,000	\$15,829	\$0	\$4,171	Less legal/procurement input forecast
Design and engineering assessment and consents	\$30,000	\$99,977	\$2,500	-\$72,477	Intensive engineering design and assessment input required
Civil works/site works	\$1,210,000	\$1,113,012	\$147,452	-\$50,464	Modest (5%) variance planned and forecast.
<b>Component Total</b>	<b>\$1,300,000</b>	<b>\$1,266,833</b>	<b>\$162,452</b>	<b>-\$129,285</b>	<b>Forecast deficit supported by surplus from Component A</b>
<b>PROJECT Total</b>	<b>\$3,300,000</b>	<b>\$3,099,243</b>	<b>\$162,452</b>	<b>\$38,305</b>	<b>Minor positive variance (surplus) forecast at this stage</b>

### FINANCIAL SUMMARY:

INCOME RECEIVED TO DATE = \$3,132,410; INCOME CLAIMED BUT NOT YET RECEIVED = \$0; FINAL FORECAST PROJECT COST = \$3,261,695; INCOME FORECAST TO BE CLAIMED IN FUTURE = \$162,452

## Employment Outcomes

The following table shows the number of people working to deliver the project in the current reporting period

Programme/Project Element	Total people working	No. previously unemployed	No. local	No. aged 15-24	No. Māori	No. Pasifika	No. Women	Job Type (Full-time; Part-time; Contractor; Consultant)
A (Gravel extraction)	0	0	0	0	0	0	0	Component completed
B (Bulk and Fishing Precinct)	8	0	6	0	0	0	0	8 contractors
<b>Total</b>	<b>8</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

The following table shows total current, past, and expected future jobs

Current Jobs	No. of people previously but no longer employed on the project	Expected jobs in the future
8	Nil (for the reporting period)	Approximately 8 roles/jobs are forecast to be required for the remaining project task

Additional narrative to explain the above table or to give other relevant information

Nil

## Risks/Issues/Opportunities

Key risks and/or issues arising are detailed below

Risk/Issue	Magnitude	Likelihood	Mitigation
(Issue – Schedule Slippage) – Component B require contractors that are very stretched due to the knock-on effect of local flooding events and Covid. Contractor resourcing has now been secured for remaining tasks, and all should be completed by the end of March 2023 with wash-up to occur in April 2023. Funding Agreement has been varied to reflect this timeline	Low-Moderate	High	Maintain close communication with contractors and communicate and report outcomes.

## Social Procurement Outcomes

The following table shows achievements to date against the Social Procurement Objectives agreed to

Outcome	Measure	Status/Comments
Employment of targeted workers	Prioritising workers identifying as: 1) Local (in-region) workers; 2) Māori or Pasifika; 3) Employment of women prioritised where possible	6 of the 8 personnel involved in the project for the reporting period were local. The extent to which the measure can be controlled by the project is somewhat limited and is significantly influenced by contractor workforce composition.
Local businesses	75% of the direct contracts and sub-contracts associated with the project will be awarded to businesses owned and operated by people who reside and operate in the region	Local business involvement has more than met the target threshold.
Worker conditions	100% of workers engaged on the project will be paid the living wage or greater and 100% of employees will be covered and managed by a fit-for-purpose and current health and safety system	Target fully met to date and is expected to be achieved for project duration. This measure will be monitored and reported as the project progresses
Environmental responsibility	Adoption of practises that enable the project to be delivered sustainably, including by: <ul style="list-style-type: none"> <li>- protecting or enhancing the local ecosystem and its indigenous biodiversity</li> <li>- actively seeking to minimise the carbon impact of project delivery, to support the transition to a net zero emissions economy</li> <li>- minimising waste, re-using materials, and where possible incorporating the principles of the circular economy</li> <li>- using water resources efficiently</li> <li>- using low-impact, sustainably and locally sourced materials and products; and/or</li> <li>- including resilience to the impacts of a changing climate</li> </ul>	In-progress. Biggest impact and contribution to environmental responsibility will be delivered via the construction (and operational) phase of the project. Several planned works relate specifically to environmental risks. This measure will be monitored and reported as the project progresses

## Communications

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

Completion of the project and Component B by the end of this year provides an opportunity for external communications within the coming months celebrating the achievements. A site visit by Kānoa officials was scheduled for February but was postponed due to Cyclone Gabrielle considerations.

## Additional/Other Information

Nil.

## RISK AND AUDIT COMMITTEE

22 MARCH 2023

### AGENDA ITEM 11

**Prepared by** Douglas Marshall  
Chief Financial Officer

#### PUBLIC EXCLUDED

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#### 1. REPORT SUMMARY

Subject to the Local Government Official Information and Meetings Act 1987 S48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

#### 2. DRAFT RECOMMENDATION

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

Item No.	Minutes/Report of:	General Subject	Reason For Passing Resolution Section 7 LGOIMA 1987
14	Douglas Marshall - Chief Financial Officer	Ernst & Young Management Report for the Year Ended 30 June 2022	<b>section (2)(h)</b> enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or  <b>(i)</b> enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or  <b>(j)</b> prevent the disclosure or use of official information for improper gain or improper advantage.