



AGENDA

Meeting of the
Risk and Audit Committee

Wednesday 30 October 2024
Commencing at 1:00PM

To be held:
Clocktower Chambers,
Palmerston Street, Westport



CORE COUNCILLOR ROLE AND RESPONSIBILITIES

The Governance role entails:

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

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

Our commitments to best support each other and meet the challenges and opportunities of 2024 include:

CLEAR AND RESPECTFUL COMMUNICATION

We are committed to:

Actively listening and not interrupting;

Remaining conscious of 'tone', body language, and amount of time speaking (allowing time for others);

Responding/answering in a timely manner; and

Being honest, reasonable, and transparent.

TRUST AND RESPECT

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

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

CONTINUOUS LEARNING AND IMPROVEMENT

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

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

NONE OF US IS AS SMART AS ALL OF US

Risk and Audit Committee

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

GENERAL PRINCIPAL

1. The work of this Committee will be in accordance with the priorities and work programme agreed by the Council.
2. This Committee has 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.

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.
9. Ensuring Council's Policies and Bylaws are fit for purpose and comply with all relevant legislation.
10. Guiding the development of Council's Climate Change Adaptation Plan

TERMS OF REFERENCE:

General

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.

Strategy, plans and policy

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

Bylaws

20. Develop and agree to the statement of proposal for new or amended draft bylaws for consultation.
21. Recommend to Council new or amended bylaws for adoption.

Consultation and engagement

22. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
 23. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
 24. 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

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

Contracts

28. 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.

Reserves and Halls Subcommittees

29. Monitor and oversee the Reserves and Halls Subcommittees.

Creative Communities Subcommittee

30. Monitor and oversee the Creative Communities Subcommittee.

Other Matters

31. 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
32. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
33. 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.
34. Provide an annual review of Council's risk management framework and amend as required.
35. Review and monitor business continuity planning.
36. 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.
37. 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.
38. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
39. Monitor Audit recommendations and ensure completion.

The Committee is delegated the following powers:

- The Committee may make recommendations to Council.
 - 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.

Risk and Audit Committee

Clocktower Chambers,
Palmerston Street, Westport



30 October 2024 01:00 PM

Agenda Topic	Page
1. Apologies	9
2. Members Interests	10
3. Confirmation of Previous Minutes Report	11
3.1 Attachment 1 - Risk and Audit Committee Public Meeting Minutes 14 August 2024	12
4. Action Points Report	18
4.1 Attachment 1 -Risk and Audit Committee Action Points August 2024	19
5. Risk and Audit Committee Work Plan Report	22
5.1 Attachment 1 - Risk and Audit Committee Work Plan October 2024	23
6. Capital Works Programme Report	24
6.1 Attachment 1 - Buller District Council Infrastructure Services Capital Works Programme Report July-24	28
7. NEMA, IAF and Better Off Funding Project Status Report Summaries	52
7.1 Attachment 1 - NEMA Projects Status Report September 24	55
7.2 Attachment 2 - Better Off Funded Projects Status Report September 24	63
7.3 Attachment 3 - NEMA Wharf Repair Project Report September 24	70
7.4 Attachment 4 - IAF Financial Report 31 August 24	75
8. Financial Report: 30 June 2024	77
8.1 Attachment 1 - Financial Report (Unaudited) for the year ending 30 June 2024	80
9. Investments And Borrowings Report – As At 30 September 2024	88
10. Port and Dredge – October 2024 Operations Report	100

11.	Update Of The 22/23 And 23/24 Annual Reports	110
12.	PMO Review: Process Improvement Opportunities Action Plan – Update October 2024	112
12.1	Attachment 1 - Action Plan Update October 2024	115
13.	Bylaws and Policies	122
13.1	Attachment 1 - Buller District Council Operative Bylaws	126
13.2	Attachment 2 - Buller District Council Public Policies	130
14.	Draft Conflict of Interest Policy (2024)	133
14.1	Attachment 1 - Conflict of Interest Policy – Draft	136
15.	Draft Sensitive Expenditure Policy (2024)	142
15.1	Attachment 1 - Sensitive Expenditure Policy – Draft	145
16.	Public Excluded Report	157

Live Streamed to the Buller District Council YouTube Channel

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 1

Prepared by Paul Numan
Group Manager Corporate Services

APOLOGIES

1. REPORT SUMMARY

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

2. DRAFT RECOMMENDATION

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

OR

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

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 2

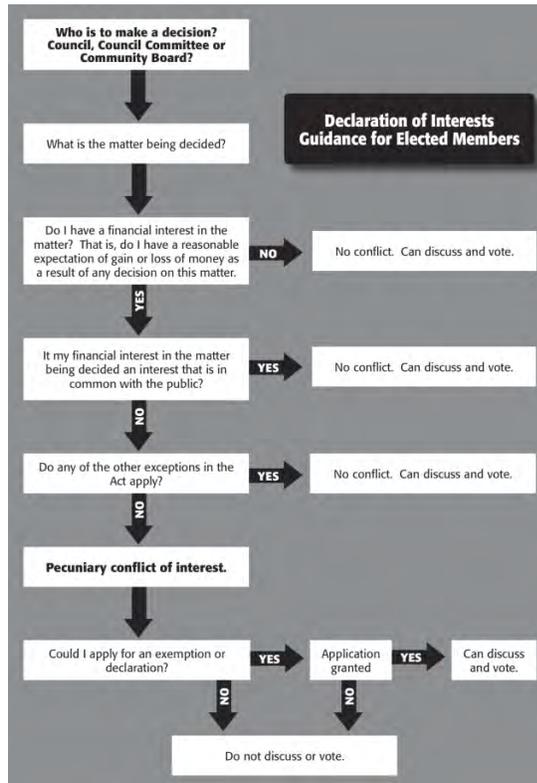
Prepared by Paul Numan
Group Manager Corporate Services

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

14 AUGUST 2024

AGENDA ITEM: 3

Prepared by Paul Numan
Group Manager Corporate Services

Attachments 1. Risk and Audit Committee Public Meeting Minutes 14 August 2024

CONFIRMATION OF PREVIOUS MINUTES

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive and confirm Public Meeting Minutes from 14 August 2024.



MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 3:30PM ON WEDNESDAY 14 AUGUST 2024 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.

PRESENT: Cr P Grafton, Cr Joanne Howard, Mayor J Cleine, Independent Chair S Roche, Cr G Weston, Cr R Sampson, Cr T O'Keefe, Cr A Pfahlert

PRESENT VIA ELECTRONIC LINK: Cr C Reidy, Cr G Neylon, Cr L Webb.

IN ATTENDANCE: M Aitken (Interim Group Manager Infrastructure Services) , P Numan (Group Manager Corporate Services) , B Little (Policy Advisor), S Maharaj (Human Resources Manager) , J Salmond (Senior Project Lead) , S Pickford (CEO), C McDonald (Governance Secretary).

IN ATTENDANCE VIA ELECTRONIC LINK: P Bicknell (Project Manager)

PUBLIC FORUM: NA

MEDIA: NA

MEETING DECLARED OPEN AT: 3:32PM

1. APOLOGIES (Page 9)

Discussion:

Deputy Mayor A Basher, N Tauwhare (Iwi Representative), and Cr C Reidy (for the public session of the meeting only)

RESOLVED

That the Risk and Audit Committee receive apologies from Deputy Mayor A Basher, N Tauwhare (Iwi Representative) and Cr C Reidy (for the public session of the meeting only).

Independent Chair S Roche / Cr P Grafton

10/10

CARRIED UNANIMOUSLY

2. MEMBERS INTEREST (Page 10)

Discussion:

Nil

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

Cr A Pfahlert / Cr G Weston

10/10

CARRIED UNANIMOUSLY

3. CONFIRMATION OF MINUTES (Page 11)

Discussion:

Nil

RESOLVED That the Risk and Audit Committee receive and confirm Public Meeting Minutes from 26 June 2024.

Cr P Grafton / Cr A Pfahlert
10/10

CARRIED UNANIMOUSLY

4. ACTION POINTS (Page 21)

Discussion:

Nil

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

Cr A Pfahlert / Cr T O'Keefe
10/10

CARRIED UNANIMOUSLY

5. RISK AND AUDIT WORKPLAN REPORT (Page 25)

Discussion:

It was noted that it could potentially be a risk to Council with the short capacity of Staff available and reporting in relation to being able to deliver good Governance.

The Senior Leadership Team are working on a revamped suite of reports in order to provide Councillors better assurance around risk.

RESOLVED

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

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

CARRIED UNANIMOUSLY

2. That the Risk and Audit Committee adopt the revised Risk and Audit Work Plan.

Cr P Grafton / Cr A Pfahlert
10/10

CARRIED UNANIMOUSLY

6. VERBAL UPDATES (Page 27)

Discussion:

B Little gave the By-Law Policy Update. This update is following the report in presented to the Risk & Audit Committee in June 2024.

Gambling and TAB Venue Policy:

- Hearing for submissions received during the first phase of public consultation to be combined with a hearing of an application under the current policy. The date is yet to be set but is likely to be the end of September/early October 2024.
- Report back to Risk and Audit Committee before the end of the year for adoption of a draft policy for consultation.

Navigation and Safety Bylaw:

- Legal review underway
- Draft bylaw to Risk and Audit Committee in October 2024

Control of Dogs Bylaw/Dog Control Policy:

- Initial review underway with staff
- Draft bylaw and policy to December 2024 Risk and Audit Committee meeting.

Trade Waste Bylaw, Wastewater and Stormwater Bylaw:

- Infrastructure team working on finalisation of these draft bylaws.
- Hopeful that the drafts will be ready for Risk and Audit Committee consideration in December 2024.

Dangerous and Insanitary Buildings Policy:

- Initial review underway with staff
- Draft policy to December 2024 Risk and Audit Committee Meeting.

ACTION POINT: An updated schedule of Policies & Bylaws reflecting the verbal update to be forwarded to Independent Chair S Roche for distribution to the Elected Members.

P Numan gave the 22/23 Annual Report verbal update.

Normally the 2022/2023 Annual Report would be completed BDC has provided all the information it can to Ernst Young, we are now awaiting the audit opinion, which we expect to receive . within two weeks. Providing it is acceptable, it will be looked to be adopted. It will not be deferred to the October 2024 Risk and Audit Committee meeting, rather as soon as it is available it will be presented to Councillors for adoption.

RESOLVED

1. That the Risk and Audit Committee receive the By-Law Policy verbal update for information.

Mayor J Cleine / Cr G Weston
10/10

CARRIED UNANIMOUSLY

2. That the Risk and Audit Committee receive the 22/23 Annual Report verbal update for information.

Cr T O'Keefe / Cr G Neylon

10/10

CARRIED UNANIMOUSLY

7. **NEMA, IAF AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES FROM PROJECTS IN PARTNERSHIP (Page 28)**

Discussion:

Resolution amended to change date from March to May.

P Bicknell spoke to the report and answered questions relating to allocation of surplus funding.

The below recommendation has been amended from '*That Risk and Audit Committee receive the Reports and Minutes from the June Projects in Partnership meeting.*' And reads as follows:

RESOLVED That Risk and Audit Committee receive the May 2024 Reports and the June 2024 Projects in Partnership meeting minutes.

Cr P Grafton / Cr G Weston

10/10

CARRIED UNANIMOUSLY

8. **HEALTH AND SAFETY QUARTERLY REPORT 01 APRIL 2024 – 30 JUNE 2024 (Page 53)**

Discussion:

Cr G Weston wanted to know about the aircraft flying in a no-fly zone – S Maharaj to respond via email.

RESOLVED The Risk and Audit Committee receive the Health and Safety Quarterly report for information.

Independent Chair S Roche / Cr P Grafton

10/10

CARRIED UNANIMOUSLY

9. **APPOINTMENTS TO RESERVE AND HALL SUBCOMMITTEES (Page 56)**

Discussion:

There was discussion around why some of these appointments were being notified to the Risk and Audit Committee five months after the recommendation. It was noted the Subcommittee Liaison Officer has had a very high workload and that reporting would become more regular going forward.

RESOLVED That the Risk and Audit Committee makes the following appointments to Reserve & Hall Subcommittees:

Subcommittee	Appointment
Little Wanganui Reserve & Hall	Donna Hills Jane Murphy
Karamea Reserve	Val Moynihan
Waimangaroa Reserve	Amba Waghorn

Mokihinui Reserve & Hall	Andrea Aitcheson Carol Woodward
Ngakawau/ Hector Reserve	Marie Standing

Cr G Neylon / Cr Joanne Howard
10/10
CARRIED UNANIMOUSLY

10. MORRISON LOW FOLLOW-UP UPDATE (Page 60)

Discussion:

Nil.

RESOLVED That the Risk and Audit Committee:

1. Receives the report on progress in implementing the recommendations of the Morrison Low report from the PMO Review and the Infrastructure Health Check.

Cr G Weston / Cr P Grafton
10/10
CARRIED UNANIMOUSLY

2. Notes that, with the disbanding of the PMO from 1 July 2024, the key recommendations of the PMO review are now complete.

Cr A Pfahlert / Cr Joanne Howard
10/10
CARRIED UNANIMOUSLY

3. Notes that further reporting on progress against the Infrastructure Health Check will be included in the regular reporting on the Infrastructure Services.

Cr G Neylon / Cr Joanne Howard
10/10
CARRIED UNANIMOUSLY

11. DRAFT LGOIMA CHARGING POLICY (Page 67)

Discussion:

It was suggested that Buller District Council provide feedback to the Ombudsman to update their charges (they were last reviewed in 2002).

Recommendation two below has been amended from *'Recommends to the Council that it adopt the Draft LGOIMA Charging Policy.'* and reads as below:

RESOLVED That Risk and Audit Committee:

1. Provide feedback on the Draft LGOIMA Charging Policy.

Cr Joanne Howard / Cr T O'Keefe
9/1

MOTION CARRIED

2. Recommends to Council that it consider the Draft LGOIMA Charging Policy for adoption.

Cr Joanne Howard / Cr P Grafton

5/5

THE VOTE FOR THE MOTION WAS TIED and is therefore lost

12. PUBLIC EXCLUDED REPORT (Page 114)

Discussion:

Cr G Neylon departed the room at 4:57pm

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan – Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Simon Pickford – Chief Executive Officer	Project Management Update	(s 7(2)(f)) - Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment
PE 3	Sharon Roche – Independent Chair Risk and Audit Committee	Buller Holding Ltd. Directorship Appointment and Remuneration	(s 7(2)(a)) - Protect the privacy of natural persons, including that of deceased natural persons;

Mayor J Cleine / Cr P Grafton

9/9

Cr G Neylon was not present for the vote

CARRIED UNANIMOUSLY

PUBLIC FORUM RESPONSE: NA

MOVED INTO PUBLIC EXCLUDED AT 4:57PM

MEETING ADJOURNED AT 4:57PM

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 4

Prepared by Paul Numan
Group Manager Corporate Services

Attachment: 1. Risk and Audit Committee Action Points October 2024

ACTION POINTS

1. DRAFT RECOMMENDATION

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

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
218	16 August 2023 Pump Stations Lifting of pump stations to be added to the Strategic Risk Register.	D Marshall P Numan	This item will remain on the action point report until it is transferred to the strategic risk register when it is completed in mid-2024 calendar year Deferred to October Risk and Audit Committee Meeting Deferred to December Risk and Audit Committee Meeting following Council workshop run by Phil Rossiter 23 October 2024	13 September 2023 11 October 2023 26 June 2024 14 August 2024 30 October 2024 11 December 2024
228	15 November 2023 Strategic Risk Register D Marshall to bring first draft of updated SRR to March RAC.	D Marshall P Numan	Update report included in agenda Strategic Risk Register review due to be completed by June 2024 Deferred to October Risk and Audit Committee Meeting following a Council workshop on 28 August 2024 run by Phil Rossiter which will cover Strategic Risk Register Review and Update. Please refer to the revised Risk and Audit Committee Work Plan. Deferred to December Risk and Audit Committee Meeting following a Council workshop on 23 October 2024 run by Phil Rossiter	26 June 2024 14 August 2024 30 October 2024 11 December 2024
233	14 Feb 2024 PE: PIP IAF Funded Projects Staff to ensure climate change adaptation is identified in SRR	D Marshall P Numan	Risk identified and will be included within the Strategic Risk Register review due to be completed by June 2024 Deferred to October Risk and Audit Committee Meeting Deferred to December Risk and Audit Committee Meeting following a Council workshop on 23 October 2024 run by Phil Rossiter	March 2024 RAC 26 June 2024 14 August 2024 16 October 2024 11 December 2024
235	14 Feb 2024 Slumpage in wharf back wall Staff noted that harbour land adjacent to Cobden St has problem with slumpage in the wharf back wall. Council Engineers advised that the slumpage relates to a broken stormwater pipe and repair costs are not able to be claimed via the flood recovery process. The repairs will be funded from the Council stormwater and harbour accounts.	D Marshall W Dunlop	Staff to advise when work is complete IS advise there are a number of steps required in the Cobden St Storm water outfall repair as follows; <ul style="list-style-type: none"> • Currently awaiting storm water modelling data specific to Cobden St which is expected late August 2024. • Following this Davis Olgivie (DO) will be engaged for final solution and design engineering continuing on from site assessment and optioneering stages already completed by DO. • QS/Scope price final design and finalise budget allocation. • Undertake construction procurement noting Procurement starting late Oct 2024 (pending Wayne Dunlop approval to proceed) Staff to advise when work is complete.	26 June 2024 14 August 2024 On Going

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
			<p><u>Update 15 October 2024</u></p> <p>Confirmation is being sought from the modelers on their proposed outfall diameter and clear statement of level of service – noting this in advance of a fully completed model.</p> <p>Recent CCTV has confirmed the need for replacement of pipe to the outfall and adjacent pipe in Cobden St that is likely to extend the scope of this project – under discussion as to separation or amalgamation of additional works.</p> <p>It is expected that DO will be given the final design requirements /scope week ending 20 October 2024.</p>	
236	<p>14 Feb 2024</p> <p>Crack in Buller Coal Ltd shed floor</p> <p>Recent media coverage was discussed about this topic. The shed is located on council owned land and councillors were concerned there might be an exposure to the council if this cracking became a larger problem. Staff advised that the problem is not that of council, but councillors asked to keep the matter on the Action Points for future monitoring.</p>	<p>D Marshall</p> <p>P Numan</p>	<p>Staff to advise if any further issues arise.</p>	<p>On Going</p>
244	<p>17 April 2024</p> <p>Capital Receipts And Expenditure To 31 December 2023 Update</p> <p>D Marshall to provide a report to the June Risk and Audit Committee meeting regarding the original proposal to amalgamate the Reefton Service Centre and the original budget broken down</p>	<p>D Marshall</p> <p>P Numan</p>	<p>Moved to August Risk and Audit, as the capacity of the Finance Team is limited with the preparation of the Enhanced Annual Plan.</p> <p>This item is not on the Agenda as it was removed by the Senior Leadership Team. Please refer to the revised Risk and Audit Committee Work Plan.</p> <p>Next report scheduled to the December 2024 Risk and Audit Committee Meeting.</p>	<p>26 June 2024</p> <p>14 August 2024</p> <p>30 October 2024</p> <p>11 December 2024</p>
246	<p>14 August 2024</p> <p>Bylaw Policy Verbal Update</p> <p>A schedule of the bylaw policy is advised to be distributed to Independent Chair S</p>	<p>B Little</p>	<p>The updates were emailed to Independent Chair S Roche for distribution to elected members 22/08/2024</p>	<p>30 October 2024</p>

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
	Roche for distribution to the Elected Members.			
247	17 April 2024 Review of Buller District Council Procurement Policy	P Numan	A reviewed Procurement Policy paper will be brought to the October 2024 Council Meeting. A reviewed Procurement Policy Paper will be brought to the December Risk and Audit Committee Meeting	30 October 2024 11 December 2024

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 5

Prepared by: Paul Numan
Group Manager Corporate Services

Attachments: 1. Risk and Audit Committee Work Plan October 2024

RISK AND AUDIT WORK PLAN

1. DRAFT RECOMMENDATION

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

Risk and Audit Committee
Proposed Programme 2024 Calendar Year Updated August 2024

Categories/Reports Proposed	SLT Member	Reporting Officer	February	March	April	May	June	July	August	September	October	November	December
Risk & Assurance Items													
Ernst & Young Report on BDC's Annual Report and its Preparation	GM Corporate Services	Finance Manager		Moved to April									
Strategic Risk Register Update and Framework Review	GM Corporate Services	GM Corporate Services		√	√		√				√		√
Health and Safety Report Update	GM Corporate Services	Human Resources		√			√		√				√
BHL Letter of Expectation	GM Corporate Services												√
CCO Statements of Intent	GM Corporate Services	Finance Manager		Draft			Final						
CCO Director Appointments and Remuneration	GM Corporate Services	Finance Manager			Review Appointments and remuneration levels								
CCO Exemption Paper (required every 3 years)	GM Corporate Services	Finance Manager	√										
BHL Quarterly Financials	GM Corporate Services	Finance Manager	√				√				√		
BHL Annual Report (adopt is required under law by 30 Sept each year)	GM Corporate Services	Finance Manager									√		
Westport Airport Authority Financials - 30 June	GM Corporate Services	Finance Manager					√						
Westport Airport Authority Financials - Half year	GM Corporate Services	Finance Manager	√										√
Insurance	GM Corporate Services	Management Accountant					Insurance Update Report				Insurance Update Report		Finalise
Review of Procurement Policy	GM Infrastructure Services	Manager Infrastructure Delivery/CFO			√		√						
Update on By-law review process	CEO	Community Services Manager					√		√		√		√
Review of BDC Created Policy	GM Corporate Services	GM Corporate Services					√				√		
Review of Business Continuity Plan	GM Regulatory Services	CEO	√								√		
LGQIMA report	CEO	CEO	√				√		√		√		√
Projects in Partnership	GM Corporate Services						√		√		√		√
Reserve and Hall Subcommittee Update	GM Community Services						√		√		√		√
Internal Audits													
Dredge Activities	GM Corporate Services	Project Accountant	√				√				√		
Harbour Activities	GM Corporate Services	Project Accountant					√				√		
Follow-up on Ernst & Young Matters Raised in their Annual Report	GM Corporate Services	Finance Manager					EY Closing Report		√				√
Follow-up on matters raised in Morrison Lowe report									√				
Monitoring Items													
BDC Quarterly / Half Yearly Financials	GM Corporate Services	Finance Manager	√				√						√
BDC Monthly Financial Performance Report	GM Corporate Services	Financial Accountant		Report to be issued pre meeting			√				√		√
BDC Investments and Borrowings	GM Corporate Services	Finance Manager	√	√	√	√	√				√		√
BDC Debt Management - Sundry and Rates	GM Corporate Services	Finance Manager		√			√						√
BDC Capital Receipts and Expenditure	GM Corporate Services	Financial Accountant		√			√				√		√
PIP Report	CEO	CEO	√	√	√	√	√		√		√		√
Capital Report Multi-Year Projects							√		√		√		√
KPMG Update	CEO	CEO					√		√		√		√
The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work													
Major Financially Based Reports to be Prepared in the 2024 Calendar Year													
Annual Plan					Adopt draft & Consultation	Consultation & Hearings	Adoption						
Long Term Plan							Adoption		Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft	Preparation of draft
BDC Annual Report							Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Adoption Annual Report - Audit opinion issued	Publish Annual Report & Summary Document	
Rating Policy Review													
Rating Policy Review			Preparation and review - 3 waters rates	Preparation and review - 3 waters rates	Consultation part of Enhanced Annual Plan	Hearings part of Enhanced Annual Plan	Adoption part of Enhanced Annual Plan			Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates	Preparation and review - general rates

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 6

Prepared by Jess Curtis
Capital Works Manager

Reviewed by Michael Aitken
Interim Group Manager Infrastructure Services

Attachments 1. Buller District Council Infrastructure Services Capital Works
Programme Report July-24

Public Excluded: No

CAPITAL WORKS PROGRAMME REPORT

1. REPORT SUMMARY

For information only; attached is the monthly Infrastructure Services Capital Works Programme report showing finances from 1-30th July and commentary on work delivered during the month of August. Current risks (as of 1 October 2024) are highlighted in the following commentary.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee

- 1. Receives the report for information.**
- 2. Notes that the report will continue to evolve as the information required to show a full picture of the Capital Works Programme is understood e.g. the addition of minor capital works.**

3. ISSUES & DISCUSSION

BACKGROUND

With the establishment of the Capital Works Team in the Infrastructure Services Unit, Buller District Council is piloting a Council wide 'project and programme management procedure' with a Control Group and a monthly combined report aiming to capture project health through budget, scope, resource, schedule, risks/issues, and financial tracking for each project.

The Infrastructure Services Capital Works Control Group meets monthly and is chaired by the Infrastructure Services Group Manager in their role as the Sponsor for all projects. Other members include the Corporate Services and Community Services Group Managers, Infrastructure Delivery Manager, and Infrastructure Planning Manager. Project managers will be invited to talk through the projects when project decisions are required and if there are key risks that require management support.

The monthly Capital Works Programme report shows key projects (above \$100k) that are run through the Infrastructure Services Unit. Minor capital works (less than \$100k) are not currently shown, however the long-term aim is to include minor capital and show the total portfolio spend breakdown. High risks, health and safety events including notifiable events and communications for the month are also included in the report.

