

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Audit and Risk Subcommittee will be held on:

Date: Wednesday 3 November 2021
Time: 2.00 pm
Venue: Otaru Room, Civic Centre, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Audit and Risk Subcommittee
PUBLIC AGENDA

MEMBERSHIP

Chairperson	Warren Allen	
Deputy Chairperson	Janet Copeland	
Members	Cr Christine Garey	Cr Doug Hall
	Mayor Aaron Hawkins	Cr Mike Lord
Senior Officer	Gavin Logie, Chief Financial Officer	
Governance Support Officer	Wendy Collard	

Wendy Collard
Governance Support Officer

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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

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1 APOLOGIES

At the close of the agenda no apologies had been received.

2 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative or independent member and any private or other external interest they might have.
2. Elected and Independent members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

RECOMMENDATIONS

That the Committee:

- a) **Notes/Amends** if necessary the Elected or Independent Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected or Independent Members' Interests.

Attachments

	Title	Page
 A	Register of Interests	7

Audit and Risk Subcommittee - Register of Interest - current as at 20 October 2021				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Warren Allen	Chairperson	Audit and Risk Committee, Porirua City Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit and Risk Committee, Office of the Auditor General	Potential. Audit NZ are suppliers to Council	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit and Risk Committee, Ministry of Foreign Affairs and Trade	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit Advisory Board, PWC New Zealand	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Audit and Risk Committee, Anglican Diocesan of Wellington	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Board of Trustees, Integrated Reporting Foundation (London)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Treasurer and Committee Member	The Wellington Club (Inc)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Property Ownership - Wellington	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Property Ownership - Taupo	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Part Owner	Share of Apartment - Queensland, Australia	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Forestry Investment (Gisborne)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Kiwisaver	Milford Asset Management	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee/Beneficiary	Two Family Trusts - property ownership	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Aaron Hawkins	Trustee	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Owner - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Thank