Current high risks (as of 1st October 2024) are:

- **Buller and Orowaiti discharge resource consent application** – If the volume of request for information tasks is too large there will be a challenge to Buller District Council resources to respond. If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.
- **Waste water/Stormwater separation policy** - If community engagement is not completed, then the stormwater infiltration policy may not be understood and accepted by the community.
- **Carnegie Hall** – If construction is not completed there may be write off and demolition costs to be covered in operating budgets.
- **IAF Programme** - The project is split into stage 1 (design) and stage 2 (construction). The Programme Management budget will be exhausted in November 2024 unless construction funding becomes available.

- **IAF Programme** - If Buller District Council is unable to satisfy the construction funding condition before 20 December 2024, the IAF construction funding may be at risk.
- **IAF Programme** - Stage 2 costs were split between Buller District Council (\$200k) and Kainga Ora (\$1.1m). If construction is not completed there may be write off costs for operating.
- **Resilient Westport stormwater** - Funding for stormwater improvements not included in the June 2022 Westport Flood Resilience Business Case. Cost implications being developed and will be included in 2025-2034 Long-Term Plan.
- **Resilient Westport stormwater** - If modelling is charged to capital and construction is not completed there may be write off costs for operating.

Project health is shown through red, amber, and green colours (definitions for these are within the report), and projects with set up documents still required are shown as grey. Further projects are still to be added to the report as the year progresses, for example projects confirmed through NZTA funding in September will be added to the October report.

4. CONSIDERATIONS

4.1 Strategic Impact

The combined monthly reporting aims to show the breakdown and status of projects referred to in annual or long-term plans.

4.2 Significance Assessment

This report is not deemed significant under the Council's assessment policy.

4.3 Risk Management Implications

This decision does not provide Council with a significant risk

4.4 Values

This aligns with the Buller District Values, which are: Community Driven, One Team, Future Focussed, Integrity and We Care by showing a transparent report of Infrastructure Projects above \$100k.

4.5 Policy / Legal Considerations

There is no legal context, issue, or implication relevant to this decision

4.6 Tangata Whenua Considerations

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

4.7 Views of Those Affected

This decision does not require consultation with the community or stakeholders, however as the “project and programme management procedure’ is in the pilot stage, an internal working group will be set up in early 2025 to finalise the document for SLT approval.

4.8 Costs

There are no financial implications to rolling out this report.

4.9 Benefits

The benefits to the council and community is increased visibility and transparency on projects being delivered within the Infrastructure Services Unit.

4.10 Media / Publicity

Not Applicable

Buller District Council Infrastructure Services Capital Work Programme

Reporting Month Ending:	August 2024
Financial Month Ending:	July 2024
Last Control Group Meeting:	None
This Control Group Meeting:	27 th September 2024
Next Control Group Meeting:	24 th October 2024

Overall Programme Financials

The table below provides a rolled-up overview of the annual budgets, carryovers, and costs to date along with remaining expenditure for each portfolio. The figures below represent the 24/25 capital programme budget, tracked against delivery. Figures in red show an overspend compared to budget.

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
Local Roads	\$4,292,216	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$105,434	\$4,186,782	This is full triannual budget. To be updated with August NZTA approved information.
Special Purpose Roads	\$3,065,489	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$46,354	\$3,019,136	This is full triannual budget. To be updated with August NZTA approved information.
Transport & Urban Development	\$4,910	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$84,532	\$79,623	This includes costs from the IAF and Resilient Westport projects

Portfolio	24/25 AP budget	Carryovers from 23/24	Approved changes	Total approved budget	Cost To Date	Variance (budget – cost to date)	Commentary
Sewerage Schemes	\$1,842,891	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$127,451	\$1,715,440	
Water Supplies	\$5,687,011	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$118,667	\$5,568,343	
Stormwater Network	\$631,578	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$57,753	\$573,824	
Solid Waste	\$197,404	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$28,033	\$169,371	
Community Facilities	\$781,275	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$50,814	\$730,461	
Total	\$16,502,773	Not yet confirmed	Not yet confirmed	To be confirmed with carryovers	\$619,038	\$15,883,735	

Portfolio summaries

The projects listed below are low, medium and high complexity projects across the Infrastructure Services Capital Works Programme. Minor capital works (less than \$100k) are not currently shown, however the aim is to include minor capital and show the total portfolio spend breakdown. The colour coding represents the following:

Colour	Description
	<u>Off track</u>

	<p>Budget – budget variation is +/- 10% or insufficient to deliver</p> <p>Scope – not well defined and/or highly likely that the approved scope cannot be delivered</p> <p>Resources – project is significantly under resourced and/or specific skills not in place</p> <p>Schedule – no clear visibility of deliverable dates and/or delays in completing deliverables for the delivery dates</p> <p>Risk/Issues - risks are not able to be managed at programme/project level despite controls in place and/or risks are expected to eventuate and impact the programme/project delivery.</p>
	<p><u>On track for now, aspects need resolution</u></p> <p>Budget – budget variation is +/- 5-10% with work underway to resolve</p> <p>Scope – not well defined with a scope change identified which may require additional budget/resources/time</p> <p>Resources – some variances exist and/or required skills</p> <p>Schedule – not enough visibility of deliverable dates, delays may impact final delivery dates</p> <p>Risk/Issues - some mitigation strategies are in place but with improvement needed. Risk status overall is worsening.</p>
	<p><u>On track</u></p> <p>Budget – project on track against approved budget</p> <p>Scope – well defined and on track for delivery</p> <p>Resources – required resources/capabilities are in place</p> <p>Schedule – clear deliverable dates with no delays to baseline delivery dates</p> <p>Risk/Issues - risks are fully assessed and managed</p>
	<p>Baselines not yet set to measure report against.</p>

Community Facilities Portfolio health check

The key projects in the Community Facilities portfolio are upgrades to the Mokihinui and Punakaiki campground sewage systems with funding from the Tourism Infrastructure Fund still being confirmed prior to project delivery being undertaken.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Mokihinui Campground Sewerage							\$800,000	\$18,260	\$781,740	\$800,000	\$0
Commentary	Full ground investigation completed and designers have begun work on completing the initial proposal. \$400,000 TIF and \$400,000 of BDC funding.										
Punakaiki Campground Sewerage							\$588,456	\$42,966	\$545,489	\$588,456	\$0
Commentary	Contract with Dwan and Andrews (D&A) for design and construction awarded. A pre-application meeting completed with WCRC Compliance Inspector, confirmed the proprietary AES system is suitable for the site. A Resource Consent application has been submitted by D&A for the AES system. Written confirmation Affected Party Approvals have been received from DOC and Ngāti Waewae. \$396,228 TIF and \$192,228 of BDC funding.										
Brougham Street - Upgrade							\$1,586,960	\$385,110	\$1,201,850	\$1,586,960	\$0
Commentary	Electrical-main switchboard replacement completed. HVAC consent underway, procurement plan approved for delivery.										
NBS theatre HVAC - 86105509							\$370,000	3,630	\$366,370	\$370,000	\$0
Commentary	Design to be changed to adapt for fire cells in the auditorium.										
Carnegie Hall							\$547,157	\$48,806	\$408,351	\$547,157	\$0
Commentary	Offer of service and report received from Heritage Works. To be discussed with Carnegie Culture Committee. External funding is required to deliver the project. Further \$500k to be added to the budget is contingent upon achieving external funding.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Reefton swimming pool HVAC and upgrade							\$600,000	\$28,735	\$571,265	\$600,000	\$0
Commentary	Design completed; draft tender documents underway including timeframe review. \$300k MBIE funding and \$300k of Lottery funding. Any surplus funds will need to be allocated.										

Roading and Transport Portfolio Health Check

The projects listed below are the larger projects within the roading and transport portfolio for the 23/24 financial year. Once the NZTA funding is approved in Q3 2024, this list will be updated with the new projects.

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
LR – Low Cost/Low Risk – Omau Road intersection upgrade							\$374,500	\$327,168	\$0	\$327,168	\$47,332
Commentary	Detailed design completed within budget. Construction funding confirmed by NZTA in September,										
SPR – Karamea highway rehabilitation							\$1,895,172	\$1,770,079	\$0	\$1,770,079	\$125,093
Commentary	Contractor has agreed to a work programme to remediate the defective seal at site 2 and 3 with the aim to prevent deterioration in warmer months.										

Key Projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
	Budget was remaining value of rehabilitation work category.										
LR – Speed Management Plan phase 1							\$245,000	\$172,741	\$0	\$172,741	\$72,259
Commentary	Signs order for 'Do minimum speed management plan' Delays in schedule for installation with Regional Transport Committee for a final assessment, after which referred back to BDC to agree and any RTC changes then goes to Director of Land Transport for approval. Possibly on hold at RTC level as Minister of Transport has consulting on changes to the Setting of Speed Limits Rule. Changes expected to be known in Dec 2024.										
Toki Trail stage 2a							\$142,599	\$94,118	\$17,979	\$112,097	\$30,502
Commentary	Final construction completed. Project handover and closure to be started. Funded from a 22/23 carry-forward for district revitalisation work of \$158,004. \$9,480 of the carry-forward was spent on non-Toki Trail Stage 2A projects, leaving an available budget of \$142,599. As part of the end of 23/24FY, project costs requiring impairment are to be confirmed with finance.										

Waste Water Portfolio Health Check

The majority of the projects listed below are interrelated as part of a larger programme of work looking at bringing the wastewater and stormwater networks in Westport township up to compliance.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Replacement of WWPS screens – 10234							\$200,000	\$202,910	\$3090	\$205,280	-\$5,280

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Project Complete. Closure report required.										
Resource consent application – 10235							\$455,000	\$282,447	\$172,553	\$455,000	\$0
Commentary	Buller River Consent RFI's and consent variation for discharge into the Buller River ongoing. Review of community engagement process started Memo for Carter's beach explaining unknowns, assumptions and suggested mitigations underway. Proposed monitoring programme independent peer review contract negotiation started. AEE for Orowaiti consent ongoing.										
Waste water model preparation – 10236							\$315,000	\$65,226	\$185,000	\$226,726	\$88,274
Commentary	Wastewater modelling and optioneering ongoing. There is further modelling work to be completed once separation completed e.g. Carters Beach, Colvin Street and Riley Place (see project below).										
Stormwater model preparation - 10237							\$420,000	\$107,301	\$115,527	\$190,328	\$229,672
Commentary	Stormwater modelling and optioneering ongoing. Results expected in Q3 2024. Variance not expected at project completion as additional modelling work is likely to be required that is not shown yet as a committed cost.										
Waste water/stormwater separation – 10238							\$800,000	\$262,947	\$520,000	\$677,947	\$122,053
Commentary	Repairs for immediate 20 cross connections completed with further connection budget for 24/25 FY. 33 connections require a work programme to be confirmed.										
Waste water/stormwater							\$50,000	\$13,757	\$36,243	\$50,000	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
separation policy – 10239											
Commentary	Next steps for the policy to be confirmed										
Riley Place pumpstation - 52052							\$250,000	\$722	\$249,278	\$249,278	\$0
Commentary	Investigation of options for pumpstation underway. Indicative Business Case underway for the full project.										
Waste water/stormwater separation smoke and dye test - 52017							\$400,000	\$9,920	\$390,080	\$400,000	\$0
Commentary	Preliminary smoke and dye test completed to understand water movements in the wastewater and stormwater network. Project paused until policy confirmed which will inform the final scope. Scope and budget included in Stormwater replacement.										
Pakington street main replacement (20 – 32) - 52021							\$230,000	\$12,419	\$217,581	\$230,000	\$0
Commentary	Contract issued, work to be programmed in Q3 2024.										
Waste water/stormwater separation - 52024							\$100,000	\$200	\$99,800	\$100,000	\$0
Commentary	Contract issued, priority work programmed in for Q4 2024.										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Potter Road – Buller Road reline - 52023							\$154,137	\$8,707	\$145,430	\$154,137	\$0
Commentary	CCTV delays due to survey difficulties requiring the installation of a manhole. Suggestion that relining is possible. Relining contract issued, work programme not yet confirmed by contractor.										

Water Supplies Portfolio health check

The largest project in the water supplies portfolio is the final stage of the Westport Trunk Main replacement. Funding was approved in the 24/25 annual plan and the project setup is currently underway. The Westport trunk main replacement project was broken into 4 stages. Stage 1 has been fully closed, stages 1a, 1b and 2 are shown below.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Punakaiki Chlorination – 51011							\$194,000	\$23,792	\$314,045	\$337,727	-\$143,727
Commentary	Construction contract negotiations completed. Project change request to add further funding from the 24/25 AP to be approved for funding for second stage removing the funding risk underway. Communications plan being developed to engage with the Punakaiki community including letter drops and drop session if needed.										
Westport Water Treatment Plant Optimisation - 51052							\$270,000	\$49,864	\$220,136	\$270,000	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Lutra have completed a study to improve the efficiency of the water treatment plant. Final confirmation of the scope is to be agreed on within the budget										
Westport water Sectorisation - 51008							\$380,000	\$7,973	\$369,523	\$380,000	\$0
Commentary	Current financial transactions against the project ID require adjusting. Communications underway to inform the community about potential nighttime water supply interruptions										
Waimangaroa raw water supply upgrade							\$2,519,912	\$2,042,106	\$2,400	\$2,044,506	\$475,406
Commentary	Physical works completed. Defects liability period still to be completed. Decision to be made on remaining budget. SLT memo to be drafted for decision on budget movement for underspend.										
Westport Trunk Main Stage 1b - 10240							\$1,634,954	\$1,134,409	\$6,800	\$1,141,209	\$493,745
Commentary	Physical works completed. Defects liability period still to be completed. SLT memo to be drafted for decision on budget movement for underspend. Overspend from Trunk Main stage 1a project of \$15,046 to be confirmed within this budget. Easement approved by BDC currently with Colls Surveying to be lodged.										
Westport Trunk Main Stage 2 - 51080							\$3,092,985	\$8,288	\$2,417,650	\$3,092,985	\$667,048
Commentary	Project approved in the 24/25 annual plan. Project charter approval underway to set project baselines up for reporting. Project management, design novation and tender construction procurement documents underway										

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Coates Street Mains Replacement - 51076							\$250,000	\$1,300	\$248,700	\$250,000	\$0
Commentary	Replacement to increase performance of service delivery along the entire Coates and Forbes Street. Design completed, construction to be programmed.										
Westport backflow preventions – 51007							\$823,541	\$168,464	\$655,077	\$823,541	\$0
Commentary	Trailing a wireless meter underway before confirming next steps of the roll out. To be part of a 10-year allocation.										
West Disraeli to Queen Street Mains Replacement - 51023							\$103,857	\$7,788	\$96,069	\$103,857	\$0
Commentary	Programmed in for delivery Q3 2024.										
Walsh street Main replacement							\$118,850	\$0	\$118,850	\$118,850	\$0
Commentary	Design completed, construction to be programmed in for Q1 2025.										
Cape Foulwind Break Tank Upgrade - 51006 and 51004							\$100,000	\$28,463	\$71,537	\$100,000	\$0

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Work underway on site.										

Stormwater Portfolio health check

The largest projects in the stormwater portfolio are the repairs of the Cobden Street outfall and the Resilient Westport stormwater modelling.

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Brougham Street Stormwater Upgrade – 53001							\$150,000	\$114,088	\$24,000	\$13138,088	\$11,912
Commentary	The project is near completion, curb reinstatement is still outstanding, and it needs to be finished to finalize construction. Davis Ogilvie has started the easement process for BDC assets on private property.										
Southern Peel Street Stormwater Upgrade – 53011							\$300,000	\$26,029	\$212,868	\$238,896	\$ 61,104
Commentary	A slight delay in the schedule as the scope was redefined as geotechnical analysis had to be included late during the planning stage. However, construction to be completed in first half of 24/25. Groundwater sampling underway over the coming months to identify tidal and seasonal variations. Installation of WaStop at Disraeli Street to avoid surcharge into southern Queen Street from the stormwater main to be completed.										
Cobden Street outfall repair - 53031							\$400,000	\$26,831	\$344,000	\$370,831	\$29,169

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Storm water modelling pre-lim outputs (separate project) has sized the required outfall size for Cobden Street to be DN1050. Further CCTV has been organised for later September to provide final design inputs ahead of considering engaging Davis Ogilvie. Change request to be approved for the budget once better identified.										
Thomas Creek outfall protection – 53006							\$160,000	\$180	\$159,820	\$160,000	\$0
Commentary	Design underway with specialised advice required. Transfer of Project Manager to be completed in Sep/Oct.										

Waste Management Portfolio health check

The key projects in the Waste Management portfolio are:

Key projects	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Current Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Karamea landfill and recycling centre upgrade							\$328,000	\$283,122	\$42,000	\$325,122	2878
Commentary	Delays due to consents taking longer than anticipated to issue. Multiple funding streams including AP budgets from 22/23, 23/24, waste levy's fund and MFE funds. Revenue of approximately \$25k from Karamea Waste Group Grants to be realised. Additional 24/25 AP budget to be added to the project through a change request of \$49,000. Project closure report to be drafted that confirms final financial breakdown										

Construction and demolition waste recovery facility							\$132,842	\$104,794	\$795,206	\$900,000	-767,158
Commentary	Council final approval to complete project due in September. If approved, project expected to be completed late-2025 with a total expected budget of \$949,999 made up of Ministry for the Environment funds of \$900,000, Buller, Greymouth, Westland District Council of \$13,333 each and West Coast Regional Council of \$10,000.										
Westport and Reefton transfer station upgrade							\$496,674	\$359,207	\$45,000	\$404,207	\$92,467
Commentary	Additional 24/25 AP budget to be added to the project through a change request. Project closure report to be drafted that confirms final financial breakdown										

Return to Service Programme Health Check

The NZTA funded Return to Service roading work is a programme of works separated into 12 bundles which are described below. Overall, the programme is overspent by \$1,433,975. A claim has been lodged with NZTA for additional funding with discussions with NZTA continuing while bundle 9 scope and final costs for bundles 8 and 10 are known.

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Bundle 1							\$933,731	\$604,239	\$52,409	\$656,648	\$277,082
Commentary	Gannon's Creek bridge design ongoing. Estimate higher than actual cost to complete										
Bundle 2							\$332,795	\$239,588	\$0	\$239,588	\$93,207
Commentary	Work completed; defects liability period underway. Works executed efficiently with cost savings identified through agreement with the contractor.										
Bundle 3							\$448,204	\$343,199	\$0	\$343,199	\$105,005
Commentary	Work completed; defects liability period underway. Estimate higher than actual cost to complete.										
Bundle 4							\$618,765	\$784,114	\$17,000	\$801,114	-\$182,349
Commentary	Work completed; defects liability period underway. Tender price received higher than estimate.										
Bundle 5							\$662,360	\$525,089	\$5,302	\$530,391	\$131,969
Commentary	Work completed; defects liability period underway. Works executed efficiently with cost savings identified through agreement with the contractor.										
Bundle 6							\$3,371,256	\$4,078,286	\$9,809	\$4,088,094	-\$716,839

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	<p>Work completed; defects liability period underway.</p> <p>Additional costs identified during construction due to challenging ground conditions over five sites.</p>										
Bundle 7							\$1,256,062	\$955,828	\$4,571	\$960,399	\$295,663
Commentary	<p>Work completed; defects liability period underway.</p> <p>Reduction on scope of work on De Malmanches Road identified by Project Manager and competitive tender received.</p>										
Bundle 8							\$2,725,265	\$1,074,391	\$1,757,176	\$2,821,566	-\$106,301
Commentary	<p>Final extent of retaining wall can only be determined during construction once unforeseen ground conditions are fully managed.</p> <p>Work underway. Site team proactively looking for cost savings.</p>										
Bundle 9							\$215,750	\$135,875	\$783,887	\$919,763	-704,013
Commentary	<p>Scope for budgets in bundle 9 are to be reassessed between NZTA and BDC based on NZTA budgets. Accounting treatment for design and project management costs not used to be confirmed in the 24/25 FY.</p> <p>Initial budget was for a group of minor works. Following engineers' assessment and agreement with NZTA, one site was identified as needing more substantial work and an increased estimate was agreed of approx. \$600k.</p> <p>Recently this site has been removed following a NZTA priority assessment.</p>										
Bundle 10							\$1,165,615	\$635,718	\$744,713	\$1,380,431	-\$214,816
Commentary	<p>Final extent of retaining wall can only be determined during construction once unforeseen ground conditions are fully managed.</p> <p>Spring construction could impact completion date.</p> <p>Work underway. Site team proactively looking for cost savings.</p>										
Bundle 11							\$751,279	\$757,540	\$5,880	\$763,420	-\$12,141

Project name	Overall	Budget	Scope	Resource	Schedule	Risk/Issues	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast to Complete	Variance
Commentary	Final product not to strength and durability requirements. Contractor to remediate the site to acceptable standard in collaboration with the designer. Further project and contract management cost to be received as dispute is negotiated.										
Bundle 13							\$1,011,152	\$1,294,343	\$5,170	\$1,299,513	-\$288,361
Commentary	Work completed, defects liability period underway. Tender price received higher than estimate.										

	Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost to Complete	Variance	Commentary
Overall Programme finances	\$13,492,234	\$10,968,997	\$3,957,028	\$14,926,208	-\$1,433,975	Reassessment of bundle 9 with NZTA will likely reduce this total.

Summary by event and local roads or special purpose roads:

Class and event	Current budget	Forecast final cost	Variance
LR FEB	\$6,232,155	\$7,076,855	-\$844,700
LR JUL	\$1,073,193	\$1,403,086	-\$329,894
SPR FEB	\$5,376,935	\$5,182,486	\$194,449
SPR JUL	\$809,951	\$1,152,650	-\$342,699
TOTAL	\$13,492,234	\$14,926,208	-\$1,433,975

High Risks and Issues

The following table outlines the most significant risks and issues facing the Capital Programme Delivery and the mitigation measures in place to address them.

Project name	Risk/Issue Name	Description	Action/Mitigation
LR – Low Cost/Low Risk – Omau Road intersection upgrade	Phase 1 (design) costs	If construction is not completed there may be write off costs for operating.	Costs to be held as Work in Progress until a decision on phase 2 construction is made.
Resource consent application - 10235	Volume of request for information	If the volume of request for information tasks is too big there will not be available BDC resourcing to respond.	Task list has been drafted with assigned resources to it. Workload priority conversations with assigned staff underway.
Resource consent application - 10235	Consent compliance	If the Council's consent application is not complete within the timeframes or issues with onerous conditions that are unable to be fulfilled, then the council may incur penalties and reputational damage for breaching conditions.	Reduce stormwater discharge into wastewater network.
Waste water/stormwater separation policy - 10239	Community engagement	If community engagement is not completed, then the stormwater infiltration policy may not be understood and accepted by councillors and the community.	Communications advice underway to give recommendations.
Punakaiki Chlorination - 51011	Overspend in project funding	If the project funding is not increased the project will be unable to complete the full scope.	Project baseline increase approved with the 24/25 AP budget release. PCN required.
Carnegie Hall	Investigation costs	If construction is not completed there may be write off and demolition costs for operating.	Costs to be held as Work in Progress until a decision on phase 2 construction is made.
IAF Programme	Stage 1 Programme Management	The project is split into stage 1 (design) and stage 2 (construction). The Programme Management budget will be exhausted in November 2024 unless construction funding becomes available.	September meeting between Programme Manager, Capital Works Manager and IS Group Manager to complete a transition plan to be arranged.

Project name	Risk/Issue Name	Description	Action/Mitigation
IAF Programme	Access to construction funding	If BDC is unable to satisfy the construction funding condition before 20 December, the IAF construction funding may be at risk.	Active work with the TToP Hearings Commissioners to provide supporting information and undertake further consultation re rezoning Alma Road completed 15 August. Formal request of Hearing Panel to release rezoning decision ahead of rest of TToP. Fast Track Consent application made for subdivision of Kawatiri Block at Alma Road.
IAF Programme	Stage 1 (design) cost write offs	Stage 2 costs were split between BDC (\$200k) and Kianga Ora \$1,100,000). If construction is not completed there may be write off costs for operating.	Costs to be held as Work in Progress until a decision on stage 2 construction is made.
Resilient Westport	Delivery funding not confirmed.	Funding for stormwater improvements not included in the June 2022 Westport Flood Resilience Business Case with early cost indications for delivery being \$56-70m.	Once modelling is completed, active engagement with central government on external funding sources.
Resilient Westport	Modelling cost write offs	If modelling is charged to capital and construction is not completed there may be write off costs for operating.	Working with finance to agree on an accounting treatment for this work.

Health, Safety and Environmental

This register tracks the health, safety and environmental audits and reports completed for construction projects in the previous month.

Programme/project name	Events Reported	Notifiable Events	Audits Completed - August
RTS Programme	0	0	30
SPR – Karamea highway rehabilitation	0	0	0

Communications/Community and Stakeholder Engagement

The following recent communication has been distributed to achieve the above aims.

Project Name	Description
RTS Programme	Traffic management update sent to stakeholders list. Update of the Buller District Council webpage https://bullerdc.govt.nz/your-council/key-projects/roadmap-to-recovery-for-buller-s-roads/ completed.

Appendix 1: Project Name and Description

Portfolio	Project Name	Project Description
Roading and Transport	SPR – Low Cost/Low Risk – Karamea highway corner widening	Buller District Council (BDC) and Beca Ltd (Beca) identified 16 sites (corners) along the Karamea Highway Special Purpose Road (SPR) requiring safety improvements. All sites have been identified as having experienced issues with large rigid vehicles not being able to pass in opposing direction safely. Of the 16 sites, 10 were prioritised and 6 of the 10 identified for delivery to utilise the available funding prior to June 30 th , 2024.
Roading and Transport	LR – Low Cost/Low Risk – Omau Road intersection upgrade	Council is proposing to upgrade the Omau intersection due to safety concerns and to provide a safe alignment for the Kawatiri Coastal Trail. This stage will involve the detailed design of the intersection to be completed by 30th June 2024.
Roading and Transport	SPR – Karamea highway rehabilitation	Granular overlay and two coat chip seal at three sites from the northern side of the Karamea bluff to the Karamea bridge.
Roading and Transport	LR – Speed Management Plan phase 1	This project aimed to deliver on the outcomes of the Regional Speed Management Plan 2024-2026 consultation that proposed to lower the speed limit around eight schools, and seven high priority roads/high priority areas.
Roading and Transport	Camp Creek Bridge	Replacement of bridge to allow Transpower access to powerlines. To be handed over to Transpower once completed.
Roading and Transport	Toki Trail stage 2a	A shared path was created between the Toki Poutangata bridge and Victoria Park which has been the subject of a post-construction safe system audit undertaken by Abley Consultants which recommended multiple changes and improvements. The scope of this project is to rectify the existing Kawatiri Coastal Trail, Westport town precinct, Westport CBD, and the recreational area of Victoria Park via a shared pathway. An enhanced journey experience for cyclists and pedestrians will increase well-being, retail and social benefits

Portfolio	Project Name	Project Description
Waste Water	Replacement of WWPS screens – 10234	Replace screens on the three pump stations subject of the consent RC00408/2. Note there are five other WW pump stations in Westport that are currently unconsented and may need the addition of overflow screens before consents can be issued.
Waste Water	Resource consent application – 10235	Buller river and Orowaiti river resource consent application. Includes iwi liaison, environmental reporting etc.
Waste Water	Waste water model preparation – 10236	Waste Water model and optioneering to identify improvement works that will need to be carried out over short and longer term.
Waste Water	Stormwater model preparation - 10237	Stormwater model and optioneering to identify improvement works that will need to be carried out over short and longer term.
Waste Water	Waste water/stormwater separation investigation – 10238	Repairs for immediate cross connections.
Waste Water	Waste water/stormwater separation policy – 10239	Develop and consult on a WW/SW separation policy including consultation.
Waste Water	Riley Place pumpstation - 52052	The current pump station, rated at 4 litres per second (l/s), is outdated, frequently struck by vehicles, and deteriorating. This project looks to investigate options available.
Waste Water	Waste water/stormwater separation smoke and dye test - 52017	Smoke and dye testing to complete a report that identifies where separation work is required.
Waste Water	Pakington street main replacement - 52021	Replacement of the main pipeline around numbers 20 – 32 in Pakington Street.
Waste Water	Waste water/stormwater separation - 52024	Minor works post smoke testing investigations to provide priority solutions to cross connections.
Waste Water	Potter Road – Buller Road reline - 52023	Reline inside of the pipework between Potter and Buller Roads.
Water Supplies	Punakaiki Chlorination – 51011	The objectives of the project are essential to improving water supply safety by introducing residual chlorine into the drinking supply and complying with the Drinking Water Assurance Rules of 2022

Portfolio	Project Name	Project Description
Water Supplies	Westport water treatment plant optimisation - 51052	This project aims to investigate the WTP treatment performance and undertake affordable improvements.
Water Supplies	Westport water sectorisation - 51008	Sectorisation of the Westport Water system to understand the areas of water loss and allow improvements through management.
Water Supplies	Waimangaroa WS Upgrade	Upgrade critical elements of the raw water supply to implement priorities of the raw water network.
Water Supplies	Westport Trunk Main stage 1b - 10240	The project is a continuation of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.
Water Supplies	Westport Trunk Main stage 2- 51080	The project is the final stage of the Westport Trunk main, construction of PE trunk main pipeline towards Westport.
Water Supplies	Coates Street Mains Replacement - 51076	Replacement of mains in Coates Street
Water Supplies	Westport backflow preventions – 51007	In order to meet Taumata Arowai anticipated compliance testable backflow prevention valves are being rolled out firstly with rural water connections.
Water Supplies	West Disraeli to Queen Street Mains Replacement - 51023	Replacement of mains in West Disraeli to Queen Street
Water Supplies	Walsh street Main replacement	Replacement of mains in Walsh Street.
Water Supplies	Cape Foulwind break tank upgrade.	Aging tank requires replacement
Stormwater	Brougham street stormwater upgrade – 53001	The project originates from an unresolved historic stormwater issue wherein private construction works damaged an unmapped public stormwater drain passing through private property and localized flooding persisted at the rear of 143-149 Palmerston Street. To address this, the project focuses on installing a new stormwater pipe. This pipe will facilitate the drainage of communal stormwater from neighbouring properties into the Council's stormwater system situated in Brougham Street, thereby resolving the persistent localized flooding issue.
Stormwater	Southern peel street stormwater upgrade – 53011	The primary objective of the Southern Peel Street Stormwater Upgrade project is to decrease flooding of roads and private properties during rain events ranging up to the 10-year Average Recurrence Interval (ARI). This involves improving the stormwater management system to handle

Portfolio	Project Name	Project Description
		stormwater effectively, thus ensuring the road corridor and surrounding properties remain flood-free during typical rainfall events, improving safety, and reducing maintenance costs
Stormwater	Cobden Street outfall repair - 53031	Reactive repairs to the Cobden Street outfall. Design required prior to construction.
Stormwater	Thomas Creek outfall protection – 53006	Reactive repairs to the Thomas Creek outfall. Design required prior to construction.
Waste management	Karamea landfill and recycling centre upgrade	Purchasing and installing weighbridge, site office and recycling centre for Karamea.
Waste management	Construction and demolition waste recovery facility	Regional project to design, build and operate three construction and demolition waste recovery facilities around the region (Westport, Hokitika, Greymouth).
Waste management	Westport and Reefton transfer station upgrade	Major maintenance work of the two main waste facilities of the district (Westport and Reefton) e.g. roof repairs, Westport weighbridge, security fences/gates and cctv cameras.
Community Facilities	Mokihinui campground sewerage	Upgrade of Mokihinui Campground Effluent discharge funded by both the MBIE Tourism Infrastructure Fund and BDC.
Community Facilities	Punakaiki campground sewerage	Upgrade the existing onsite effluent wastewater system, ensuring the upgrade is fit for purpose, operates efficiently and meets current resource consent conditions for a maximum of 400 camping ground uses.
Community Facilities	Brougham Street Upgrade	Upgrade Brougham House. Current work has included electrical-main switchboard replacement and upgrades of heating and ventilation system for ground and first floor of Brougham house. Earthquake strengthening work still to be confirmed through council as budget insufficient to complete the required works.
Community Facilities	NBS theatre HVAC	Upgrade of heating and ventilation system for NBS theatre
Community Facilities	Carnegie Hall	Primarily seismic upgrade and associated refurbishments to meet the building act.
Community Facilities	Reefton swimming pool HVAC and upgrade	Upgrade of heating and ventilation system to ensure swimming pool air temp consistent with water temp to rectify severe condensation problem.
Return to Service Programme	Bundle 1	Bundle 1 is made up of defects/projects that require simple designs and that are usually carried out by Council's maintenance contractor.

Portfolio	Project Name	Project Description
Return to Service Programme	Bundle 2	Bundle 2 is made up of general roading and culvert repairs.
Return to Service Programme	Bundle 3	Bundle 3 is made up of machine works on the Karamea highway.
Return to Service Programme	Bundle 4	Bundle 4 is made up of machine works and a mechanically stabilised earth wall on the Karamea highway.
Return to Service Programme	Bundle 5	Bundle 5 is made up of roading underslips that require the road shoulder to be reinstated in Karamea basin and Little Wanganui.
Return to Service Programme	Bundle 6	Bundle 6 is made up of retaining wall and roading repairs on the Denniston road.
Return to Service Programme	Bundle 7	Bundle 7 is made up of rock protection and roading repair work.
Return to Service Programme	Bundle 8	Bundle 8 is the repairs of underslips using retaining structures and roading work on the Karamea highway.
Return to Service Programme	Bundle 9	Bundle 9 is made up of rockwall and roading & rock placement. The largest portion is Darkies Tce, with a significant retaining structure intended to support road required
Return to Service Programme	Bundle 10	Bundle 10 is made up of rockwall and roading & rock and culvert work on the Karamea highway.
Return to Service Programme	Bundle 11	Bundle 11 is the construction of a Soil Nail wall, replacement of existing culvert and other miscellaneous works on the Karamea highway.
Return to Service Programme	Bundle 13	<p>Bundle 13 is the repairs to two sites;</p> <p>Christmas Creek - Lift existing bridge, upgrade, construct new abutments, river works and miscellaneous work.</p> <p>Burkes Ford - Reinstatement of rock protection, void repairs, culvert installation and other works.</p>

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 7

Prepared by Penny Bicknell - Programme Manager
NEMA & BoF

Steve Garner
Programme Manager - IAF

Reviewed by Paul Numan
Group Manager Corporate Services

Attachment 1. NEMA Projects Status Report September 24
2. Better Off Funded Projects Status Report September 24
3. NEMA Wharf Repair Project Report September 24
4. IAF Financial Report 31 August 24

NEMA, IAF AND BETTER OFF FUNDING PROJECT STATUS REPORT SUMMARIES

1. REPORT PURPOSE

The purpose of this report is to bring the Risk and Audit Committee a summary of the Project Status Reports for NEMA, IAF and Better Off Funded projects for the month ended September 2024 (August 2024 financials) and a detailed project status report for the NEMA Wharf Repair Project.

2. DRAFT RECOMMENDATIONS

- 1. That Risk and Audit Committee receive the NEMA, IAF and Better Off Funding Project Status Report Summaries for information.**

3. SUMMARY

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

3.1 NEMA Projects

- Wastewater Betterment project — final project – procurement of the long Leadtime components of the Grit screens for the Westport Wastewater Treatment plan. Delivery scheduled for October.
- Westport Port Repairs
 - Programme progressing well with minimal weather delays
 - 58% of sheet pile wall installed and 25% of Caisson piling
 - First concrete pour on schedule for early October
 - Completion on schedule for May 2025
- NEMA have declined to pay any invoices for Team Project Advisory costs amounting to \$131,439 which are shown in the supplementary report as on hold costs (refer to table on page 6). Financial summaries will be reworked to ensure all ineligible project costs are deducted from the final project costs. This will result in a greater sum being available for potential reappropriation to the Westport Wharf Repair project (subject to NEMA approval). Currently \$300k has been approved by NEMA for reappropriation to the Westport Wharf Repair for contingency.

3.2 IAF Projects

- Design work remains on track to deliver outputs specified in the Delivery Plan agreed with Kainga Ora.
- Additional design work was agreed relating the Wastewater Treatment Plant upgrade to secure sufficient water on site to operate the new drum screen and to determine the actual location of inground pipework (due to inaccurate as-built plans). This has required the transfer of funds from the IAF wastewater design contingency (journal request pending) and for funding support from Infrastructure services.
- The inability to access IAF construction funding also means the remaining equipment for the treatment plant upgrade cannot currently be purchased and supplied.
- The Lagoon Creek study has been completed and Alma Road bridge design commenced.
- TToP Hearings relating to rezoning Alma Road were completed in September. The BDC Chief Executive has written to the Panel Chair requesting an early decision on the Alma Road rezoning to satisfy the IAF construction funding condition.
- Claim 3 (covering expenditure between January and March 2024) was held up pending the outcome of the KPMG review but has subsequently been approved for payment. Claim 4 (April to July) has been submitted for review and approval.

3.3 Better Off Funded Projects

- Crown Infrastructure Partners (CIP) on 5 June 2024 held payment of all claims until they had received and reviewed the funders version of the KPMG report. At the end of September, CIP approved reimbursement of approved claims.
- 3 Waters projects were put on hold until CIP had completed their review in order to limit financial exposure to BDC. All projects have been approved to recommence from 1 October.

4. CONSIDERATIONS

4.1 Strategic Alignment

Not relevant to this report

4.2 Significance Assessment

Not relevant to this report

4.3 Tangata Whenua Considerations

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

4.4 Risk Management Implications

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

4.5 Policy Framework Implications

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

4.6 Legal Implications

No legal implications are foreseen.

4.7 Financial / Budget Implications

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

4.8 Media/Publicity

Publicity is expected across these projects through the delivery phases.

4.9 Consultation Considerations

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

Project Status Report – NEMA Projects overview – September 2024



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$17.1 million of which \$10.6 million is for 'out of policy' repairs. Eligible infrastructure repairs are covered under the normal policy of 60% Govt/40% Council. Cabinet approved 'out of policy' for Betterment projects, Dredging and the 40% Council share. BDC share is the threshold payments for each event and any insurance claim deductions.
Reporting Period:	September 2024 (Financials to 31 August 2024)
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Programme Manager:	Penny Bicknell
Programme Outcomes:	<p>Flood Recovery Infrastructure repairs relating to the July 2021 and February 2022 weather events. The Programme of Works covers Infrastructure repairs approved by Cabinet for Tranche 2 in June 2022.</p> <p>The Programme of works includes the following work packages (WP):</p> <ul style="list-style-type: none"> • WP 1-5: 3 Waters repairs (completed) • WP 6 Betterment Projects (out of policy) • WP 7 Westport Port Repairs • WP 8 Westport Dredging Project (out of policy - completed) • WP 9 Inangahua River Projects <ul style="list-style-type: none"> ○ Reefton Historic Landfill (completed) ○ Reefton Stopbank repairs (completed) • WP 10 Tiphead repairs (completed) • Programme Manager

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

Aspect	Status	Comments
Overall:	G	<ul style="list-style-type: none"> Overall, the programme is complete with the exception of the Wharf Repairs and the delivery of the WWTP grit screen components due in October. Wharf repair contract awarded in July 2024.
Budget:	G	<ul style="list-style-type: none"> \$17,144,191
Scope:	G	<ul style="list-style-type: none"> All projects within scope
Resource:	G	<ul style="list-style-type: none"> Resource assigned to each project as required
Schedule:	A	<ul style="list-style-type: none"> Schedule for each project - see page 4. Currently all completed by the end of June 2024 except for one Betterment Project scheduled to complete in October and the Westport Wharf Repair which is scheduled for completion by end May 2025.
Risks / Issues:	G	<ul style="list-style-type: none"> All programmes have a Risk and Issues matrix.

State of Play	
Last Month (September)	Next Month (October)
<ul style="list-style-type: none"> • WP6 Betterment: <ul style="list-style-type: none"> ○ WWTP Grit & Sediment components - Brick House Technologies - In production of grit screen for delivery in October. Future work/construction out of IAF budget • WP7 Westport Port Repairs. <ul style="list-style-type: none"> ○ Critical path procurement of key materials completed ○ Sheet pile wall installed along 58% of total length ○ Caisson (circular hollow section) piling commenced – 25% installed ○ Formwork in place for first concrete pour (first section of repaired wharf deck at downstream end) ○ Fortnightly planning, management and reporting meetings with frequent team meetings to monitor and manage issues 	<ul style="list-style-type: none"> • WP6 Betterment: <ul style="list-style-type: none"> ○ WWTP Grit & Sediment - Delivery w/c 9 October • WP7 Westport Port Repairs. <ul style="list-style-type: none"> ○ Progress sheet pile and caisson pile installation ○ Undertake first concrete pour ○ Complete first engineer construction inspection ○ Continue repair works in an upstream direction

NEMA Programme Schedule

NEMA T2 Project Schedule																												
Project	2022						2023												2024						Comments			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		Jul	Aug	
WP 1-5 3 Waters	Construction continued from emergency repair works																											Project Complete
WP 6 Betterment Projects																												7 projects completed by end June. 1 project jointly funded with IAF project complete June 2024 (WWTP grit & sediment screen) to be delivered October 24 with delayed payment plan
WP7 Westport Wharf																											Construction → Schedule to May 2025	
WP8 Dredging																											Project Complete	
WP9 - Reefton Stopbank																											Project Complete	
WP 9 Reefton Landfill																											Project Complete	
WP10 Tiphead Revetment																											Project Complete	

Financials (31 August 2024)							
Budget and Expenditure Summary.							
NEMA Tranche 2 Programme For Period 2023/24- Aug							
	CURRENT BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION	PROJECT VARIANCE
WP1-5 3 Waters Repairs	0	2,254,503	(2,130,166)	124,338	(124,337)	0	0
Expenses	2,511,751	2,254,503	0	0	0	2,254,503	257,248
Revenue	(2,511,751)		(2,130,166)	124,338	(124,337)	(2,254,503)	(257,248)
WP6 3W Betterment Projects	0	1,538,017	(1,488,129)	49,888	(49,888)	0	0
Expenses	1,582,000	1,538,017			3,371	1,541,388	40,612
Revenue	(1,582,000)		(1,488,129)	49,888	(53,259)	(1,541,388)	(40,612)
WP7 Westport Port Repairs	0	1,500,196	(411,596)	1,088,600	(1,088,600)	0	0
Expenses	5,920,000	1,500,196			4,419,804	5,920,000	0
Revenue	(5,920,000)		(411,596)	1,088,600	(5,508,404)	(5,920,000)	0
WP8 Westport Dredging Project	0	4,662,000	(4,441,500)	220,500	(220,500)	0	0
Expenses	4,716,000	4,662,000			0	4,662,000	54,000
Revenue	(4,716,000)		(4,441,500)	220,500	(220,500)	(4,662,000)	(54,000)
WP9 Inangahua Landfill	0	938,228	(938,228)	0	0	0	0
Expenses	1,074,000	938,228			0	938,228	135,772
Revenue	(1,074,000)		(938,228)	0	0	(938,228)	(135,772)
WP9 Reefton Camp Ground	0	59,238	(59,238)	0	0	0	0
Expenses	150,000	59,238			0	59,238	90,762
Revenue	(150,000)		(59,238)	0	0	(59,238)	(90,762)
WP10 Tiphead Repairs	0	761,154	(683,979)	77,175	(77,175)	0	0
Expenses	1,000,000	761,154			0	761,154	238,846
Revenue	(1,000,000)		(683,979)	77,175	(77,175)	(761,154)	(238,846)
Programme Management	0	169,974	(159,654)	10,320	(10,320)	0	0
Expenses	190,440	169,974			20,466	190,440	0
Revenue	(190,440)		(159,654)	10,320	(30,786)	(190,440)	0
TOTAL							
Expenses	17,144,191	11,883,311		0	4,443,641	16,327,573	817,239
Revenue	(17,144,191)		(10,312,491)	1,570,821	(6,014,461)	(16,327,573)	(817,239)
Deductions	0				0		
Total	0	11,883,311	(10,312,491)	1,570,821	(1,570,820)	0	0

Claims to NEMA

	Costs	Threshold	on Hold	Ineligible	Invoiced	Paid	Paid from \$1mil advance
Pre Tranche 2 (60%)	457,843.15	- 173,850.00	-	-	-	-	283,993.15
Claim 1	957,121	- 174,914		-	782,207	782,207	-
Claim 2 (40%)	441,549			-	179,231	179,231	262,317.83
Claim 3	632,903		- 40,973	17,285	537,578	537,578	-
Claim 4	1,104,415		- 24,863	1,354	1,084,973	1,084,973	-
Claim 5	730,721		- 1,800	-	730,721	730,721	-
Claim 6	55,405		- 5,513	-	55,405	55,405	-
Claim 7	938,899		- 13,495	19,469	962,908	962,908	-
Claim 8	661,351		- 4,028	285	647,571	647,571	-
Claim 9	578,430		- 18,395	-	574,402	574,402	-
Claim 10	590,520		- 11,085	15,001	558,021	558,021	-
Claim 11	587,976	-	- 2,785	-	570,271	570,271	-
Claim 12	188,319	-	- 3,416	3,426	191,734	191,734	-
Claim 13	109,185	-	- 2,573	-	109,185	109,185	
Claim 14	675,573	-	- 317	-	675,573	675,573	
Claim 15	637,286	-	- 1,290	-	637,286	637,286	
Claim 16	648,570	-	- 909	-	648,570		
Claim 17	353,288		-	-	353,288		
Claim 18 to be completed	621,749		-	-	621,749		
To claim	1,370,050	-	-	-	-	-	-
	11,883,311	- 348,764	- 131,439	56,819	9,920,675	8,297,067	262,318

NEMA T2 Programme Surplus Report (August 2024)	Budget	Final Cost	Surplus	40%
Tiphead (updated May 24 due to retentions)	\$ 1,000,000	\$ 761,154	\$ 238,846	\$ 95,538
Reefton Campground (financial report updated September 2023)	\$ 150,000	\$ 59,238	\$ 90,762	\$ 36,305
Reefton Landfill (financial report January 2024)	\$ 1,074,000	\$ 938,228	\$ 135,772	\$ 54,309
WP 1-5 3 Waters (financial report March 2024)	\$ 2,511,751	\$ 2,254,503	\$ 257,248	\$ 102,899
Betterment (financial report Aug 2024) (100% - out of policy)	\$ 1,582,000	\$ 1,541,388	\$ 40,612	\$ 40,612
Dredging (financial report July 2024) (100% out of policy)	\$ 4,716,000	\$ 4,662,000	\$ 54,000	\$ 54,000
Total surplus available for recommendation for reappropriation to another T2 project (\$300k approved by NEMA for reappropriation to Westport Wharf Repair).				\$ 383,663
NOTE: August 24 - The surplus report will be reviewed to ensure all ineligible costs have been deducted from the Final Costs. Ineligible costs will also increase due to NEMA declining the PMO invoices. This will increase the total amount available to submit to NEMA for reappropriation.				

Communications

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

A media release is planned for the completion of WP1-5 \$2.5m programme at completion of Brougham Street Brick Arch and for the Coates Street Stormwater work, including letters to affected residents

A media release was drafted on contract confirmation of the Westport Wharf repairs. Further comms and engagement for progress on the repairs are being reviewed.

Project Status Report – Better Off Funding Projects overview – September 2024



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$3,500,000
Reporting Period:	September 2024 (August 2024 financials)
Project Principal:	Buller District Council (BDC)
Project Partner(s):	DIA (Crown Infrastructure Partners)
Programme Manager:	Penny Bicknell
Programme Outcomes:	The scope is made up of 13 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes. 6 projects completed.

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)		
Aspect	Status	Comments
Overall:	G	The programme was prioritised by Council and approved by Crown Infrastructure and DIA
Budget:	G	\$3,500,000
Scope:	G	<p>The Programme of works includes the following approved projects:</p> <ul style="list-style-type: none"> • Three Waters projects • Reefton Wastewater/Stormwater modelling • Climate Change Adaptation and Master Planning (completed) • Community Hub Feasibility Study and Concept Designs (Feasibility completed) • Civil Defence Procurement • Airport Relocation options study (completed) • Karamea Reserve Water Supply (completed) • Westport Emergency Water supply (completed) • Reefton Campground Accommodation • Westport Stormwater/wastewater work • Test bore and sampling for non-compliant water supplies - Little Wanganui and Mokihinui (completed) • Granity Fundraising Centre (completed) • Ngakawau Swimming Pool improvements
Resource:	G	Resource to be assigned to each project as required
Schedule:	G	Schedule for each project to be determined. Final deadline for Crown Infrastructure projects programme is 30 June 2027
Risks / Issues:	G	Scope of works may need to be reduced in some projects to ensure they remain in budget
	A	On 5 June Crown Infrastructure Partners (CIP) advised that all reimbursement payments to BDC would be on hold until receipt and review of the KPMG report. BDC paused operations of any new contracts until this was resolved. 7 of the claims were approved on 27 th September with 2 outstanding pending further information. Paused projects will resume from 1 October 2024

State of Play	
Last Month (September)	Next Month (October)
<ul style="list-style-type: none"> • 4 claims approved but on hold by CIP. 5 further claims submitted awaiting approval. Sent through remittance advice and run files for evidence of payment – these were accepted with 2 claims awaiting further information due to remittance advices missed out. • Completed change request for Airport funds to be reallocated to LWDW report - this is approved by CIP (4 October) • Awaiting final claims approval for critical water funding in order to submit a change request to reallocate surplus funding to Worley's stormwater concept report • 3 Waters – SW backflow WaStops project complete; Henley St East SW backflow project complete; Westport SW main defects project on hold and tenders for Inangahua SW upgrade and water main replacement on hold due to outstanding claims with CIP • Reefton stormwater/wastewater modelling – received offer of service from DO – on hold until outstanding claims approved • Community Hub Feasibility Study/concept - Continued discussions re set up of Charitable Trust. • Civil Defence – Bulk of procurement complete. To be completed by end October • Reefton Campground cabins - Council support confirmed via Council resolutions responding to public notice and submissions. Met with planners re resource consenting requirements • Westport Wastewater/Stormwater separation work – Procurement plan and docs to be completed. WestReef managing construction phase. Identify remaining sites that can be separated under remaining budget – on hold until outstanding claims approved • Ngakawau Swimming Pool improvements 	<ul style="list-style-type: none"> • Submit missing information for remaining 2 claims and submit further claims • Complete internal change request to move the Airport budget and set up project codes for LWDW • Resubmit change request for critical water – this was unable to be processed until the claims were approved. • 3 Waters projects to resume with Inangahua tenders going out early October. • Reefton project to resume • Awaiting next steps from project team • Awaiting Civil Defence team to finalise. • Reefton Campground cabins – Continue discussions with external funders, update resource consent type and application process; update site stormwater infrastructure improvements and procurement requirements. • Westport Wastewater/stormwater separation project to resume • Works commenced August with completion due end November.

Programme delivery schedule																	
Project task	Feb to June 2023	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
3 Waters																➔	Completion date now end January 2025
Reefton WW/SW modelling																➔	Completion date to be confirmed
Climate Change Adaptation																	Completed BoF involvement
Master planning (Stage 1)																	Complete
Cultural Community Hub			Feasibility Study complete											➔	Project plan and scope for concept design \$50k		
Civil Defence																	Finalising
Airport relocations options study																	Study completed – surplus funds to be reallocated to LWDW
Karamea Reserve Water																	Complete
Westport critical Water Supply																	Completed. Surplus funding to be reallocated to Resilient Westport Stormwater concept study
Reefton Campground																➔	Plan next stages of prof
Westport Stormwater/Wastewater																➔	Completion date to be confirmed
Test Bores & Sampling																	Complete
Granity Fundraising Centre																	Complete
Ngakawau Swimming Pool																➔	Work commenced to August - November

Financials (31 August 2024)							
Budget and Expenditure Summary.							
August 2024 Financials							
Project	Budget	Actual Cost to date	Claim	Claims	Revenue to date	Forecast Cost to complete	To claim
			submitted April/May	submitted July/Aug			
3 Waters	\$ 1,095,000	\$ 367,555		\$ 183,274	\$ 143,137	\$ 727,445	\$ 41,144
Programme Management	\$ 165,000	\$ 161,464		\$ 32,252	\$ 128,305	\$ 3,536	\$ 907
Reefton Wastewater modelling	\$ 150,000	\$ 2,207			\$ -	\$ 147,793	\$ 2,207
Climate Change adaptation	\$ 250,000	\$ 250,000		\$ 20,000	\$ 230,000	\$ -	\$ -
Master planning	\$ 250,000	\$ 250,000	\$ 65,026	\$ 17,886	\$ 167,088	\$ -	\$ -
Community Hub Feas/concept	\$ 200,000	\$ 152,164			\$ 143,578	\$ 47,836	\$ 8,586
Civil Defence	\$ 275,000	\$ 259,426			\$ 275,000	\$ 15,574	\$ -
Airport Relocation options study	\$ 50,000	\$ 34,358	\$ 34,358		\$ -	\$ 15,642	\$ -
Karamea Reserve Water	\$ 65,000	\$ 65,000			\$ 65,000	\$ -	\$ -
Westport Critical Water	\$ 180,000	\$ 110,288	\$ 23,903	\$ 25,509	\$ 60,876	\$ 69,712	\$ -
Reefton Campground	\$ 300,000	\$ 40,154			\$ 21,489	\$ 259,846	\$ 18,665
Ngakawau Swimming Pool	\$ 310,000	\$ 74,495			\$ -	\$ 235,505	\$ 74,495
Granity Fund raising centre	\$ 25,000	\$ 25,000	\$ 14,844	\$ 10,156	\$ -	\$ -	\$ -
Stormwater/Wastewater	\$ 135,000	\$ 443			\$ -	\$ 134,557	\$ 443
Bore water tests	\$ 50,000	\$ 50,000		\$ 50,000	\$ -	\$ -	\$ -
							\$ -
Total	\$ 3,500,000	\$1,842,554	\$ 138,131	\$ 339,077	\$1,234,473	\$ 1,657,446	\$ 146,447
Colour key:		Project completed	Approved for reimbursement	Submitted, not yet approved	Draw down complete	Funds to be reallocated to water projects	

NB: Civil Defence budget is in credit as 100% drawn down in the 10% advance payment

Surplus funding: Directive from Crown Infrastructure Partners to use any surplus funding for 3 Waters projects or for the setup of a new Water entity.

- \$15,642 Airport Relocations surplus to be used for the T + T report commissioned by 3 District Councils into 3 Waters – approved by CIP 4 October 24
- \$69,712 Critical Water surplus funding to be used for contribution to Worley’s stormwater concept work for Resilient Westport – to be submitted to CIP once final claim approved.

Communications

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

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

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

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

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

Cultural Community Hub working group met with Westport News Reporter in November to ensure correct facts are in the public domain

Westport News reported on DIA directive of expenditure on water infrastructure rather than Community projects.

Emergency Water - Comms to Westport Community w/c 12 April after first tank installed

Media release for WaStop completion under the 3 Waters BoF funding May

Media Release for completion of Granity Fundraising Centre – July

August Media coverage from last RAC meeting re funders reviewing KPMG report

BULLER DISTRICT COUNCIL - Infrastructure Strategy - Recovery - Westport Wharf Repair and Reinstatement

Programme/Project Details

Location and Region:	Buller, Westport	
Project Budget:	\$6,220,000	
Month End	September-2024	
Financial Period End	August-2024	
Project Principal:	Buller District Council	
Project Partner(s):	National Emergency Management Agency (NEMA)	
Project Manager:	Phil Rossiter	
Programme Outcomes:	<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
Overall:	A	The project progressed as planned during the period with sheet piling progressing (58% complete at time of reporting); caisson (CHS) piling progressing (25% complete at time of reporting); and key temporary works progressed to enable the first concrete wharf deck replacement pour. Significant risk mitigation and planning work was completed given ground conditions and wharf structure more certain.
Budget:	A	Close and active management of contingency is on-going to ensure the project is completed within the project funding envelope. While some risks still exist, these have been quantified, with a range of strategies prepared should they eventuate, and confidence has increased about budget adequacy. The status of this aspect has been retained as amber to reflect the on-going and 'live' management of this element. Note: the \$300k reappropriated contingency has been added to the Project Budget
Scope:	G	The repair scope has been defined based on a combination of user-input, a detailed structural site inspection, a 'constructability' review, and a Peer Review. The repair design will be based on Importance Level 3. The scope is as defined in the IFC drawing set.
Resource:	G	Resources required have been secured.
Schedule:	G	The overall programme stalled compared with its initial estimated baseline because of unforeseen delays confirming the Importance Level of the repair design and because of the unforeseen need to complete a peer review of the repair design. However, with those matters resolved, the programme was reset with award of a repair contract and despite poor weather conditions over the last few months, repair work is still scheduled for completion by May 2025.
Risks / Issues:	A	There has been a significant recent reduction in project risk with construction repair work progressing well into the piling stage and enabling confirmation of methodology to address variable ground conditions. Despite this, and because hazardous tasks are on-going, a notable degree of risk and uncertainty still remains, hence the RAG status has been retained as Amber.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
<p>Key milestones were completed as planned.</p> <p>Critical-path procurement of key materials (sheet piles and caisson piles) completed.</p> <p>Sheet pile wall installed along 58% of total length.</p> <p>Caisson (circular hollow section) piling commenced - 25% installed to date.</p> <p>Intensive liaison with Westland Mineral Sands re integration of repair works with barge mooring. Issues resolved.</p> <p>Formwork in place for first concrete pour (for first section of repaired wharf deck at downstream extent).</p> <p>Significant risk management work undertaken by team address remaining potentialities.</p> <p>Fortnightly planning, management, and reporting meetings on-going, with frequent team meetings occurring to monitor and manage issues.</p>	<p>Progress sheet pile and caisson pile installation - schedule requires moving back and forth between the two to stay ahead of sequencing.</p> <p>Undertake first concrete pour.</p> <p>Complete first engineer construction inspection.</p> <p>Continue with repair works in an upstream direction.</p>

Updated Project Road Map/Schedule														
Project task	2024									2025				Comments
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
Project management, coordination, and delivery (Sep '22 to May '25)														Scheduled for completion in May 2025
Design (Sep '22 to Dec '23)														Significantly delayed due to need to undertake Peer Review. Peer Review now completed. Design input and support ongoing with construction underway
Consents & approvals (Jun '23 to Mar '24)														Resource consents and Building Consent exemption secured
Construction procurement (Jun '23 to Jun '24)														Complete. RFT released in February 2024. Contract awarded in May 2024
Construction & site management (Jun '24 to May'25)														Current forecast is for Practical Completion by March 2025 with full handover by May 2025
Handover & closeout (Apr '25 to May '25)														

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Conceptual engineering design	23-Sep-22	23-Sep-22	100%	Complete
Geotechnical investigation & assessment	11-Nov-22	11-Nov-22	100%	Complete
Topographical survey acquisition	9-Nov-22	9-Nov-22	100%	Complete
Detailed engineering inspection and assessment	16-Nov-22	16-Nov-22	100%	Complete
Kiwirail liaison and building fate determination	28-Feb-23	28-Jan-23	100%	Complete
Preliminary engineering design	14-Dec-22	14-Jan-23	100%	Complete
Construction supplier engagement/valuation	18-Jan-23	24-Apr-23	100%	Complete
Statutory approvals	10-May-23	28-Mar-24	100%	Building consent exemption to be secured
Detailed design	12-Apr-23	15-Dec-23	100%	Complete
Construction procurement	7-Jun-23	31-May-24	100%	Completed. Contract awarded
Construction	30-Jun-24	7-May-25	30%	Construction repair underway
Handover	31-Jul-24	31-May-25	0%	

Financials						
Budget and Expenditure Summary						
Programme/Project Item	Current Budget	Cost To Date (CTD)	Forecast Cost to Complete (FCC)	Final Forecast Cost (FFC)	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	
Planning and investigations (Phase 1 - 3)	\$108,000	\$121,897	\$0	\$121,897	\$13,897	
Consents, procurement, and legal (Phase 4)	\$61,200	\$53,657	\$6,000	\$59,657	\$1,544	
Design (Phase 4)	\$150,000	\$124,055	\$0	\$124,055	\$25,945	
Construction (Phase 4)	\$5,432,387	\$1,066,059	\$4,444,808	\$5,510,867	\$78,480	
Closeout (inc operational readiness, handover, as built) (Phase 5)	\$12,000	\$0	\$12,000	\$12,000	\$0	
Project Management	\$156,000	\$131,473	\$70,500	\$201,973	\$45,973	
Total	\$6,220,000	\$1,497,140	\$4,533,308	\$6,030,448	\$189,552	
Note the budget differs from the NEMA T2 summary as the \$300k contingency has been applied						

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
10232 / 8 - Because of the failure or absence of controls addressing the number of hazards that are present	Monitor, manage, and communicate	10
10232 / 6 - Because it is not possible to accurately predict ground conditions and circumstances affecting the cost of the repair, creating a risk of financial burden on the Council (there is no additional funding available from NEMA).	Monitor, manage, and communicate	9
10232 / 7 - Because the Port Repair Project must co-exist and accommodate on-going operations meaning repair sequencing and/or efficiency and/or access gets disrupted	Monitor, manage, and communicate	6

Communications
An update on media, marketing and communication activity for the programme/project
Nil for period.

Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
5 - 8	Extreme Risk Owner must immediately escalate risk to the SLT and so escalating it to the Finance, Risk and Audit Committee.
3 - 4	High Risk Owner immediately escalates risk to the Risk Leader, and SLT if required.
2 - 3	Moderate Risk Owner monitor and reviews the effectiveness of risk control whether the risk rating has changed, on a monthly basis.
1 - 2	Low Retain all risks on the risk register and review those with a color score of 1 or 2 on a 6-monthly basis and those with a colour of 3 on a quarterly basis to ensure that the risk rating has not ch

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 five 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.

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

IAF Financials									
Budget and expenditure summary									
Programme/Project Item	Approved Original Budget	Current Budget	Cost to Date (CTD)	Forecast Cost to Complete (FCC)	Final Forecast Cost (FFC)	FFC to Current Budget Variance	Reported Contingency	Status	Commentary
Transport - Pedestrian Cycleway - 10253	\$ 131,437	\$ 132,047	\$ 55,214	\$ 47,313	\$ 102,527	29,520	\$ 29,520	In Design	Concept designs completed. Community meeting 3 Sept
Transport- Intersection upgrade - 10254	\$ 262,866	\$ 262,256	\$ 108,776	\$ 111,066	\$ 219,841	42,414	\$ 42,414	In Design	Intersection concept design completed. Community meeting 3 Sept
WWTP Upgrade - 10257	\$ 142,500	\$ 130,439	\$ 124,375	\$ 14,000	\$ 138,375	-7,936	\$ -	In Design	PCN to transfer funding from 10258 contingency to 10257 design
WW Pressure Lines - 10258	\$ 247,000	\$ 259,061	\$ 109,428	\$ 113,371	\$ 222,799	36,262	\$ 36,262	In Design	Low pressure sewer design has commenced

ATTACHMENT 4

Water Supply - Watermain Ext - 10261	\$ 64,550	\$ 64,550	\$ 69,028	\$ -	\$ 69,028	-4,478	\$ -	Design completed	Water supply investigations for WWTP to be reimbursed by BAU. Expect to finish on or slightly below budget when journal complete
Stormwater - 10259	\$ 81,599	\$ 81,599	\$ 53,299	\$ 23,287	\$ 76,586	5,013	\$ 5,013	In Design	Hydrology study completed
IAF Programme Management - 10252	\$ 370,548	\$ 370,548	\$ 332,978	\$ 37,570	\$ 370,548	0	\$ -		0
Total	\$ 1,300,500	\$ 1,300,500	\$ 853,097	\$ 346,607	\$ 1,199,704	\$ 100,796	\$ 113,209		

Note that the budget above includes BDC contribution of \$200,468

Note: FCC and FFC exclude contingency

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 8

Prepared by: Umang Kataria
Finance Support

Bernard Murphy
Manager Finance

Reviewed by: Paul Numan
Group Manager Corporate Services

Attachments 1. Financial Report (Unaudited) for the year ending 30 June 2024

FINANCIAL REPORT: 30 JUNE 2024

1. REPORT SUMMARY

To provide Council with a financial performance update for the year ending 30 June 2024.

2. DRAFT RECOMMENDATION

1. That the Risk and Audit Committee receive the unaudited financial report for the year ended 30 June 2024 for information.

3. ANALYSIS & DISCUSSION

This report does not represent the finalised accounts for the year ended 30 June 2024. The report does not include the revaluation of the fixed assets as other end of year adjustments are required as part of the audit process.

3.1 Statement of Financial Performance Operating Result

Council has budgeted for a Surplus of \$18.3m as at 30 June 2024. The reported result is a surplus of \$6.05m and is an unfavourable difference of \$12.2m.

Revenue is down on budget by \$3.7m. Contributing to this variance is lower than budgeted Rates reflecting an Increase in Bad debts (\$122k). Subsidies and grants

are lower than budgeted of \$2.9m which mainly relates to the timing of grants relating to recovery projects. Investment income is down by \$1.1m which is a result of lower cash reserves. The gain on revaluation of investment properties has yet to be processed.

Operating revenue is over budget by \$8.5m. Staff costs are over budget by \$235k mainly due to increased Harbour costs due to increase dredging activity and other variations across the organisation. Loss on Derivative Contracts of \$408k has no impact on rates as it is a revaluation on Derivatives held by Council. Other expenses is over budget by \$8.3m. The majority of this overspend relates to recovery projects that are externally funded.

Please refer to the explanation for major variances section on pages 7 – 8 of the financial statements for an analysis between major variances to budget.

4.0 CONSIDERATIONS

4.1 Strategic impact

The quarterly financial reports provide an overview of Council's financial performance and position during the financial year. This June report will be further developed and passed through an audit process before adoption as councils' Annual Report.

4.2 Significance assessment

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 for the purpose of public consultation but is an important component of monitoring progress against the 2021-2031 Long Term Plan.

4.3 Values assessment

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

A performance reporting system aligns most strongly with Integrity.

Public reporting of Council's performance against budgets and key performance indicators encourages open and honest discussion and decision making.

4.4 Risk analysis

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

Council prepares financial budgets to balance income and spending for each financial year. Budgets are based on the best information available at the time, but subsequent financial performance will be affected by events outside Council's

control during the year. Regular monitoring of financial performance reduces the risk of financial pressure on Council because income and expenditure variances are identified early, and mitigating actions can be put in place as required.

4.5 Policy / legal considerations

The Local Government Act (2002) and associated regulation govern the activities of Buller Council including preparation of Long Term and Annual Plans, financial prudence requirements and annual financial reporting.

The terms of reference of the Risk and Audit Committee include monitoring financial performance to budgets.

4.6 Tangata whenua considerations

Not applicable.

4.7 Views of those affected

Council's financial budgets are consulted on with the community during Long Term and Annual Plan processes.

4.8 Costs

Because this report is for information purposes it does not generate activity or any associated costs.

4.9 Benefits

The benefits of a quarterly financial reporting regime include early identification of budget variances and intervention measures at a Council wide level.

4.10 Media / publicity

There are no media or publicity opportunities with this report.

BULLER DISTRICT COUNCIL

Financial Report (unaudited)

For the Period Ending 30th June 2024

Contents	Page 1
Statement of Financial Position	Pages 2-3
Statement of Comprehensive Revenue & Expenses	Pages 4
Statement of Changes in Equity	Page 5
Statement of Cashflows	Pages 6
Explanation of Major Variances	Pages 7-8

**BULLER DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2023/2024 Actual \$000	2023/2024 AP Budget \$000
CURRENT ASSETS			
Cash and Cash Equivalents	1	7,706	808
Trade and Other Receivables	2	9,117	9,934
Derivative Financial Instruments		36	0
Inventories		14	16
Other Current Assets		489	259
Short Term Investments		3,649	12,323
Assets Held for Sale		5	5
Total Current Assets		21,016	23,345
NON CURRENT ASSETS			
Investment in Council Controlled Organisations		19,893	19,894
Other Investments		758	719
Investment Property		11,578	11,302
Infrastructural Assets	3	428,802	467,533
Other Non-Current Assets		28,699	57,413
Derivative Financial Instruments		1,019	1,497
Deferred Tax	4	615	0
Intangible Assets		496	390
Total Non-Current Assets		491,860	558,748
Total Assets		512,875	582,093
CURRENT LIABILITIES			
Trade and Other Payables	5	8,835	11,200
Derivative Financial Instruments		0	0
Tax Payable		0	0
Employee Benefits		698	998
Provisions		45	37
Current Portion of Borrowings	6	5,000	130
Total Current Liabilities		14,578	12,365

**BULLER DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

NON-CURRENT LIABILITIES	June 24 Actual \$000	Full Year Budget \$000
Derivative Financial Instruments	0	0
Provisions	1,374	1,716
Bond Deposits	157	208
Employee Benefits	89	161
Deferred Tax	0	0
Borrowings 7	33,214	41,555
Total Non-Current Liabilities	34,833	43,640
EQUITY		
Accumulated Funds	193,547	256,411
Reserves	5,414	4,185
Asset Revaluation Reserve	264,504	265,492
Total Equity	463,464	526,088
Total Liabilities & Equity	512,875	582,093

**BULLER DISTRICT COUNCIL
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES
FOR THE PERIOD ENDED 30 JUNE 2024**

Notes	2023/2024 Actual \$000	2023/2024 AP Budget \$000
OPERATING REVENUE		
General Rates	11,160	11,418
Targeted Rates (excluding Metered Water)	7,530	7,487
Metered Water Charges	172	235
Rate Penalties	166	0
Subsidies and Grants	8	22,592
Investment Income	9	25,522
Other Income	0	2,008
Development and Financial Contributions	0	0
Fees & Charges	331	55
Gain on Sale of Investment Property	7,860	7,502
Vested Assets	0	0
Profit on Sale of Assets	0	0
Gain on Derivative Contracts	0	0
Gain on Revaluations of Investment Property	0	222
Total Operating Revenue	50,711	54,448
OPERATING EXPENDITURE		
Employment Costs	10	8,498
Depreciation & Amortisation	0	8,263
Finance Costs (excluding loss on derivative contracts)	0	8,733
Loss on Derivative Contracts	0	2,020
Other Expenses	11	408
Loss on Sale of Assets	0	0
Assets Written Off	0	16,689
Loss on Revaluations of Investment Property	0	0
Loss on Revaluations of Assets Held for Sale	0	476
Loss on Sale/Write Off of Investments	0	0
Loss on Sale/Write Off of Investment in Associate	0	0
Loss on Sale/Write Off of Investment Property	0	0
Total Operating Expenditure	44,658	36,152
Net Surplus (Deficit) before Taxation	6,053	18,296
Income Tax Expense/(Benefit)	0	0
Net Surplus (Deficit) after Taxation	6,053	18,296
Other Comprehensive Revenue & Expense		
Gain on Revaluations of Assets Held for Sale	0	0
Increase/(decrease) in Infrastructure Revaluation Reserves	0	0
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve	0	0
Total Comprehensive Revenue & Expense	6,053	18,296

**BULLER DISTRICT COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024**

	Note	Parent	Parent
		2023/2024 Actual \$000	2023/2024 AP Budget \$000
Equity as of 1 July		457,411	507,791
Total Comprehensive Revenue & Expense		6,053	18,296
Total Equity at End of Year		463,464	526,087
Components of Equity			
Accumulated Funds		193,547	256,411
Reserves		5,414	4,185
Asset Revaluation Reserve		264,504	265,492
Total Equity at End of Year		463,464	526,088

**BULLER DISTRICT COUNCIL
STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 30 June 2024**

Note	June 24 Actual \$000	Full Year Budget \$000
Cashflows from Operating Activities		
<i>Cash was provided from:</i>		
Rates	18,889	18,999
Other Income	28,550	25,932
Interest Received	801	708
Tax Received	0	0
Dividends & Subvention Payments Received	1,139	1,139
	49,380	46,939
<i>Cash was applied to:</i>		
Payments to Suppliers and Employees	31,331	21,439
Interest Paid	1,890	2,003
Income Tax Paid	0	0
Net GST Movement	141	0
	33,362	23,442
Net Cash from Operating Activities	16,018	23,497
Cashflows from Investing Activities		
<i>Cash was provided from:</i>		
Sales of Assets	0	562
Investments Realised	21,976	13,103
	21,976	13,665
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	23,094	27,601
Purchase of Investments	15,566	12,678
Purchase of Intangibles	0	0
	38,660	40,279
Net Cash from Investing Activities	(16,684)	(26,614)
Cashflows from Financing Activities		
<i>Cash was provided from:</i>		
Loans Raised (Short Term MOCL net)	1,030	2,280
	1,030	2,280
<i>Cash was applied to:</i>		
Repayment of Loans	(2,940))	
Net Cash from Financing Activities	3,970	2,280
Net Increase/(Decrease) in Cash	3,304	(837)
Opening Cash as at 1 July	4,402	1,645
Closing Cash as at 30 June	7,706	808

**BULLER DISTRICT COUNCIL
EXPLANATION OF SIGNIFICANT VARIANCES
FOR THE PERIOD ENDED 30 JUNE 2024**

1. Both cash and cash equivalents and short-term Investments (\$11.4m total) have been subject to reclassification of investments between the two classifications during the year. Comparing the two against budget shows an overall lower balance of \$1.7m when compared to the two budgets. This is due to a combination of changes in working capital and the use of cash reserves to fund unfunded recovery costs.
2. Trade and other receivables of \$9.1m is less than the annual budget of \$9.9m by \$0.8m. This is due to timing differences on projects and works performed where claims for completed work are greater at year end.
3. Infrastructure assets to date of \$429m is less than the annual budget of \$468m by \$39m. These assets are in the process of being revalued which is most likely to raise the value of the assets closer to the budgets amount. Other non-current assets is \$28.7m under budget but the reported amount does not include the Property revaluation which is being reviewed before being updated into the financial system.
4. Deferred tax of \$0.6m is greater than the annual budget of \$0 by \$0.6m. The balance consists of the closing deferred tax balance as of 30 June 2023. There was no movement in this balance, and it does not affect the Statement of Comprehensive Revenue and Expenses.
5. Trade and other payables of \$8.8m is less than the annual year budget of \$11.2m by \$2.3m. This is due to the timing of budget/phasing of projects and utilisation of grants received.
6. Current portion of borrowings at \$5m is greater than the annual budget of \$0.1m by \$4.9m. This reflects timing of how council uses its current debt facilities to manage its day-to-day cashflows requirements.
7. Non-current borrowings at \$33.2m is less than the annual budget of \$41.6m by \$8.3m. The overall debt position (current and non-current) is under budget by \$3.5m This is due to the timing of capital projects which influences the timing of loan drawdowns, and the use of internal borrowing.
8. Subsidies and grants of \$22.6m is less than the annual budget of \$25.5m by \$2.9m. This is mainly due to the timing of grants received for Flood recovery work, Waka Kotahi roading and better off funding projects.
9. Investment income of \$0.9m is less than the annual budget of \$2m by \$1.11m. This is due to the timing difference of the receipt date of the subvention payment against the budget date. The remainder of the variance relates to more favourable interest rates than budgeted on term investments.

10. Employment cost of \$8.4m is higher than the year-to-date budget of \$8.2m by \$0.23m. It is made up of different factors due to the events throughout the year. Of note is that the net overspend on staff costs funded by external charges or government funding with no impact on rates.
11. Other expenses of \$25m has exceeded the annual budget of \$17m by \$8.3m. The variance includes \$365k additional contractor costs which would otherwise be funded from the salaries and wages budget (refer note 10 above) and \$1.22m expenditure for better off funding funded projects and climate change expenditure which are externally funded projects. The variance also includes \$826k contractor work performed on the dredge. Allocation of PMO charges \$392k have not yet been recovered against capital projects and are for now included in other expenditure, this process will be completed by end of year when the true-up of capital and operational expenses are completed for end of year report purposes.
- 12 Cashflows show a stronger cash position by \$6.9m. and reflects in part the reclassification of short-term investment to Cash and Cash equivalents. Additionally, cash from operating activities is lower than budgeted by \$7.5m offset by a better cash position from financing activities which was driven by lower than budgeted capital expenditure and the investment reclassification.

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 9

Prepared by: Faye Woodhead
Project Accountant

Reviewed by Bernard Murphy
Acting Finance Manager

Paul Numan
Group Manager Corporate Services

Public Excluded: No

INVESTMENTS AND BORROWINGS REPORT – AS AT 30 SEPTEMBER 2024

1. REPORT SUMMARY

This report summarises Council's cash investments and borrowings for the month of September 2024, and compliance with Council treasury management policy.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Investments and Borrowings report as at 30 September 2024 for information.

3. ISSUES & DISCUSSION

BACKGROUND

The last reported period for Council's cash investments and borrowings was for the month of May 2024. The comparatives included in the tables in the report are for the prior month of August 2024. The narrative in this report also includes a comparison back to the previously reported period of May 2024, for readers reference.

CURRENT ISSUES

Council staff are currently working through the rollover of its Multi Option Credit Line/Wholesale Advance Facility (MOCL) with Westpac. Council is looking to increase this facility from its current \$21m to \$28m to meet forecast debt

requirements, this includes a year extension of the short term \$7m line of funding for flood recovery working capital requirements. The security over this matter is our ability to rate and the renewal of the agreement will be finalised once council provides the finalised annual report.

Council cannot look to borrow more than its current \$20m with the Local Government Funding Agency (LGFA) as \$20m is the borrowing limit for a non-guarantor. Council staff will look at drafting reports for council consideration on changing from being a non-guarantor to be a guarantor council.

Staff are also working with our auditors on the finalisation of the Council's Annual Report and audit opinion for the year ended 30 June 2023 as both lenders require a copy of the annual report to complete their renewal processes.

3.1 Term Investments

Total term investments remain the same as the previous month due but have decreased \$978k since the last report to 31 May 2024 as a term deposit that matured in June was not reinvested.

3.2 Bank Balance

Council's main trading account closing balance was \$117k as at 30 September 2024. The balance increased by \$164k from the previous month but has decreased by \$430k since the last report to 31 May 2024. In addition to the main trading account, Council holds contract retentions in an interest earning bank account but does not include that bank balance in the treasury management report because these funds are committed for future use.

3.3 Interest Revenue

Interest revenue to the end of September is \$190k against a year-to-date budget of \$216k.

Interest revenue is down on its year-to-date budget due to year end term deposits being lower than forecast in the 2024/2025 Enhanced Annual Plan.

3.4 Borrowings and Net Debt Position

Total borrowings at \$38.66m have increased by \$3m from the previous month and increased by \$3.5m since the last report to 31 May 2024. This was due to a short-term borrowing from Westpac which has increased by \$3.5m since last reported; \$1.95m to \$5.45m. The funds borrowed are used to cover working capital as Council works through renegotiating its MOCL facility with Westpac and covers planned spending on capital projects that was intended to be loan funded, along with additional flood recovery expenditure that Council will receive external funding for, so this part is a timing difference.

Net debt (borrowings less term investments and call account balance) at

\$28m have increased by \$3m from the previous month and increased \$4.48m since last reported, due to the \$3.5 increase in borrowings and the \$978k decrease in term investments.

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 \$2.93m in NBS representing 29% of the total investment portfolio.

The Treasury Management Policy sets fixed rate bands for term borrowings:

	Maximum fixed rate %	Minimum fixed rate %
0 to 2 years	100%	50%
2 to 5 years	80%	25%
5 to 10 years	60%	0%

As at 30 September 2024 Council is sitting within the limits for the periods 0 to 2 and 5 to 10 years, however, breaches the minimum limits for 2 to 5 years by 29 September 2028 as existing swaps are set to mature.

Staff deferred committing Council to further interest rate swap contracts while the Three Waters transition was being worked through to avoid overcommitting Council to contractual interest payment cashflows it may not have been able to exit at the transition date. With the repeal of the Water Services Act staff need to work through what implications there may be in forming regional water entities as the preferred delivery under the Local Water Done Well model and look at what actions may be prudent in relation to extending existing or entering into new interest rate swaps to bring Council back into compliance.

Council's policy also includes two liquidity and funding risk management limits that Council is presently in breach of, being:

1. Council shall maintain committed funding lines of not less than 110% of forecast debt over the ensuing 12 month period as detailed in the Annual Plan
2. No more than 40% of total borrowings is subject to refinancing in any financial year.

Council currently holds \$41m of committed funding lines, \$20m with LGFA and \$21m with Westpac.

Council's forecast debt to 30 June 2025 is \$45.4m, Council's current committed funding lines at \$41m represent 90% of this forecast debt, 20% less than is required by policy. Once the increase in the Westpac MOCL is achieved Council's committed funding lines will total \$48m, or 106% of forecast debt.

Council is also currently in breach of the refinancing limit of 40%. At \$21m Council's MOCL constitutes over 50% of all funding lines, so at a minimum 51% of council's borrowings are subject to refinancing in a financial year. If any of the LGFA loans are also subject to financing in the same year this increases the percentage. The rollover currently being negotiated will only increase this debt maturity concentration.

The risk of having a large percentage of debt maturing or being reissued in the same period is credit margins in that period may be high. The intention of the 40% limit is to minimise this risk.

As Council has maximised its available borrowings as a non-guarantor with the LGFA the Westpac facility is the only other form of funding presently available to Council.

Council will need to consider what options it has to reduce the existing concentration of debt maturity dates through either choosing to become a guarantor of the LGFA and utilising the agency for future debt requirements and staggering the maturity dates of those loans, split and stagger the facilities with Westpac or enter into a funding arrangement with another provider.

The above matters all need to be addressed but should be seen as issues that need to be resolved in the next 2 to 3 months to establish the council long term borrowing position.

Staff will report back on the above actions that need to occur at the next Risk and Audit Committee meeting.

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

The Financial Strategy of Council is that net debt is not more than \$25m at any given time. Currently Council's net debt is \$28m.

Council planned and adopted to have a net debt position of \$29.3m as at 30 June 2024, \$4.3m over the limit. As part of the 2025-2034 Long Term Plan Council will need to review its Financial Strategy including an appropriate net debt limit.

4. CONSIDERATIONS

4.1 Strategic Impact

Council needs to hold suitable cash holdings and credit facilities to ensure it is able to deliver the activities and capital projects provided for in its Long Term and Annual Plan 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.

However, any reported breaches that may create a financial risk for Council need to be considered carefully in terms of the risk profile.

4.3 Risk Management Implications

Risk is assessed by considering 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.

This is an information only not a decision making report; however, Council needs to carefully consider any breaches reported in terms of the risk profile and likelihood of occurring.

4.4 Values

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

4.5 Policy / Legal Considerations

The Investment and Borrowing Policy has been referenced to throughout this report. There is no legal context, issue or implication relevant to this decision.

4.6 Tangata Whenua Considerations

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture and traditions.

4.7 Views of Those Affected

This decision does not require consultation with the community or stakeholders.

4.8 Costs

There is no financial implication relevant to this decision.

4.9 Benefits

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

4.10 Media / Publicity

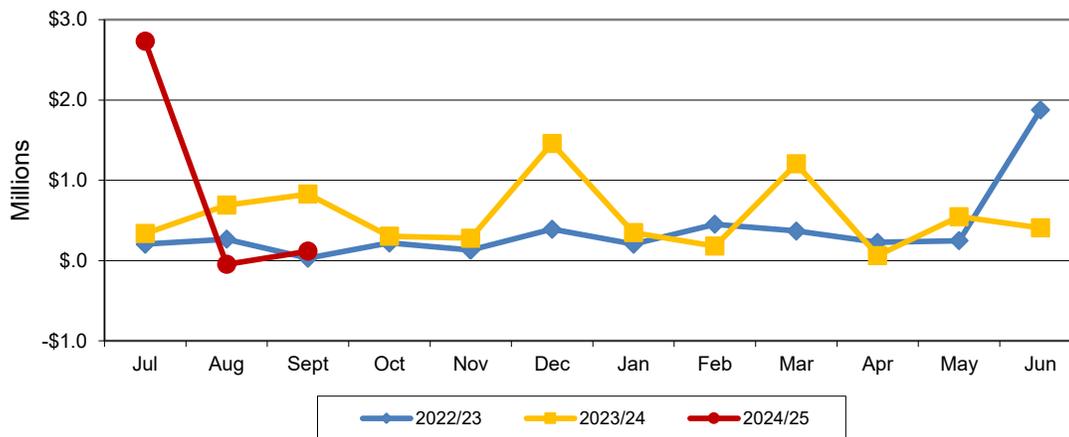
None identified.

INVESTMENTS AND BORROWINGS REPORT

1. BANK BALANCE

	This Month 30-Sep-24	Last Month 31-Aug-24	Last Year 30-Jun-24
Council	\$117,446	-\$46,625	\$408,926

2. MONTH END BANK BALANCES



3. SUMMARY OF INVESTMENTS

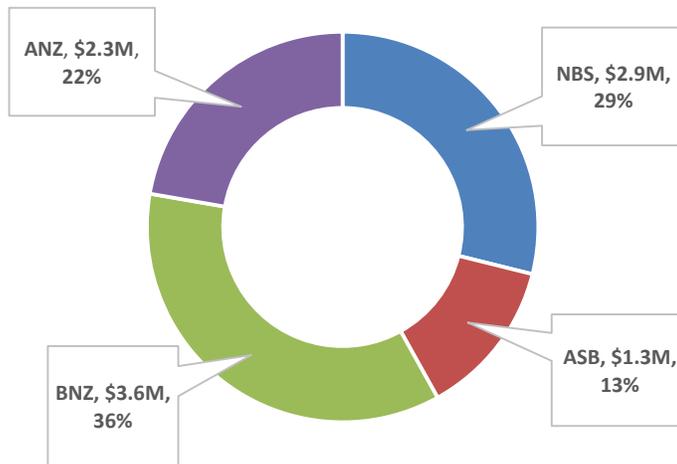
	This Month 30-Sep-24	Last Month 31-Aug-24	Last Year 30-Jun-24
Term deposits	10,157,725	10,657,725	14,607,472
(includes Call Account)	500,000	500,000	500,000
LGFA Borrower Notes	500,000	500,000	500,000
Call Account	-	-	-
Balance before other Investments	10,657,725	11,157,725	15,107,472
Other loans (includes loan to Holding Company)	1,600,841	1,600,841	1,600,981
TOTAL	\$13,236,482	\$13,220,998	\$16,208,454

3.1 Term Deposits

Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	ANZ	1,199,821	9-Oct-2023	8-Oct-2024	6.00%
Term Deposit	ANZ	1,062,067	29-Jan-2024	25-Oct-2024	6.00%
Term Deposit	BNZ	1,000,000	2-Jul-2024	27-Feb-2025	6.00%
Term Deposit	ASB	1,325,000	13-Sep-2024	13-Mar-2025	5.39%
Term Deposit	NBS	400,000	6-May-2024	6-May-2025	6.00%
Term Deposit	BNZ	1,636,800	25-Aug-2024	22-May-2025	5.30%
Term Deposit	BNZ	1,000,000	29-Jun-2024	29-Jun-2025	6.00%
Term Deposit	NBS	1,000,000	1-Jul-2024	1-Jul-2025	5.90%
Term Deposit	NBS	1,534,038	18-Jul-2024	18-Jul-2025	5.90%
Term Deposit	ANZ	1,199,821	9-Oct-2023	8-Oct-2024	6.00%
Term Deposit	ANZ	1,062,067	29-Jan-2024	25-Oct-2024	6.00%
Total Term Deposits		10,157,725			

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

3.2 Term Deposits Summary by Trading Bank

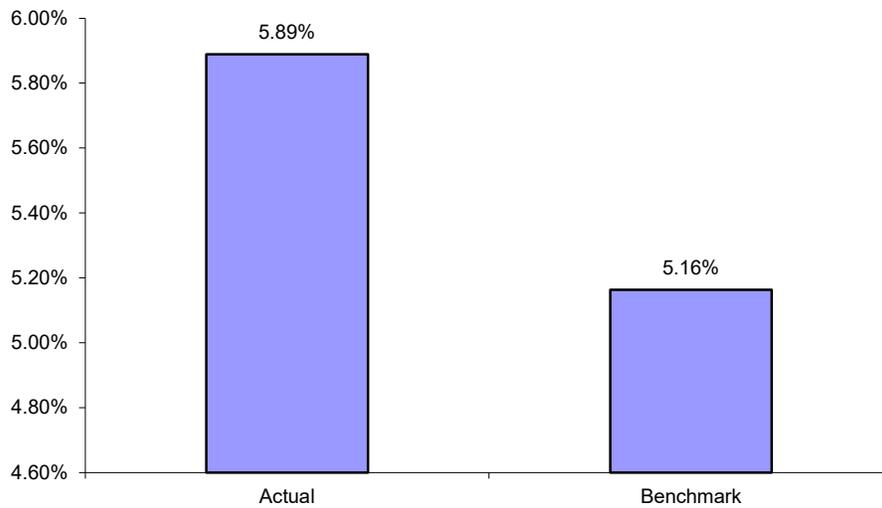


The maximum allowable investment per issuer is \$10m.

3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.81%
LGFA Borrower Note	LGFA	125,000	29-May-2026	5.85%
LGFA Borrower Note	LGFA	125,000	31-Mar-2025	5.82%
LGFA Borrower Note	LGFA	125,000	31-Mar-2027	5.98%

4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



5. INTEREST REVENUE

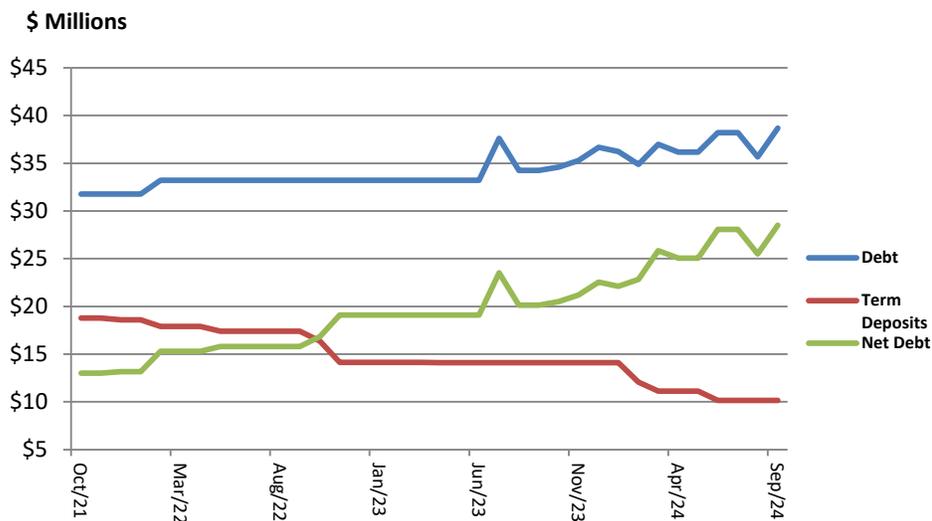
	Actual YTD	Budget YTD	Full Year Budget
Interest Revenue	\$190,228	\$215,690	\$1,259,030

6. SUMMARY OF BORROWINGS

	This Month 30-Sep-24	Last Month 31-Aug-24	Last Year 30-Jun-24
External Debt			
Westpac Loan Facility	18,663,860	15,663,860	14,243,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	\$38,663,860	\$35,663,860	\$34,243,860
Weighted Average Interest Cost	0.00%	0.00%	4.47%

Net Debt			
Total Borrowings	38,663,860	35,663,860	34,243,860
Less: Term deposits (including Call Account)	10,657,725	10,657,725	14,607,472
	\$28,006,135	\$25,006,135	\$19,636,388

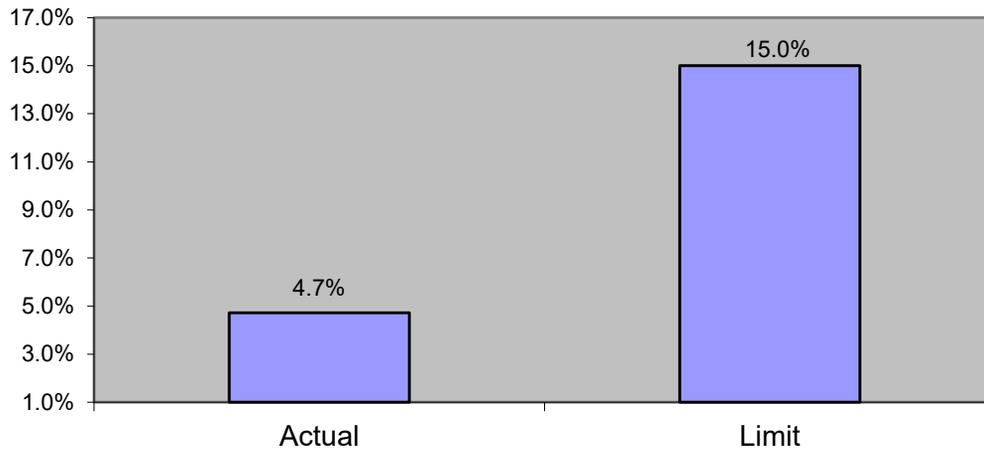
7. DEBT AND INVESTMENTS 3-YEAR TREND



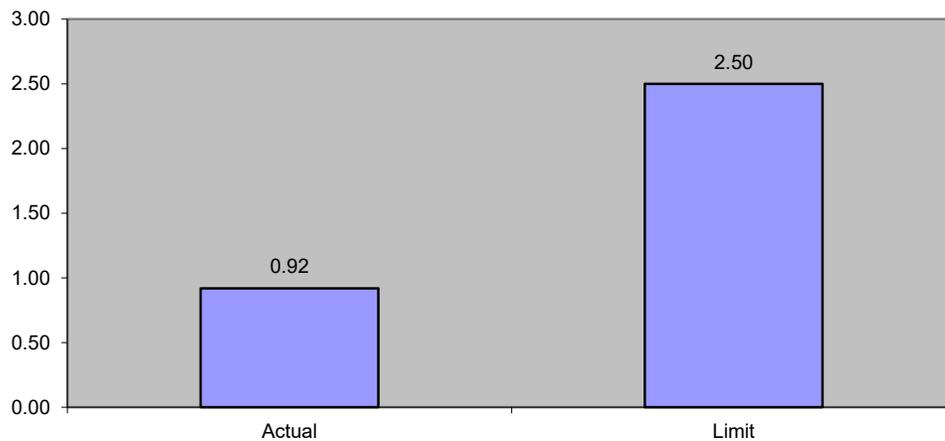
The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account. The variability shown since January 2022 is due to the use of short-term borrowings that are being utilised as needed for flood recovery activities until they are funded from external agencies. There

is also term borrowings drawn for planned capital works as set out in the Annual Plan, in conjunction with the reduction in term deposits.

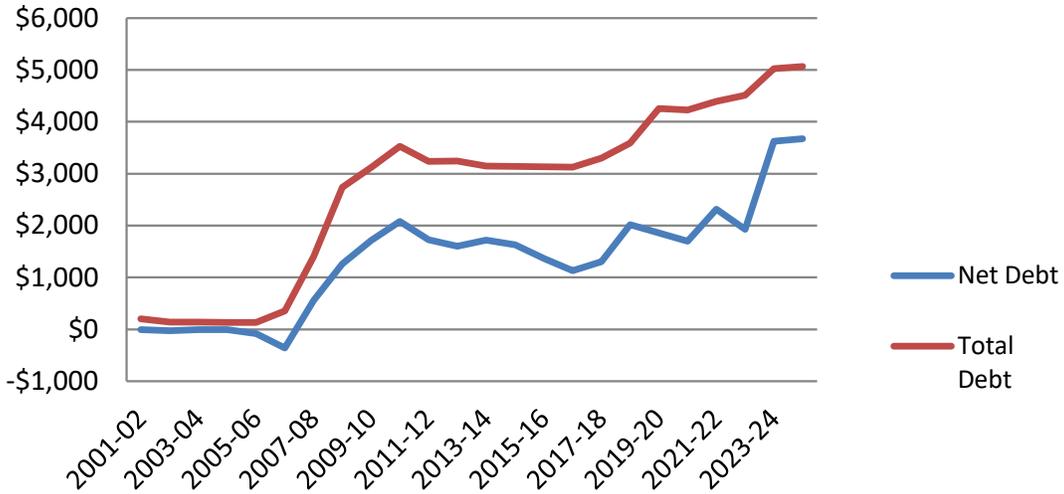
7.1 Interest Expense / Total Income



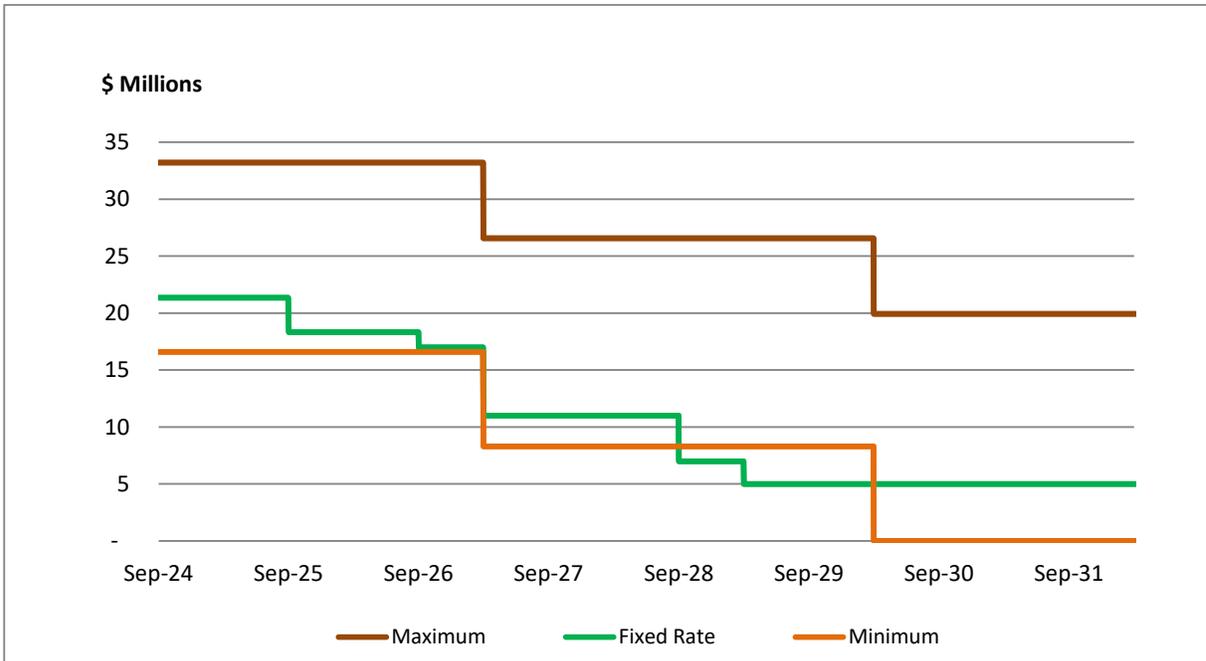
7.2 Gross Debt / Total Income



7.3 Debt and Net Debt per Rateable Property



7.4 Fixed Rate Debt - Compliance with Treasury Policy



Council uses interest rate swaps as a tool to manage fixed rate interest on external debt. This graph shows the amount of swaps held currently provide sufficient cover to meet policy limits until 2028.

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 10

Prepared by: Domonic Venz
Harbourmaster

Reviewed by: Paul Numan
Group Manager Corporate Services

PORT AND DREDGE – OCTOBER 2024 OPERATIONS REPORT

1. REPORT SUMMARY

This report updates the committee on operational matters relating to the Westport Port and the dredge Kawatiri as at October 2024. The report also includes financial performance for the 12 months ending 30 June 2024 and 3 months ending 30 September 2024.

2. DRAFT RECOMMENDATION

That the Port and Dredge operations report as of October 2024 is received for information.

3. ISSUES AND DISCUSSION

3.1 Westland Mineral Sands Barge Grounding

Manahau was removed from Carters Beach where it ran aground in September and now resides in Port Nelson awaiting repair reports before Westland Mineral Sands (WMS) determines what, if any repairs are undertaken. WMS expects a decision from Insurers shortly and will advise.

Investigations are ongoing from Government agencies to determine what occurred and any subsequent action.

Buller District Council is currently working with WMS to facilitate a return to operations.

There will be ongoing maintenance work undertaken by the Dredge on the river channel to ensure this remains clear and in a satisfactory condition for when the WMS barge returns. This work will be funded by WMS.

3.2 Pilotage

The Port Marlborough Pilot on contract to supply services for Buller District Council has successfully been issued their Pilots License for the Westport Pilotage Area. This will allow Buller District Council to provide pilotage services for larger vessels (over 100GRT and/or with a draft exceeding 3m) wishing to enter the port.

3.3 Wharf And Harbour Structures

Flood repairs

This NEMA funded project is underway and is repairing and reinstating 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. Completion is on schedule for May 2025.

Further information is provided in the NEMA Project Status Report Summary included in the October RAC agenda.

Cobden St Slumping

Slumping has occurred at the end of Cobden Street with an associated blockage of the stormwater pipe. This blockage is associated with a large rotational slump beside the wharf and river. The slump is developing on KiwiRail land and will be active especially in wet weather or high river flow. The infrastructure team at Buller District Council is leading this piece of work.

Repairs to buffers on piles

Works will be undertaken as part of a 3-phase programme to repair buffer piles along the Talleys and Fishermans wharves. Talleys wharf work was undertaken in July by Adams Construction Ltd.

Additional work will be undertaken in the next financial year when budget becomes available.

3.4 Harbour Boat

The harbour vessel has recently completed survey at Nelson in dry dock. The vessel has had pilot survey requirements completed to ensure it is safe to use for Pilot and crew transfers.

The harbour vessel has now been added to the Buller District Council maritime safety system and is fully certified to carry passengers and to conduct pilotage activities.

The vessel has been heavily utilised recently to ensure Pilotage assessments are made and any pilotage activities are monitored.

3.5 Regional Infrastructure Funding (RIF)

Buller District Council made a stage one application to the Regional Infrastructure Fund on 28 August 2024 for improvements in the Westport Port. The application has been assessed for eligibility and alignment with the RIF objectives and Buller District Council has now been invited to submit a full application for funding alongside the other 2 District Councils who will be submitting on Port and Airport Infrastructure.

Development West Coast has agreed to funding of \$10m across all three Councils to support the 3 applications. Buller District Council is also in discussions with WMS for potential co-funding on 2 of the projects in the programme.

Projects to be put forward for funding with rough estimated costs:

Project	Objective	Estimated Cost
1. Extension to the Floating Pontoon structure	an increase of 50% to drive additional income	\$3,175,000
2. Fishermen's Wharf - upgrade	improved safety for berthing of visiting vessels	\$246,000
3. RO/RO ramp - Resilience Infrastructure- Emergency Management	build a landing ramp with precast panels to extend 6 meters into the lagoon to accommodate landing craft at any tide level	\$1,193,000
4. Improvements to Holcim 1 Wharf and precinct (co-funding from WMS)	<ul style="list-style-type: none"> Relocating power lines to increase storage area/productivity and improve safety Install security gate and lighting – enhance H & S; expand port area; controlled access 	\$550,000
5. Improvements to Blue Shed Wharf and precinct (co-funding from WMS)	<ul style="list-style-type: none"> Wharf strengthening and mooring infrastructure to enable ships to be secured Landside strengthening to enable the weight of heaving equipment (conveyor) for loading product from land to ship 	\$3,500,000
Total		\$8,664,000

Buller District Council is working with Grey and Westland District Councils to ensure there are common areas of the applications.

3.6 Dredge Activities

The Kawatiri has been predominantly based in Westport since the last report.

The NEMA funded dredging recovery project has been completed. That project had 2 key outcomes:

- Allowing the port and river areas to be dredged and be able to service future coastal shipping activities.
- Funds generated have allowed the dredge to be slipped in October 2023 and undergo a rehabilitation programme of \$1.57 million which has significantly improved the dredge vessel's condition and thus ability to undertake future work.

A period of dredging was undertaken in August for WMS to maintain depths across the bar and channel. Further work was undertaken in the NEMA funding flood recovery project and a period of dredging for the Port Nelson dredging contract was undertaken in September.

A second period of dredging for Nelson has been undertaken to complete the annual contract.

The replacement of the dredge pump engine and overhaul of the port main engine is part of the strategy of modernising the Kawatiri's in line with the condition assessment undertaken in June 2023. The replacement pump engine includes a gearbox for driving the proposed DOP pump for the Kawatiri.

The engines on the Kawatiri are the originals installed when it was launched in 1978. These engines are "Blackstones" and are no longer manufactured.

We hold a selection of second-hand engine parts for some potential repairs/replacements. Replacing the pump engine will provide a further supply of second-hand spares.

A replacement crane is scheduled to arrive in late November and be fitted in December. Some preparation work for this has already been completed.

Port main engine is scheduled for replacement in 2025.

3.7 Financial Activities

Dredge Kawatiri financial performance – 12 months to 30 June 2024

The key points for the 12 months actual results to 30 June 2024 are:

- The dredge made a surplus from operations in the 2024 financial year of \$863,814. The accumulated position for the dredge account as at 30 June 2024 is a deficit of \$433,331. The accumulated deficit for the 3 years from 2021 to 2024 is \$103,191.

- The running total of this “closed” account which was “closed” from 1 July 2021 meaning that no rates income is provided to support the dredge financially, and never has since 2018.
- Interest charges for deficits are calculated at the end of the year.
- Salary costs for the crew are higher than budget due to more of the crew “employed” than under contract during this period. There was a period of weather when we could not dredge, and we had to hold the crew.

Dredge "Kawatiri" Financial Performance			
12 months ending 30 June 2024			
	Actual June 2024	Budget June 2024	Total Actuals 2018 to 2024
Operating Income and Expenses			
Income	4,035,573	3,680,505	11,404,735
Salaries	329,541	151,014	893,803
Interest	50,813	87,220	50,813
Depreciation	13,000	0	38,273
Direct Costs	2,623,655	1,765,826	8,027,039
Dredge Slipping	1,371	0	2,148,656
Overheads	149,412	149,412	439,476
Net Operating Surplus/(Deficit)	867,781	1,527,033	(193,325)
Capital & Funding			
Capital Expenditure	16,967	0	278,279
less depreciation funded in operating surplus	13,000	0	38,273
Net capital to fund	3,967	0	240,006
Net Activity Surplus/(Deficit)	863,814	1,527,033	(433,331)
Cumulative since 1 July 2021			(103,191)

Dredge Kawatiri financial performance – 3 months to 30 September 2024

The key points for the 3 months actual results to 30 September 2024 are:

- The dredge made a surplus from operations in the first 3 months of the 2024/2025 financial year of \$165,619. The accumulated position for the dredge account as at 30 September 2024 is a deficit of \$267,712.
- The running aground of the barge Manahau in early September has meant that there has been no need for dredging in Westport. The

Nelson maintenance work was brought forward to September with further work scheduled for October/November

- Maintenance and slipping costs have been nil during the period compared to a budget of \$146,871.
- A dredge pump engine is scheduled for late November as part of the refurbishment programme for the Kawatiri.

Dredge "Kawatiri" Financial Performance 3 months ending 30 September 2024

	Actual Sept 2024	Budget Sept 2024	Total Actuals 2018 to Sept 2024
Operating Income and Expenses			
Income	656,328	682,500	12,061,063
Salaries	38,899	430	932,702
Interest	0	0	50,813
Depreciation	0	0	38,273
Direct Costs	378,822	498,871	8,405,861
Dredge Slipping	0	146,460	2,148,656
Overheads	40,110	40,110	479,586
Net Operating Surplus/(Deficit)	198,497	(3,371)	5,172
Capital & Funding			
Capital Expenditure	32,878	40,136	311,157
less depreciation funded in operating surplus	0	0	38,273
Net capital to fund	32,878	40,136	272,884
Net Activity Surplus/(Deficit)	165,619	(43,507)	(267,712)
Cumulative since 1 July 2021	62,428		

Westport Port – financial performance 12 months to 30 June 2024

The key points for the 12 months actual results to 30 June 2024 are:

- The port made a deficit from operations in the 2024 financial year of \$713,741.
- The running total of the “closed” account which was “closed” from 1 July 2021 meaning that no rates income is provided to support the port financially.
- The purchase of a harbour boat in 2024 was part of setting up the port for the Westland Mineral Sands activities
- Wharfage income from WMS to transport sand across the wharves will start an important income stream for the port

- The port deficit is \$3.706 million
- A reconciliation of the deficit in the closed account is:

Activity deficit breakdown			
Net Operating Surplus/(Deficit) 2018 to 2021			(1,058,549)
Net Operating Surplus/(Deficit) 2021 to 2024			(1,873,110)
Port assets purchased in 2018 from BHL			(1,040,000)
Harbour boat purchase 2024			(270,000)
Sale of Bob Gower 2019			150,000
Depreciation funding			520,750
Various capital items			(135,553)
			(3,706,461)

- It is important to note that \$1.040 million of the deficit relates to assets that the council bought from Buller Holdings back in 2018. Those assets could potentially be sold as could the harbour boat.
- The net operating surplus is broken into the 2 periods of before the closed account decision from 1 July 2021 and after. As stated above, WMS wharfage income will commence in August 2024. Unfortunately, the income will be delayed until the Manahau recommences the transporting operation.
- As noted above, repairs to the buffers on some piles were undertaken in the fisherman's wharf area which was unbudgeted of \$25,000 – noting the view of staff that this was needed to be completed due to the risk of further damage from fishing boats hitting piles with no buffers which would be even more expensive to repair.
- The harbour master vessel was purchased during the year and required work to bring up to the standard required as a pilot and harbour boat for future work. This work was unbudgeted at \$25,483. This is slightly less than the \$30,000 budgeted allowed when the vessel was purchased.
- Soundings were undertaken of \$29,000 compared to budget of \$12,509. Soundings are now undertaken by the harbour master and crew so have a lower cost structure and can be done more regularly. The soundings were undertaken to support the dredge activities for the NEMA contract. Staff are considering if this cost could be charged to the dredge account.

Westport Port Financial Performance			
12 months ending 30 June 2024			
	Actual June 2024	Budget June 2024	Total Actuals 2018 to 2024
Operating Income and Expenses			
Income	212,077	177,155	1,338,554
General Rates	0	0	567,527
Salaries	251,231	201,923	1,249,072
Interest	58,104	58,421	354,353
Depreciation	100,000	160,692	520,750
Direct Costs	426,927	304,866	2,304,923
Overheads	89,556	89,556	408,641
Net Operating Surplus/(Deficit)	(713,741)	(638,303)	(2,931,659)
Capital & Funding			
Capital Expenditure	301,582	12,606	1,445,553
less depreciation funded in operating surplus	100,000		520,750
less sale of asset (Bob Gower)	0	0	150,000
Net capital to fund	201,582	12,606	774,803
Net Activity Surplus/(Deficit)	(915,323)	(650,909)	(3,706,461)

Westport Port financial performance – 3 months to 30 September 2024

The key point for the 3 months actual results to 30 September 2024 are:

- The port made a deficit from operations in the first 3 months of the 2024/2025 financial year of \$159,436.
- Pilotage costs are higher than budget at \$20,923 compared to budget of \$10,311 – noting that pilot charges recovered as income are also above budget by a similar \$ value.
- Rates charged to the port for the 2024/2025 financial year are \$51,833 compared to the budget of \$31,463.

Westport Port Financial Performance			
3 months ending 30 September 2024			
	Actual Sept 2024	Budget Sept 2024	Total Actuals 2018 to Sept 2024
Operating Income and Expenses			
Income	105,932	101,193	1,444,486
General Rates	0	0	567,527
Salaries	61,069	59,894	1,310,141
Interest	15,205	15,139	369,558
Depreciation	54,249	54,249	574,999
Direct Costs	157,594	123,111	2,462,517
Overheads	31,500	31,500	440,141
Net Operating Surplus/(Deficit)	(213,685)	(182,700)	(3,145,344)
Capital & Funding			
Capital Expenditure	0	2,305	1,445,553
less depreciation funded in operating surplus	54,249	54,249	574,999
less sale of asset (Bob Gower)	0	0	150,000
Net capital to fund	(54,249)	(51,944)	720,554
Net Activity Surplus/(Deficit)	(159,436)	(130,756)	(3,865,897)

4. CONSIDERATIONS

4.1. Significance Assessment

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA.

In a financial context the content included in this report is not considered significant because the matters disclosed are of a routine nature, and not greater than 5% of the total assets or total annual operations of council.

4.2. Values assessment

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. This report presents the significant projects which are important for the community and the future of the district. Reporting on the significant projects provides an opportunity to review if the areas of focus align with our values.

4.3. Policy/Legal Considerations

The Local Government Act 2002 governs the activities of Council and sets out the requirement for consultation on the Annual Plan and Long-Term Plan to agree the budgets and activities to be funded.

This report assists with two key purposes of that Act (refer to section 3) stating the purpose of the Act is to promote the accountability of local authorities to their communities; and provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

4.4. Strategic impact

Council's key strategies, to achieve the vision of Council are:

Resilient - Building and promoting resilience in a community, services and infrastructure

Growing - Facilitating growth and a transition to a diversified, resilient and sustainable economy,

Quality Infrastructure - providing reliable and sustainable infrastructure that meets the needs of current and future generations

Liveable - investing in our towns to ensure we are an attractive district to live work invest and play

Affordable - Growing our non-rates income so rates are affordable to all residents

The dredge and port activities have a limited strategic impact on the day-to-day council activities although they have the potential for activities that use their services to be significant in the future for the district.

4.5. Risk analysis

Risk is assessed by considering the likelihood of an event occurring and the result of that event.

Undertaking harbour and dredge activities have risk but staff implement practices to minimise risk.

4.6. Policy / legal considerations

The Local Government Act (2002) Sections 140 and 141 stipulate the restrictions on the sale of endowment land. The Act stipulates that a local authority must include in its LTP the intention to sell and the use to which the proceeds will be put. Council last included these conditions in the 2021-2031 LTP by including a statement to this effect.

4.7 Tangata whenua

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

4.8 Views of those affected

The users of the port and the dredge receive services charged at commercial rates. As such this is a business-like activity and should be managed as such.

4.9 Media / Publicity

There is good interest from the public and the media about the dredge and port activities which staff respond to as required.

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 11

Prepared by John Salmond
Senior Project Lead

Reviewed by Paul Numan
Group Manager Corporate Services

Public Excluded: No

UPDATE OF THE 22/23 AND 23/24 ANNUAL REPORTS

1. REPORT SUMMARY

The purpose of this report is to provide the Risk and Audit Committee with a comprehensive update on the status and progress of both the 2022/23 and 2023/24 Annual Reports, outlining the reasons for the delay in adopting the 2022/23 report and the subsequent impact on the preparation of the 2023/24 report.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee receives the Update Of The 22/23 And 23/24 Annual Reports for information.

3. ISSUES & DISCUSSION

22/23 Annual Report

As required by section 98 of the Local Government Act 2002 (LGA 2002), the Council must adopt an Annual Report for the Buller District Council each financial year. At the Council meeting on 25 October 2023, elected members were briefed on the reasons for not meeting the statutory deadline of 31 October for adopting the 2022/23 Annual Report. The primary cause of this delay was due to Council undertaking a forensic report from KPMG, which required detailed investigation and review.

After a thorough assessment, both Ernst and Young (EY), the Council's appointed auditors, and senior management determined that delaying the adoption of the

report was in the Council's best interest. This decision was also reviewed and supported by the Office of the Auditor-General (OAG), ensuring full transparency and accountability in the process.

The forensic report was successfully completed in April 2024, allowing EY to focus their attention on finalising the audit opinion. This has been a complex and carefully monitored process to ensure accuracy and compliance with all required standards.

Council staff have since received the draft audit opinion and are now working intensively to resolve the final outstanding queries and clarifications. We are working closely with EY to ensure that all necessary adjustments are fully addressed, furthermore staff have provided more evidence to the auditor and are currently in the process of finalising a date for EY to be on site in Buller mid-November.

We expect to complete this work in the very near future and anticipate bringing the finalised audit opinion before Council for formal adoption shortly.

23/24 Annual Report

Looking ahead, the 2023/24 Annual Report is due for adoption by 31 October 2024. However, EY has indicated that until the finalised audit opinion for the 2022/23 report is agreed upon and formally adopted, they will not commence their audit work for the 2023/24 report.

Despite this, Council staff have proactively continued preparations in the background, ensuring that much of the groundwork for the 2023/24 report has already been done. Our team remains committed to maintaining momentum, and once the 2022/23 report is formally adopted, we will immediately refocus our efforts to finalise the 2023/24 Annual Report as quickly as possible.

We have also formally requested that EY conduct their audit work on-site following the adoption of the previous report. This will allow for a smooth audit process and quicker resolution of any potential issues. While the delay has impacted the timing of the 2023/24 audit, we remain confident that our preparatory work will allow us to mitigate any further delays.

Due to these reasons, the 23/24 adoption of the annual report will not be within the statutory deadline.

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 12

Prepared by Simon Pickford
Chief Executive Officer

Attachments 1. Action Plan Update October 2024

Public Excluded: No

PMO REVIEW: PROCESS IMPROVEMENT OPPORTUNITIES ACTION PLAN – UPDATE OCTOBER 2024

1. REPORT SUMMARY

This report provides an update on progress against the Process Improvement Opportunities Action Plan arising from KPMG's Forensic Audit of the PMO.

2. DRAFT RECOMMENDATION

That Risk and Audit Committee receives the PMO Review: Process Improvement Opportunities Action Plan – Update October 2024 for information.

3. ISSUES & DISCUSSION

BACKGROUND

Phase 4 of the PMO review involved the identification of process improvement opportunities with Council. This was workshopped with Council and the Chair of Risk and Audit on 15 May 2024. Feedback from the RAC meeting held on 26 June 2024 was incorporated into a finalised version of the Process Improvements Opportunities document which was presented to the August RAC meeting.

A comprehensive action plan has been developed based on the Process Improvements Opportunities document.

DISCUSSION

The action plan has been divided into four sections: Procurement / Finance Issues (nine items), Conflict of Interest (two items), Protected Disclosures (two items), and Management / Governance (five items).

Significant progress has been made since August, with 11 of the 18 of the items now complete. The main focus has been the development of two re-written policies (Sensitive Expenditure and Conflict of Interest) and a new Confidentiality Policy. New procedures have been implemented and a new Procurement Manual has been developed to provide comprehensive guidance to staff.

4. CONSIDERATIONS

4.1 Strategic Impact

Addressing these concerns is of utmost importance for the ongoing ability for Buller District Council, including its staff and partners, to operate with the necessary degree of confidence and trust from the community.

By the actioning the Process Improvements Opportunities there is a real opportunity for Council to enhance its systems and processes in order to be poised to cope better with future natural events and associated large-scale funding.

4.2 Significance Assessment

This does not trigger the Significance and Engagement Policy. However, it is clear that there is a high degree of attention from the public on this matter and therefore every effort must be taken to address the concerns that are raised.

4.3 Risk Management Implications

Areas of risk to Council arising from not addressing the process improvement opportunities:

- Organisational reputational risk.
- Ongoing relationship with funders.

4.4 Values

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

4.5 Policy / Legal Considerations

The legal considerations and risks are outlined above.

4.6 Tangata Whenua Considerations

There are no specific implications to our ongoing partnership with Iwi, save for the enduring ability to work together as trusted partners.

4.7 Views of Those Affected

Key funders have been kept informed, and several directly engaged in the review. Progress on the action plan has been shared with DIA and NZTA.

4.8 Costs

Action plan improvements have been undertaken within existing budgets.

4.9 Benefits

The key benefits accrue from public transparency and in driving an ongoing culture of improvement and performance in the Council services

4.10 Media / Publicity

It is anticipated that progress against the action plan will be of interest to the media.

Project Management Office (PMO) Review: Process Improvement Opportunities Action Plan – October 2024

1. Procurement / Finance Issues

Recommendation	Actions	Lead	Completion Date	Progress
1.a Consultants appointed without a clear understanding of approval process or budget provision	<p>Review Procurement Policy. New policy based on NZ Government Procurement guidance and include:</p> <ul style="list-style-type: none"> • a preferred contractor list or contractor panel. <p>Development of Procurement Manual which will provide clear guidance on:</p> <ul style="list-style-type: none"> • Key documentation • Key procurement decisions for consultant appointments • Demonstrating the total cost of the contract is within budget, and tendering documents and the appropriate approvals. 	GM Corporate Services	<p>End December 2024</p> <p>RAC will consider the revised policy</p>	<p>Draft Procurement Policy has been considered by Council.</p> <p>Procurement and contract management Manual is under development by the newly appointed Manager Capital Works</p>
1.b Lack of monitoring of consultant invoices	Sensitive Expenditure Policy review	CEO / GM Corporate Services	Complete	Procedure for monitoring of consultant invoices has been implemented.

		<p>Sensitive Expenditure procedure review to establish clear guidelines to ensure compliance with Office of the Auditor General's Sensitive Expenditure guidelines.</p> <p>Roll out of the new Policy and Procedure to all staff</p>			<p>Current Sensitive Expenditure Policy (2011) has been re-written, approved by SLT and is on the October 2024 RAC Agenda.</p> <p>An email has been sent in the interim to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.</p>
1.c	<p>Insufficient information on consultant invoices for approvers</p>	<p>Development and communication of new procedure for invoice narration and approval.</p>	GM Corporate Services	Complete	<p>Procedure for approval of invoices has been developed and implemented.</p> <p>Expectations around invoice clarity has been communicated to approvers and contractors - an email has been sent to all IS staff to describe progress payments and invoice checking. This is explained further in the Procurement and contract management manual.</p>
1.d	<p>Costs incurred without approved budget or outside of the parameters set by external funders</p>	<p>Development of new processes to ensure that Council's procurement practices align with the requirements of external funders.</p>	GM Corporate Services	Complete	<p>This is dealt with by both the project and programme management procedure then the procurement and contract management manual.</p> <p>A contract register has been created for the Manager Capital Works on SharePoint who has started reviewing professional services contracts and</p>

					setting them up with progress payments checks.
1.e	Costs allocated to cost centres that do not align with the nature of the costs	Development of controls to ensure costs are appropriately allocated.	GM Corporate Services	Complete	Rules setting out where costs should be allocated have been reiterated to staff. Internal audit process will be implemented (1.f).
1.f.	Lack of Internal Audit function	Investigate options for an Internal Audit programme, as approved by the Risk and Audit Committee (RAC).	GM Corporate Services	End December 2024	Underway
1.g	Individual had a financial delegation set up in the financial system that did not align to the Financial Delegations Policy	Review and check financial system delegations including a robust change management process	GM Corporate Services	End December 2024	Review of financial delegation configuration in systems is underway. Staff training will be undertaken.
1.h	Insufficient controls in the complex receipting process	Development of controls to ensure reconciliation of all project related general ledger (GL) codes, including the complex receipting GL. Investigate the options for allowing invoices with multiple lines to be allocated within MAGIQ. Implement regular reporting of the "Monthly PMO Costs" general	GM Corporate Services	End December 2024	Underway

		ledger account to the General Manager of Infrastructure Services.			
1.i	Finance is required to confirm that funding submissions are true and accurate, however they are not responsible for and do not have oversight of the projects	Develop procedure that requires an Infrastructure Services manager certify accuracy of funding submissions.	GM Infrastructure Services	Complete	Before Finance process finding submissions, a written verification is required from IS. This is dealt with by both the project and programme management procedure then the procurement and contract management manual.
2. Conflict of Interest (COI)					
2.a	COI not appropriately managed / Potential undeclared COI	Review the current Conflict of Interest Policy and ensure it reflects best practice.	CEO / GM Corporate Services	Complete	Current Conflict of Interest Policy has been re-written, approved by SLT and is on the October 2024 RAC Agenda Staff have been reminded of the importance of managing perceived and actual COI. COI's are also referred to in the procurement and contract management manual
2.b	Commercially sensitive BDC information being shared outside Council	Review the Confidentiality Policy	HR Manager	Complete	The revised Confidentiality Policy was adopted by SLT on 10 June 2024. The new policy and a reminder about the council Protected Disclosure (Whistle-blower) Policy was

communicated to the organisation on 17 June 2024.

3. Protected Disclosures

3.a	Lack of proper management of protected disclosure	Effective roll out of Protected Disclosure Policy	CEO	Complete	The roll out of Protected Disclosure Policy has been undertaken across the organisation. The policy is covered as part of staff and contractor inductions.
3.b	Until recently there was no Protected Disclosure Policy	Review the Protected Disclosures Act and ensure BDC is complying with the Act.	CEO	Complete	The roll out of Protected Disclosure Policy has been undertaken across the organisation. Policy will be reviewed on a regular basis.
3.c	There is no guidance available to staff regarding making complaints that may not amount to a Protected Disclosure (which requires there to be serious wrongdoing)	Ensure that 'wrongdoing' actions and behaviours that do not meet the definition or threshold of 'serious' wrongdoing, are dealt with appropriately.	CEO	Complete	The roll out of Protected Disclosure Policy has been undertaken across the organisation. Policy will be reviewed on a regular basis.

4. Management / Governance

4.a	Lack of oversight	Increase the maturity of identifying, measuring, evaluating, monitoring, reporting	RAC	Ongoing	Regular council workshops (six monthly) to review and update the Strategic Risk Register. Workshops
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		and controlling or mitigating critical risks to Council.			held 25 September and 23 October 2024.
4.b	High turnover in executive roles	The RAC should understand the risks faced by Council and ensure management are adequately managing those risks created by turnover.	RAC	Ongoing	Will be monitored by RAC as appropriate
4.c	Inadequate identification and mitigation of risks	Conduct regular risk reviews, to identify emerging risks and allow for appropriate actions to be taken. Internal Audit programme to review BDC's internal control environment.	RAC	Ongoing	Regular council workshops (six monthly) to review and update the Strategic Risk Register. Workshops held 25 September and 23 October 2024. Internal audit programme is being considered.
4.d	Lack of effective action after media reports and/or allegations from other sources	Ensure allegations are appropriately investigated.	RAC	Ongoing	Will be actioned by RAC as appropriate
4.e	Unauthorised or undocumented changes to the objective of the PMO	Ensure the PMO delivery model aligns with Senior Leadership intentions and expectations. Establish clear processes and approval requirements for changes to the delivery models of Council departments.	GM Infrastructure Services	Complete	The PMO was replaced in July 2024 by the Capital Works team, now managed by a BDC staff member. A Capital Programme Delivery Governance Group has been created with robust Terms of Reference. This new setup has been communicated to key council teams.

DRAFT

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 13

Prepared by Bronwyn Little
Senior Policy Advisor

Reviewed by Paul Numan
Group Manager Corporate Services

Attachments 1. Buller District Council Operative Bylaws
2. Buller District Council Public Policies

Public Excluded: No

BYLAWS AND POLICIES

1. REPORT SUMMARY

The purpose of this report is to update the committee on the bylaw and policy review.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee:

- a) **Receives the Bylaws and Policies Report for information: and**
- b) **Notes the projected work schedule for the review of bylaws and policies.**

3. ISSUES & DISCUSSION

3.1 Bylaws

Further to the verbal update at the last Risk and Audit Committee meeting the following progress has been made on the review of Council's bylaws.:

- a. **Navigation and Safety Bylaw:**
Interim legal advice has been received with further advice pending. It is likely that the draft bylaw will be delayed however, if possible, it will be presented for consideration in early 2025

- b. Trade Waste Bylaw, Wastewater and Storm Water Bylaws
The Infrastructure team are working on finalising these draft bylaws. Legal review of a first draft of the Trade Waste Bylaw has been completed. It is anticipated that it will be ready for consideration in the New Year. A workshop with Councillors will be arranged prior to that meeting to explain the background to the proposed draft document.
- c. Control of Dogs Bylaw (and Dog Control Policy)
A review of the current bylaw and policy has commenced. Legal review requirements will mean that the drafts will be with this committee early next year.

3.2 Policies

Further to the verbal update at the last Risk and Audit Committee meeting the following progress has been made on the review of Council's policies:

- a. Class 4 Gambling and TAB Venue Policy:
Submissions on the initial draft proposal will be heard on 13 November 2024 at an extraordinary Council meeting. After deliberations Council will make recommendations for a way forward. A new draft policy and Statement of Proposal will be with this committee for approval in the New Year.
- b. Dangerous and Insanitary Buildings Policy:
Staff have completed a first draft of this policy, and it is currently being formatted into a formal updated document. Legal review will be required prior to bringing this draft and the associated Statement of Proposal to this committee. A report and draft document is expected to be with this committee in the New Year.

3.3 Full Schedule of bylaws and policies

The full schedules of the bylaws and policies are attached as Attachments 1 and 2.

4. CONSIDERATIONS

4.1 Strategic Impact

Bylaws are discrete pieces of law created by Councils that specifically apply to a district. They are locally applicable forms of legislation deal with district-specific issues that are not already covered by any existing legislation or regulation. Bylaws help ensure that the community is safe, healthy, and vibrant. They are made to cover one or more of the following purposes:

- protecting the public from nuisance
- protecting, promoting, and maintaining public health and safety

- minimising the potential for offensive behaviour in public places.

Policies guide decision-making and the delivery of services to the community. A number of these policies are fulfilling both legal and social obligations to address issues in the community. They contribute to the general wellbeing of the community.

4.2 Significance Assessment

The decisions required to be made in this report are not deemed significant under Council's Significance and Engagement Policy.

4.3 Risk Management Implications

Council is obligated to undertake reviews of bylaws and some policies under the Local Government Act 2002 and other legislation.

4.4 Values

The review of bylaws and policies aligns with the Buller District Values of being Community Driven, Future Focussed and We Care.

4.5 Policy / Legal Considerations

The review of bylaws and policies includes the following legislation:

- Local Government Act 2002
- Burial and Cremation Act 1964
- Dog Control Act 1996
- Forest and Rural Fires Act 1977
- Building Act 1991
- Sale and Supply of Alcohol Act 2012
- Land Transport Act 1998
- Land Transport Rule: Setting of Speed Limits 2003
- Reserves Act 1977
- Resource Management Act 1991
- Maritime Transport Act 1994
- Gambling Act 2002
- Racing Industry Act 2020
- Smokefree Environments and Regulated Products Act 1990

4.6 Tangata Whenua Considerations

The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Tangata Whenua, their culture, and traditions.

4.7 Views of Those Affected

This decision does not require consultation with the community or stakeholders however the review of most policies and bylaws must include consultation with the community as required under the relevant legislation.

4.8 Costs

There is no financial implication relevant to this decision. All costs related to the review of bylaws and policies is considered when setting budgets in the Annual Plan and Long Term Plan processes.

4.9 Benefits

Undertaking reviews of bylaws and policies ensures that Council continues:

- protecting the public from nuisance
- protecting, promoting, and maintaining public health and safety
- minimising the potential for offensive behaviour in public places
- ensuring processes and guidelines are fit for purpose.

4.10 Media / Publicity

Any interest from the media will be managed by the Communications and Engagement Team.

BULLER DISTRICT COUNCIL BYLAWS UPDATE: OCTOBER 2024					
					KEY:
					Reviewed 2020
					Under Action
#	EXISTING BYLAW	RESOLUTION OF COUNCIL AUGUST 2020	NEXT STEPS	COMMENTS/PROGRESS	GROUP
1	Wastewater Drainage Model General Bylaw NZS9201: Part 22: 1999 (with local amendments) Made: September 2002 Reviewed: June 2008 Reviewed: 2020	Reviewed and amend as required - combine with Trade waste Bylaw	<ul style="list-style-type: none"> • Legal review • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway as a standalone bylaw Draft and Statement of Proposal to RAC New Year (2025)	Infrastructure Services
2	Water Supply Model General Bylaw NZS9201: Part 7: 2007 (with local amendments) Made: September 2002 NZS9201:Part 7:1994 – chapter 7 – water supply Reviewed: June 2008 NZS9201: Part 7: 2007 Reviewed:2020	Reviewed and amendments as required	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway Draft and Statement of Proposal to RAC New Year (2025)	Infrastructure Services
3	Solid Waste Model General Bylaw NZS9201: Part 6: 1999 Made: September 2002 Reviewed June 2008 Reviewed: 2020	Amend to standardise for BDC and consider additional issues which have arisen in recent	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway	Infrastructure Services
4	Trade Waste Bylaw Made: July 2008 Reviewed: June 2015 Reviewed: 2020	Reviewed and amendments as required - combine with Wastewater Drainage Bylaw n.b. separate Wastewater Drainage Bylaw underway	<ul style="list-style-type: none"> • Draft • Legal Review • Stakeholder discussion if required • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway Draft and Statement of Proposal to RAC New Year (2025)	Infrastructure Services
5	Traffic – Model General Bylaw– Traffic NZS9201: Part 25:2007 (with local amendments) Made: September 2002 NZS9201: Part 25:1999 – Traffic Reviewed: June 2008 NZS9201: Part 25:2007 Reviewed: July 2013 NZS9201 Part 25 (2007) with new amendment Next Review Due: 2023-25	Requires review	<ul style="list-style-type: none"> • Draft • Legal Review • Stakeholder discussion if required • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Decision of Council 29 November 2023 to amend bylaw in particular Heavy Traffic prohibitions	Infrastructure Services

6	Stormwater bylaw	No council decision to date	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway Draft and Statement of Proposal to RAC New Year (2025)	Infrastructure Services
7	Speed – Model General Bylaw NZS9201: Part 28:2007 – Speed (with Local amendments) Made: June 2008 Reviewed: June 2015 Next Review: June 2025 if required	TBC	TBC	New Speed regulations 2023 – bylaw to be revoked in time.	Infrastructure Services
8	Cemeteries and Crematoria Model General Bylaw NZS9201: Part 14: 1999	Standardise for BDC	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Adapting only	Infrastructure Services
9	Control of Dogs Model General Bylaw NZS9201: Part 12: 1999 with integrated local amendments (to be reviewed alongside BDC Dog Control Policy) Made: August 2002 Reviewed: May 2008 Reviewed: 2020	Amend to ensure all issues are covered and any gaps left by the Dog Control Act are covered.	<ul style="list-style-type: none"> • Draft • Legal Review • Stakeholder discussion if required • Draft, Statement of Proposal and Report to Council • Public Consultation • Hearing • Decision 	Review underway. Draft and Statement of Proposal to RAC early 2025 Note: BDC Dog Control Policy will be reviewed in conjunction with the bylaw. Draft Policy and Bylaw to RAC December	Regulatory Services
10 & 11	Trading in Public Places Model General Bylaw NZS9201: Part 4: 1999 with local amendments Itinerant Traders Made: September 2002 Reviewed: June 2008 Public Places Model General Bylaw NZS9201: Part 2: 1999 with local amendments - Setting Traps and Skateboards Made: September 2002 Reviewed: June 2008 Reviewed: 2020	Combine: Both are concerned with protecting the public from nuisance and protecting, promoting and maintaining public safety from activities occurring on public land. Combine current local amendments into bylaw and standardise for BDC.	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Consider issues which have arisen in recent years such as private CCTV recording activity in public places and the use of drones	Regulatory Services

12	Control of Advertising Signs Model General Bylaw NZS9201: Part 8: 1999 Made: September 2002 Reviewed: June 2008 Reviewed: 2020	Amend and Standardise for BDC	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Review in relation to current District Plan	Regulatory Services
13	Fencing Bylaw 1991 Made: September 1991 Reviewed: June 2008 Reviewed: 2020	Amend as required to consider any new legislation and/or practices	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Adapting only	Regulatory Services
14	Fires in the Open Air Model General Bylaw NZ9201: Part 11: 2000 Made: September 2002 Reviewed: June 2008 Reviewed: 2020	Standardise for BDC	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Adapting only	Regulatory Services
15	Hostels Model General Bylaw NZS9201: Part 3: 1999	Standardise for BDC	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Adapting only	Regulatory Services
16	Introductory Model General Bylaw NZS9201: Part 1: 2007 Made: September 2002 NZS9201: Part 1 1999 – Introductory Reviewed: June 2008 NZS9201: Part 1:2007 - Introductory Reviewed: 2020	Standardise for BDC	<ul style="list-style-type: none"> • Draft • Legal Review • Draft, Statement of Proposal and Report to Council • Public Consultation as required • Hearing • Decision 	Adapting only	Community Services
17	Navigation and Safety Bylaws 2008 Made: September 2002 Reviewed: June 2008 Amended: October 2008, August 2012, June 2013 Reviewed: 2020	Amend with updated legislation and reflecting any changes in use of the harbour	<ul style="list-style-type: none"> • Legal review • Stakeholder discussion if required • Draft, Statement of Proposal and Report to Council – by June 2024 • Public Consultation as required • Hearing • Decision 	Review underway: <ul style="list-style-type: none"> • Maritime NZ (MNZ) input • MNZ comments have been evaluated and further discussions with MNZ • Professional advice from Harbourmasters advice group • Legal review underway – further advice being prepared 	Commercial and Corporate Services

				• Draft and Statement of Proposal to RAC New Year	
18	Freedom Camping Control Bylaw (S13 Freedom Camping Act 2011) Made: Aug. 2012 Reviewed: Nov. 2018 Next Review: November 2028	.	2028	Review to ensure compliance with latest legislation	Regulatory Services
19	Banning of Alcohol in Public Places Bylaw Made: 12 Feb.2018 Next Review: by February 2025	Review required	2025		Regulatory Services
20	Livestock Movements Bylaw Reviewed: 12 February 2018 Next Review: February 2028		2028		Regulatory Services
21	Keeping of Animals Bylaw December 2023 Adopted: December 2023 Next Review: December 2028		2028	Adopted December 2023	Regulatory Services

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Revoked Bylaws	
Public Libraries	Revoked December 2017
Cultural and Recreational Facilities	Revoked December 2017
Food Safety	Not required - August 2020 Legislation now in place
Mobile Home	Not required – August 2020
Banning of Liquor In Public Places	Revoked – 31 January 2018

BDC PUBLIC POLICY AUGUST 2024				
GENERAL POLICIES				
	Policy	Reviewed	Notes	Group
1	Dwellings on Unformed Legal Road	2020		Infrastructure Services
2	Housing for the Elderly	2013	Currently under Review	Infrastructure Services
3	Building on Reserve Land	2014	Includes reference to Verandahs over Public Places	Infrastructure Services
4	National Representation – Financial Assistance	2015		Community Services
5	ANZAC Day Observance	2016		Community Services
6	Community Grants	2017		Community Services
7	Smokefree Environments – Council Buildings and Public Spaces	2011		Infrastructure Services
8	Use of Council Parks, Reserves and Buildings a. Rentals of Parks and Reserves b. Use of Council Chambers c. Smoking in Council Buildings	a. 1994 b. 1990 c. 1995		Infrastructure Services
9	Verandahs Over Public Places	2004	Also addressed in Building on Reserve Land Policy	Infrastructure Services

10	NZLGA Annual Conference and Zone Meetings	2017		Corporate Services
11	Petitions/Referenda	2004		Corporate Services
12	Road Naming	2015		Infrastructure Services
13	Weedspraying	2017		Infrastructure Services
14	Old Sewer Connections	2017		Infrastructure Services
15	Common Drains	1991		Infrastructure Services
16	Water Supplies - Metering of Long Lines	1993	Covered by draft Water Supply Bylaw, Policy likely to be redundant if new Bylaw adopted	Infrastructure Services
17	Road Reserve Planting	2000		Infrastructure Services
18	Dangerous and Insanitary Buildings	2017	Must be reviewed every five years. Any amendments must go through the special consultative procedure Review underway Report to RAC December 2024	Regulatory Services
19	Class 4 Gambling and Totalisator Agency Board Venue	2018	Under Review Hearing of submissions 13 November 2024 RAC report back December 2024	Regulatory Services
20	Dog Control	2010	Under Review along with the Control of Dogs Bylaw. Any amendments must go through the special consultative procedure Draft bylaw and policy expected to RAC early 2025	Regulatory Services

21	Vegetation Overhanging Footpaths	2016		Regulatory Services
22	Commercial Trading a. Alcohol Consumption & Dining on Public Footpaths b. Display of goods Furniture or Sandwich Board Signs c. Mobile Shops d. Street Stalls Raffles, appeals & Busking	a. 2006 b. 2006 c. 1999 d.1997	To be reviewed alongside Public Places and Trading in Public Places Bylaws	Regulatory Services
23	Election Signs	2005		Regulatory Services
24	Fencing of Swimming Pools	1999	Legislative changes mean Policy needs amendment	Regulatory Services
25	Freeholding of Leasehold Land	2016		Corporate Services
LONG TERM PLAN POLICIES				
1	Significance and Engagement	2021	Long Term Plan - report to council before Draft LTP	Corporate Services
2	Development and Financial Contributions	2021	Long Term Plan - report to council before Draft LTP	Corporate Services
3	Rates Remission	2021	Long Term Plan - report to council before Draft LTP	Corporate Services
4	Revenue and Financing	2021	Long Term Plan - report to council before Draft LTP	Corporate Services

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 14

Prepared by Simon Pickford
Chief Executive Officer

Attachments 1. Conflict of Interest Policy – Draft

Public Excluded: No

DRAFT CONFLICT OF INTEREST POLICY (2024)

1. REPORT SUMMARY

This report presents a draft Conflict of Interest Policy for consideration.

2. DRAFT RECOMMENDATION

That Risk and Audit Committee endorses the draft Conflict of Interest (2024) policy.

3. ISSUES & DISCUSSION

BACKGROUND

Phase 4 of KPMG's PMO review identified a number of process improvement opportunities with Council. A comprehensive action plan has been developed based on the Process Improvements Opportunities document.

DISCUSSION

One of the areas identified for improvement was the identification and management of Conflicts of Interest. Two actions items were identified:

- 2(a) COI not appropriately managed / Potential undeclared COI*
- and*
- 2(b) Commercially sensitive BDC information being shared outside Council*

To address 2(b), a Confidentiality Policy was adopted by SLT on 10 June 2024 and was rolled out to the organisation in June 2024. This now forms part of all new staff inductions.

In order to address 2(a), a new Conflict of Interest (2024) policy has been drafted based on Officer of the Auditor General Guidelines including [‘Getting it right: Managing conflicts of interest involving council employees’](#) and [Managing conflicts of interest: A guide for the public sector](#).

4. CONSIDERATIONS

4.1 Strategic Impact

Addressing the identified process improvements is of utmost importance for the ongoing ability for Buller District Council, including its staff and partners, to operate with the necessary degree of confidence and trust from the community.

By the actioning the Process Improvements Opportunities there is a real opportunity for Council to enhance its systems and processes in order to be poised to cope better with future natural events and associated large-scale funding.

4.2 Significance Assessment

This does not trigger the Significance and Engagement Policy. However, it is clear that there is a high degree of attention from the public on this matter and therefore every effort must be taken to address the concerns that are raised.

4.3 Risk Management Implications

Areas of risk to Council arising from not addressing the process improvement opportunities:

- Organisational reputational risk.
- Ongoing relationship with funders.

4.4 Values

The development of this policy aligns with the Buller District Council Values which are: Integrity, Future Focussed, Community Driven, One Team and We Care.

4.5 Policy / Legal Considerations

The Conflict of Interest policy is key building block of BDC’s policy framework and must be best practice.

4.6 Tangata Whenua Considerations

There are no specific implications to our ongoing partnership with Iwi, save for the enduring ability to work together as trusted partners

4.7 Views of Those Affected

Key funders have been kept informed on progress of the action plan including the development of this policy.

4.8 Costs

Development of this policy has been undertaken within existing budgets.

4.9 Benefits

The key benefits accrue from public transparency in driving an ongoing culture of improvement and performance in the Council services

4.10 Media / Publicity

It is anticipated that progress against the action plan including the development of policies will be of interest to the media.



STAFF CONFLICT OF INTEREST POLICY

<i>Creation Date:</i>	<i>October 2024</i>	<i>Consulted on:</i>	
<i>Approved Date:</i>		<i>Date for Review:</i>	
<i>Author:</i>	<i>Paul Numan</i>	<i>Authorised by:</i>	<i>Simon Pickford</i>
<i>Version:</i>	<i>V 1.0</i>		
<i>Also Refer to:</i>			

Overview:

This Conflict of Interest Policy provides clear guidance to employees of Buller District Council on identifying, disclosing, and managing conflicts of interest. The policy aims to ensure that all decisions made by Council staff are impartial, transparent, and free from personal or external influence, thereby protecting the integrity of Council operations and maintaining public trust.

Objective:

To provide guidance for the identification and management of conflicts of interest so that the public is confident that decisions have been made:

- impartially and for the right reasons; and
- are not influenced by personal interests or other motives.

Background

Employees of Council, contractors and consultants have a number of professional and personal interests and roles. Conflicts of interest sometimes cannot be avoided but they need not cause problems when promptly disclosed and well managed. This policy has been developed to provide guidance to employees of Council and to set some rules around disclosing actual, potential and perceived conflicts and around accepting gifts and other benefits. One of the key objectives of this policy is to preserve the reputation of Council and its staff. The Auditor General has provided further guidance in his publication entitled "[Managing conflicts of interest: A guide for the public sector](#)". This guide not only provides greater detail on conflict of interest issues, but a number of scenarios and further references.

Scope

This policy applies to all permanent, fixed-term and casual employees. This policy may also apply to contractors or consultants engaged by Council when providing advice that may ultimately be used as the basis for a Council decision and/or where the contract or engagement agreement specifies that this policy applies. For the avoidance of doubt, contractors or consultants are 'employees' for the purpose of this policy.

Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply;

Term	Definition
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<p>Conflict of Interest</p>	<p>If an employee's official duties or responsibilities to Council could be affected or compromised or perceived to be by some other interest or duty that the employee may have. The other interest or duty might be:</p> <ul style="list-style-type: none"> • the employee's own financial or business affairs; • a relationship (family or otherwise) or other role the employee has; • a conflict of roles if the employee has a role in another organisation. The question to keep in mind is "might the employee's other interest create (or be perceived as creating) an incentive for them to act in a way that may not be in the best interests of Council?" • an opinion or view held by the employee – leading to actual or perceived predetermination. <p>A conflict of interest does not necessarily mean that the employee has acted improperly, and the conflict may be actual, potential or perceived.</p> <ul style="list-style-type: none"> • A conflict of interest can exist where an employee's objective decision making during their employment conflicts with another interest. • An actual conflict of interest exists where there is a difference between the employee's interests and another interests. • A potential conflict of interest is where there is the possibility for a conflict of interest to exist, even though it might not currently. • A perceived conflict of interest is where an external person may reasonably believe there could be a conflict of interest.
<p>Prohibited Activities – employees may not be involved in</p>	<p>The decision to appoint or employ a person with whom the employee has a personal connection (familial or otherwise).</p> <ul style="list-style-type: none"> • The decision to conduct business with a person with whom the employee has a

	<p>personal connection (familial or otherwise).</p> <ul style="list-style-type: none"> • Influencing or participating in a decision to award grants or contracts where the employee is connected to a person or organisation that submitted an application or tender. • Influencing or participating in regulatory decisions (such as to grant a consent, certificate or licence) where the employee is connected to the applicant or a person who opposes the application. • Investigating a complaint where the employee has a personal connection (familial or otherwise) with either the complainant or the person or entity complained about. • Setting up or engaging in private business or use knowledge or materials gained during the course of employment other than in the course of the employee's employment with Council
<p>Limited Activities – activities which employees must either consult or have the consent of their manager to be involved in</p>	<p>Owning shares in or working for organisations that have dealings with Council.</p> <ul style="list-style-type: none"> • Making public submissions to Council in a private capacity. • Undertaking other employment during the term of this agreement. • Contracts or grants with Councillors or organisations associated with Councillors because of the restrictions imposed by the Local Authorities Members Interest Act 1968.

Statements

1. This policy is breached if an employee:
 - (a) Has a conflict of interest and knowingly becomes involved or continues to be involved in a limited activity without consent of their manager.
 - (b) Accepts a gift, discount or hospitality without following the process set out in this policy.
2. A breach of this policy may give rise to disciplinary action.



Disclosing the conflict

3. All employees are expected to disclose all actual, potential or perceived conflicts of interest they have. Employees should err on the side of caution in deciding whether to make a disclosure. If they are unsure whether there is a conflict, they should discuss the matter with their manager or with a Fraud Advisory Officer (see Fraud Policy), noting that in most cases, “if an employee thinks that they may have a conflict, they probably do”.
4. Disclosure must be made to their manager at the earliest possible opportunity after the conflict arises. If required by the manager, the disclosure must be in writing.

Managing the conflict

5. The manager, if the conflict is particularly sensitive or serious, must involve their manager and the Group Manager Corporate Services. The manager must undertake a written assessment of the conflict to determine if it warrants further management.
6. The assessment will take into account factors such as the following:
 - (a) The type or size of the employee’s other interest.
 - (b) The nature or significance of the particular decision or activity being carried out by Council.
 - (c) The extent to which the employee’s other interest could specifically affect, or be affected by, Council’s decision or activity.
 - (d) The nature or extent of the employee’s current or intended involvement in Council’s decision or activity.

Remember ratepayers may operate from a different value perspective than professionals and that one of the key objectives of this policy is to preserve the reputation of Council and its staff.

7. The manager will decide whether any changes to the employee’s role or any other measures are required to manage the conflict. The manager will report this decision, in writing, to their manager and the Group Manager Corporate Services.
8. The types of changes or other measures that may be appropriate in particular circumstances could involve:
 - (a) Seeking consent of all other affected parties or an exemption to the involvement of the employee.
 - (b) Seeking a formal exemption to allow participation (if such a legal power applies).
 - (c) Imposing additional oversight or review over the employee.
 - (d) Withdrawing from discussion or decision-making on a particular issue.
 - (e) Exclusion from a committee or working group dealing with the issue.
 - (f) Withholding certain confidential information or placing restrictions on access to information.
 - (g) Re-assigning certain tasks or duties to another person.
 - (h) Transferring the employee (temporarily or permanently) to another position or project.



- (i) Relinquishing the private interest.
 - (j) Refraining from having further dealings with a person or organisation.
 - (k) Resignation or dismissal from one or other position or entity.
9. The manager will inform the employee, in writing, of the changes or measures to be put in place and will monitor and review these changes or measures. The manager will report, in writing, on the monitoring and review to their manager and to the Group Manager Corporate Services.
10. If the conflict does not justify taking any action because it is too indirect or insignificant, the manager will record the disclosure and assessment and the decision to take no further action. All conflicts to be notified to the Group Manager Corporate Services for recording.

Gifts of cash prohibited

11. No employee may accept any gift of cash of any value in relation to the performance of their duties. Any offer of such a gift, whether accepted or not, must be reported immediately to the employee's manager. In the eyes of the public there is no difference between a cash gift and a bribe.

Disclosure of gifts, discounts and hospitality

12. Employees must disclose to their manager, within 7 days of the offer or receipt of:
- (a) All gifts of a value over \$100.00. Note, if a gift has more than one component, the total value of all components must be recorded.
 - (b) All discounts offered to employees (other than those offered via any staff purchasing scheme or those offered to all customers of a business).
 - (c) All hospitality offered by a person or organisation that the employee has dealings within the performance of their duties.
13. The manager must advise the Group Manager Corporate Services of all gifts, discounts, hospitality, etc., over \$100 for inclusion in the 'Gift Register'.

Decision whether gift, discount or hospitality can be accepted

14. Where an employee has been offered or received a gift of a value over \$100.00, a discount from a business or hospitality, the manager, after consultation with their manager and the Group Manager Corporate Services, may decide whether it is appropriate for the employee to accept or keep the gift, discount or hospitality. If it is decided that a gift cannot be accepted, the gift will be returned to the donor or, with the approval of the donor, given to charity.
15. In making this decision the following factors are relevant:
- (a) The value and nature of the gift, discount or hospitality.
 - (b) The extent of personal benefit to the employee from the gift, discount or hospitality.
 - (c) The context, reason or occasion for the gift, discount or hospitality.
 - (d) Any imminent decisions to be made by Council that could be seen to be affected by the acceptance of the gift, discount or hospitality.



Responsibilities

Function	Responsibilities
Employees	Expected to disclose all actual, potential or perceived conflicts of interest they have.
Managers	If the conflict is particularly sensitive or serious, must involve their manager and the Group Manager Corporate Services. The manager must undertake a written assessment of the conflict to determine if it warrants management.
Group Manager Corporate Services	Keep a register of staff conflicts of interest

Applicable to:

- ✓ All employees of Buller District Council including employees, contractors and consultants

Note: Manager refers to Group Manager, Manager, Team Leader and/or Supervisor

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 15

Prepared by Simon Pickford
Chief Executive Officer

Attachments 1. Sensitive Expenditure Policy – Draft

Public Excluded: No

DRAFT SENSITIVE EXPENDITURE POLICY (2024)

1. REPORT SUMMARY

This report presents a draft Sensitive Expenditure Policy for consideration.

2. DRAFT RECOMMENDATION

That Risk and Audit Committee endorses the draft Sensitive Expenditure Policy (2024).

3. ISSUES & DISCUSSION

BACKGROUND

Phase 4 of KPMG's PMO review identified a number of process improvement opportunities with Council. A comprehensive action plan has been developed based on the Process Improvements Opportunities document.

DISCUSSION

One of the areas identified for improvement ('Procurement / Finance Issues') was the need for closer monitoring of consultant invoices. Action item 1(b) was:

- Sensitive Expenditure Policy review
- Sensitive Expenditure procedure review to establish clear guidelines to ensure compliance with Office of the Auditor General's Sensitive Expenditure guidelines.
- Roll out of the new Policy and Procedure to all staff

The current Sensitive Expenditure Policy (2011) has been re-written and approved by SLT. The purpose of this policy is to ensure 'sensitive expenditure' is appropriately controlled. It addresses issues referred to in the Controller & Auditor-General's good practice guide, "[Controlling sensitive expenditure: Guideline for public entities](#)" (February 2007). The policy has also been revised to align against the guidelines published on <https://www.oag.govt.nz/good-practice/sensitive-expenditure>.

4. CONSIDERATIONS

4.1 Strategic Impact

Addressing the identified process improvements is of utmost importance for the ongoing ability for Buller District Council, including its staff and partners, to operate with the necessary degree of confidence and trust from the community.

By the actioning the Process Improvements Opportunities there is a real opportunity for Council to enhance its systems and processes in order to be poised to cope better with future natural events and associated large-scale funding.

4.2 Significance Assessment

This does not trigger the Significance and Engagement Policy. However, it is clear that there is a high degree of attention from the public on this matter and therefore every effort must be taken to address the concerns that are raised.

4.3 Risk Management Implications

Areas of risk to Council arising from not addressing the process improvement opportunities:

- Organisational reputational risk.
- Ongoing relationship with funders.

4.4 Values

The development of this policy aligns with the Buller District Council Values which are: Integrity, Future Focussed, Community Driven, One Team and We Care.

4.5 Policy / Legal Considerations

The Sensitive Expenditure policy is key building block of BDC's policy framework and must be best practice.

4.6 Tangata Whenua Considerations

There are no specific implications to our ongoing partnership with Iwi, save for the enduring ability to work together as trusted partners

4.7 Views of Those Affected

Key funders have been kept informed on progress of the action plan including the development of this policy.

4.8 Costs

Development of this policy has been undertaken within existing budgets.

4.9 Benefits

The key benefits accrue from public transparency in driving an ongoing culture of improvement and performance in the Council services

4.10 Media / Publicity

It is anticipated that progress against the action plan including the development of policies will be of interest to the media.

Sensitive Expenditure Policy

<i>Creation Date:</i>	<i>October 2024</i>	<i>Consulted on:</i>	
<i>Approved Date:</i>		<i>Date for Review:</i>	
<i>Author:</i>	<i>Paul Numan</i>	<i>Authorised by:</i>	<i>Simon Pickford</i>
<i>Version:</i>	<i>V 1.0</i>		
<i>Also Refer to:</i>			

Overview

The purpose of this policy is to ensure 'sensitive expenditure' is appropriately controlled. It addresses issues referred to in the Controller & Auditor-General's good practice guide, "Controlling sensitive expenditure: Guideline for public entities" (February 2007). The policy has also been revised to align against the guidelines published on <https://www.oag.govt.nz/good-practice/sensitive-expenditure>.

Scope

This policy applies to all Buller District Council employees and elected officials whether they are on a casual, fixed term, permanent or a collective employment agreement except for those items of sensitive expenditure specifically provided for by employment agreements.

Objective

To provide guidance for the identification and management of conflicts of interest so that the public is confident that decisions have been made

1. DEFINITIONS

Sensitive expenditure: Any council expenditure by Council that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual Council officer that is additional to the business benefit to Council of the expenditure. It also includes expenditure by Council that could be considered unusual for Council's purpose and/or functions. In plain English, this is any expenditure that could be perceived as wasteful or extravagant use of ratepayer funds.

Supplier: Means a current or potential provider of goods or services to Council.

Credit Card: Includes vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before a payment is made.

Approving Manager: An employee's line manager or a manager higher in the financial delegation approval hierarchy.

Conflict of Interest: Any situation in which a private interest or personal considerations may affect, or could be perceived to affect, an employee or elected member's judgement and/or ability to act in the best interest of BDC.

Entertainment Expenses: Expenditure on food, beverages, tickets for events, and related supplies for events, involving one or more Council employee(s)/or one or more guests, and the purpose of the expenditure is to represent the Council or provide reciprocity of hospitality or build business relationships in pursuit of Council goals.

Official Function: Social functions, entertainment events, ceremonies, meetings, special events and conferences that can be demonstrated to provide clear benefit to the Council. Such functions must be sanctioned by the Chief Executive, or the relevant Senior Leadership Team member.

2. PRINCIPLES

2.1 Overview

The Controller & Auditor-General's guide states because councils are dealing with "public money" expenditure should be subject to the standards of probity and financial prudence expected of a public entity. These expectations are higher than those that exist in the private sector.

BDC is obliged to safeguard and use its resources in a responsible manner. Furthermore, elected members and employees must guard against actual or perceived conflicts of interest in regard to the use of those resources. Due to the risk of perceived or actual personal benefit to the elected member or employee arising from certain expenditure categories, such as travel, accommodation, gifts and hospitality, the Controller and Auditor-General defines them as 'sensitive' expenditure.

Approval of sensitive expenditure should be:

- given only when the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met;
- given before the expenditure is incurred, wherever practical;
- made within any statutory limits on Council's delegations;
- made only when budgetary provision and delegated authority exist;
- given by a person senior to the person who will benefit or who might be perceived to benefit from the sensitive expenditure, wherever possible. Where this is not possible, this fact should be recorded, and any such expenditure should be subject to some form of monitoring.

General principles for expenditure decisions are that the expenditure must:

- be cost-effective;
- preserve impartiality;
- be made with integrity;
- be moderate and conservative, having regard to the circumstances;
- be transparent;
- be appropriate.

All expenditure must be in accordance with the Procurement Policy to ensure purchasing decisions are consistent, fair, transparent, lawful, and deliver value for money.

All expenditure must be in accordance with the Delegations Manual to ensure staff and elected members act within delegated authority.

Authorised staff members will make decisions on and/or payment for each item of sensitive expenditure.

They will need to exercise careful judgement in accordance with these principles and this policy. This will always be about balance in the particular context.

Expenditure must not be motivated by the potential for individual benefit.

Health and safety will be a consideration when cost-effective options for expenditure are being evaluated. For example, ensuring that staff and elected members are able to travel safely during winter months may incur additional expenditure.

2.2 Exercising Judgement

The responsibilities of the Mayor, Councillors and Senior Leadership Team include being accountable for the proper and prudent spending of public money. This includes sensitive expenditure and the supporting internal controls, such as adherence to this policy.

In the absence of a specific rule, Council staff and elected members must exercise good judgement by taking into account the principles of this policy and the context of a given situation.

3 POLICY

3.1 Deciding when sensitive expenditure is appropriate

In deciding what appropriate sensitive expenditure is, elected members and employees need to take account of both individual transactions and the total value of sensitive expenditure.

Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, BDC could be considered extravagant or wasteful.

3.2 Responsibilities of the Mayor, Councillors and Senior Leadership Team

Overall responsibility for this policy rests with the Mayor, Councillors and the Senior Leadership Team. This group must make it clear to employees what is and is not 'acceptable sensitive expenditure' and model those behaviours to the highest standard.

3.3 Controls and judgement

In the absence of a specific rule for a given situation, the Mayor, Councillors and Senior Leadership Team are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.

The Mayor, Councillors and Senior Leadership Team are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

3.4 General controls

All expense claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances, this means within one month. Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to BDC business.

Valid, original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.

All expense claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim. All expense claims for minor expenditure (under \$50) must document the date, amount, description, and purpose when receipts are not available.

3.5 Approval of Sensitive Expenditure

Approval of sensitive expenditure must:

- only be given where the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met as outlined in the Principles section above;
- be given before the expenditure is incurred, wherever practical;
- be made strictly within delegated authority;
- be given by a person senior to the person who will benefit or might be perceived to benefit from the expenditure, wherever practical.

Expenditure which is incurred (but not explicitly approved by Council) by elected members will be reviewed by the Group Manager Corporate Services for compliance with this policy and authorised by both the Chief Executive Officer and the Mayor.

Expenditure by the Mayor which is incurred (but not explicitly approved by Council) will be reviewed by the chair of the Risk and Audit Committee for compliance with this policy.

In the case of the Senior Leadership Team, the "one up" principle must be applied to the maximum extent possible. In the case of the Chief Executive, approval is required from the Mayor or chair of the Risk and Audit Committee.

3.6 Review of sensitive expenditure

Sensitive expenditure is a standing agenda item for the Risk and Audit Committee. The Group Manager Corporate Services will review sensitive expenditure and will report any instances of non-compliance with this policy to the Risk and Audit Committee.

4. Specific Areas of Expenditure

In general, reasonable expenses will be met for unexpected events, e.g. overnight expenses due to a cancelled plane flight. However discretionary entertainment expenses such as movies or personal internet access will not be reimbursed by Council.

Where travel arrangements are extended to accommodate an employee's or member's personal arrangements, all costs in addition to those that would be expected for the business component of the trip are the responsibility of the staff member or elected member.

4.1 Use of Credit Cards

The use of credit cards is not in itself a form of sensitive expenditure. However, credit cards are a common method of payment for such expenditure. This policy is designed to minimise the risks associated with the use of credit cards, namely:

- inappropriate business-related expenditure (in both quantity and type);
- obtaining cash for a business purpose (with subsequent expenditure being poorly documented or justified);
- for personal benefit, by obtaining cash or paying for personal items.

All credit card transactions must be supported by original documentation to explain and corroborate transactions. The business reason and other parties (if any) must be recorded along with the purpose of the meeting for all entertainment and travel transactions.

Items purchased must be coded by the card holder for entering in the accounting system. Credit card payments must be authorised like other invoices and in accordance with Council's Procurement Policy.

On the card holder's termination of employment, the Finance Manager will arrange with the bank to cancel the card. The credit card must be returned to the Finance Manager, who will ensure it is physically destroyed.

The use of Council credit cards for private expenditure or credit is prohibited.

Credit cards may not be used for cash advances unless:

- cash is required in an emergency (usually related to travel on Council business);
- cash is required for official purposes (in rare circumstances) and has prior approval.

Credit card payments made online need to reflect good security practice as per below:

- purchase only from established and reputable companies;
- the card holder must retain a copy of the online order form and invoice to support the payment;
- on-line purchases must comply with Council's Procurement Policy.

4.2 Travel and accommodation expenditure

Elected members and Council staff may incur travel and accommodation costs while conducting Council business elsewhere in New Zealand or overseas. The principles of a justified business purpose, moderate and conservative expenditure, are particularly relevant for travel and accommodation expenditure.

4.3 Air Travel

To the extent practicable, air travel is to be booked well ahead of the travel date, so the expenditure is cost-effective.

- Air travel is to be booked by the Executive Assistant.
- Flights may be booked to leave the night before an event if it is considered reasonable to do so.

- Discounted economy or economy class and/or a discount airline must be the first choice provided that they meet business objectives, unless the need for flexibility can be justified.
- Air points - Provided the use of carriers supplying air points does not result in Council incurring additional costs, air point rewards accruing to staff and elected members carrying out their official duties may be kept by the staff or elected member.

4.4 Accommodation

To the extent practicable, accommodation is to be booked well ahead of the actual travel date, so the expenditure is the most cost-effective possible. The guidance is for mid-tier priced accommodation to be booked. Exceptions to this must be fair and reasonable and take into account the location of the accommodation relative to the event, the standard of the accommodation and security issues.

- The indicative maximum amount to be spent on accommodation is \$250 (including GST) per night. Those booking accommodation are expected to look for the most cost-effective option.
- Where accommodation is greater than \$250 per night for Council employees, one-up approval is required before booking the accommodation.
- In the case of accommodation expenses by Elected Members exceeding the \$250 per night (including GST) threshold, a fair and reasonable explanation of the need for the more expensive accommodation must be able to be substantiated. These expenses are to be reviewed by the chair of the Risk and Audit Committee.
- Accommodation check-out times are to be observed. In the absence of extenuating circumstances, any additional costs as a result of failing to check out in time are the responsibility of the staff member or elected member.

4.6 Food and beverage

Council will pay for a maximum of one beverage per meal (non-alcoholic, with the exception of a single beverage with an evening meal which may be alcoholic or non-alcoholic), which must be clearly identifiable on receipts supporting the expenditure. Minibar costs will not be reimbursed by Council.

Reasonable meal costs will be met. In general, the total cost (including beverages) is not expected to exceed:

- Breakfast - \$30.00
- Lunch - \$30.00
- Dinner - \$60.00

Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, etc.

4.7 Motor Vehicles and Taxis

4.7.1 Council Pool Cars

Where possible, employees and elected members are to use Council pool cars for reasonable distances of travel within the South Island. Council vehicles (except those provided under a remuneration arrangement) are not available for private use. Fuel cards are provided in each BDC-owned/leased vehicle only for the purpose of refuelling the fleet vehicle.

Any fines (parking or traffic offences) incurred while using a Council vehicle are the responsibility of the driver (unless the fines relate to an aspect of the condition of the vehicle outside the driver's control).

Council employees and elected members should endeavour to return Council vehicles as soon as possible following the completion of use. However, where an employee takes a vehicle home for the night, the employee must inform the Finance Team that Fringe Benefit Tax applies.

4.7.2 Rental Cars

Employees and elected members must use the most economical type and size of rental car, consistent with the requirements of the trip. Rental cars are only available for business conducted outside the district.

Any fines (parking or traffic offences) incurred while using a rental vehicle are the responsibility of the driver.

Private use of a rental car is only permitted in exceptional circumstances and requires the approval of the Chief Executive. All additional costs as a result of private use are the responsibility of the employee or elected member.

4.7.3 Taxis

Taxis, in relation to this policy, includes any alternative form of 'taxi' available, such as Uber. Council will pay for travel by taxi for staff and elected members away on Council business. Council expects the use of taxis to be cost effective relative to other transport options.

Where possible, shuttles should be utilised for transport to and from airports for reasonable distances where time permits (i.e. for shuttling from a hotel or event to the airport).

4.7.4 Private Vehicles

Pre-approval is required in order for staff to be reimbursed for the use of a private motor vehicle. Council will not normally pay for travel by private motor vehicle when travel by other means is more practical and cost effective. Staff are always expected to use a Council vehicle for Council business, if there is one available. Circumstances where the use of private vehicles may be considered appropriate include:

- the employee will be absent for a period of longer than 2 days;
- no pool cars are available (it is the responsibility of the employee to ensure pool cars are booked as soon as possible to avoid this circumstance).

The vehicle owner must ensure that they have appropriate insurance cover for the vehicle while it is being used on Council business. Any fines (parking or traffic offences) incurred while using a private vehicle on Council business are the responsibility of the driver.

All reimbursement claims for use of a private motor vehicle must be made on the appropriate form. Reimbursement will be made in accordance with the current mileage rates for employee reimbursement recommended by IRD.

Elected members will be reimbursed for mileage and travel time in accordance with the Elected Members Reimbursement of Expenses Policy.

4.8 Parking

Employees/elected members may utilise airport parking options. The most time- and cost-effective parking option must be utilised. The cost of parking will be reimbursed provided the purpose of the trip is for approved Council business.

4.9 Tipping

Council will not reimburse employees or elected members for tipping while they are on business in New Zealand. Council will reimburse employees and elected members for appropriate tipping during international travel only in places where tipping is local practice.

4.10 Private arrangements and stopovers

Employees and elected members may undertake private travel before, during or at the end of Council travel, provided there is no additional cost to the entity and the private travel is only incidental to the business purpose of the travel. If there are additional costs incurred (such as a difference in the cost of flights) these must be covered by the employee/elected member.

Any costs such as travel or accommodation for accompanying spouses, partners or other family members are a personal expense and will not be reimbursed by Council.

The cost of stopovers will only be reimbursed by Council when they are pre-approved and have a clear business purpose.

4.11 Entertainment and hospitality expenditure

4.11.1 Overview

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol. It also includes non-catering related items, such as entry to sporting or cultural events. Four business purposes of entertainment and hospitality have been identified.

- building relationships;
- representing the organisation;
- reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality;
- building revenue.

Supporting the Council's internal organisational development may, in occasional circumstances, also be a legitimate business purpose for moderate expenditure. This requires the approval of the Chief Executive. The principles of a justified business purpose, moderate and conservative expenditure are particularly relevant to Council. Council requires tight control of expenditure and transparent reporting.

4.11.2 Catering for meetings held internally

Where meetings are hosted internally by Council employees, external catering should only be provided where:

- external parties will be in attendance;
- the meeting extends over the lunch time period;
- approval has been obtained by a Senior Leadership Team member;
- elected members are present, such as for a workshop, working group, or Council meeting.

Supporting the Council's internal organisational development may, in occasional circumstances, also be a legitimate business purpose for moderate expenditure. This might include expenditure that promotes the health and wellbeing of employees.

All entertainment and hospitality expenditure must be pre-approved where possible and always supported by clear documentation. This documentation must identify the date, venue, costs, recipients and benefits derived and/or reasons for the event. If the expenditure is not pre-approved the most senior person present should approve and confirm the expenditure as being appropriate.

4.12 Disposal of surplus assets

Council will, from time to time, dispose of assets. Typically, this is when the assets have become obsolete, worn out or surplus to requirements. Council's disposals must be both transparent and fair.

Council will not dispose of assets to staff or elected members or related parties at a discounted rate if a greater net value is likely to be realised by an alternative method of sale.

The principles of preserving impartiality and integrity are particularly relevant. Council staff disposing of assets must not benefit personally from the disposal. To ensure transparency, fairness and receipt of best value for Council the disposal of assets shall be conducted on the open market or by way of trade-in on a replacement asset, unless the value of the assets are minimal (i.e. <\$500) or the Chief Executive has approved an alternative method of disposal.

Where disposal to officers or elected members is approved by the Chief Executive, the following principles shall apply:

- Officers involved in disposing of the asset shall not benefit from the disposal;
- All assets identified for disposal to officers shall be valued and subject to a tender or other process proportionate to the value of the asset.

4.13 Goods and services expenditure – loyalty reward scheme benefits

Loyalty rewards associated with transactions required to carry out Council duties are the property of Council. Individual staff members are not permitted to accrue loyalty rewards to their personal accounts. This excludes Air-Points schemes, which are covered under the "Air Travel" section of this policy.

In situations where receiving a prize or loyalty reward could be perceived as inappropriate, prize or rewards must be declined.

4.14 Use of Council & Private Assets

Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the Internet, and stationery. The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

The use of Council assets in any private business that any employee or elected member may operate is not permitted.

The main issue associated with Council's use of private assets is the risk of the Council paying or reimbursing amounts that inappropriately benefit the staff member or elected member. Therefore, pre-approval by a Senior Leadership Team member is required.

Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

4.15 Use of Council Suppliers

As Council employees may have access to some Council suppliers on the same basis as Council, they may receive preferential access to goods or services, and potentially at a preferential price, which is not available to the public. The risk is that the availability of the discount to staff will influence the choice of Council suppliers.

The selection of suppliers must be in the interest of Council. The availability or possibility of employee purchasing privileges must not factor into this selection.

Employees may make use of any preferential access to goods or services through Council's suppliers under the following conditions:

- The discount offered must be the same discount offered to all Council employees and not be particular to individual staff members.
- Discounted fuel is available to staff by way of Fuel cards which are issued to employees. The individual purchases are charged to employees on account and subject to normal credit terms and conditions.

In rare circumstances a Council order may include expenditure with a personal component, such as a travel or accommodation booking. In this case payment to Council for the personal component must be made on confirmation of the cost or the receipt of the invoice from the supplier, whichever occurs first.

Elected members may have preferential access to goods or services through Council suppliers on the same basis as staff, provided there is no real or perceived conflict of interest.

4.16 Donations & koha

A donation or a koha is a payment (in money or by way of goods or services) made voluntarily and without the expectation of receiving goods or services in return. BDC requires donations to be:

- Lawful in all respects;
- Made to a recognised organisation by normal commercial means (not to an individual);
- Not in cash (except as a koha and with the express approval of the Chief Executive or a Group Manager);
- Non-political (i.e. politically neutral).

The amount given on behalf of BDC should reflect the occasion and the prestige of BDC in its relations with Tangata Whenua and be approved by the Chief Executive or relevant Group Manager.

4.17 Gifts

Employees and elected members' impartiality and integrity must be maintained when receiving gifts. In all instances staff must inform their manager or supervisor that they have received a gift for service or appreciation.

The acceptance of any gift with a monetary value exceeding \$50 must have the express approval of the relevant Group Manager for staff to retain it.

All gifts received with a monetary value exceeding \$50 shall be reported to the Executive Assistant and recorded on a register to be held by the Chief Executive. This includes tickets to events.

4.18 Employee support, wellbeing and welfare expenditure

4.18.1 Clothing

Other than official uniforms and health and safety related clothing, elected members or employees will not be clothed at BDC's expense when they are engaged in a normal business activity.

4.18.2 Farewells, long service and retirements

Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion. See **Guideline for Staff Leaving Functions**.

4.18.3 Professional memberships

Membership to a professional body is sensitive expenditure due to its personal nature.

Payment of professional fees by BDC on behalf of an employee must be:

- approved by the Group Manager or Chief Executive in the case of employees. In the case of the Chief Executive or elected members, the Group Manager Corporate Services is required to give approval;
- clearly relevant to the performance of the employee's duties and responsibilities;
- for the employee alone and is not to cover members of their family or other persons;
- for no longer than one-year in duration unless significant discounts are available and it is reasonable to expect a two-year membership to be an advantage to BDC;
- for the benefit of BDC and not intended to be a personal benefit to employees, and accordingly not liable for Fringe Benefit Tax;
- in accordance with the employee's employment agreement;
- cancelled or transferred to an appropriate employee if the employee's employment with BDC is terminated, via resignation or otherwise;
- refunded directly to BDC if the membership is cancelled.

5. Policy Management

5.1 Clarification

Clarification regarding this policy can be sought from the Buller District Council Group Manager Corporate Services.

5.2 Breaches

The Buller District Council Chief Executive Officer and Group Manager Corporate Services are responsible for monitoring compliance with this policy. All identified breaches will be escalated to the CEO and Group Manager Corporate Services and will be treated as misconduct which may result in disciplinary action.

5.3 Exceptions

The Buller District Council Group Manager Corporate Services (being the policy owner) or the Chief Executive Officer (being the policy approver) will need to authorise any deviations from this policy.

RELATED DOCUMENTS / WEBSITES

Related Council policies and strategies include:

- Fraud Policy
- Code of Conduct
- Delegations Manual
- Conflict of Interest Policy
- Protected Disclosures Policy
- Procurement Policy

Relevant legislation and other resources includes (but is not limited to):

- Local Authorities (Members' Interests) Act 1968
- Local Government Act 2002 (s.100 and 101)

DRAFT

RISK AND AUDIT COMMITTEE

30 OCTOBER 2024

AGENDA ITEM: 16

Prepared by Paul Numan
Group Manager Corporate Services

PUBLIC EXCLUDED REPORT

1. REPORT SUMMARY

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

2. DRAFT RECOMMENDATION

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

Item No.	Minutes/ Report of:	General Subject	Reason For Passing Resolution under LGOIMA
PE 1	Paul Numan – Group Manager Corporate Services	Confirmation of Previous Public Excluded Minutes	(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or (s 7(2)(j)) - prevent the disclosure or use of official information for improper gain or improper advantage.
PE 2	Simon Pickford - Chief Executive Officer	Development West Coast Verbal Update	(s 7(2)(b)(ii)) Protect information where the making available of the information would: ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information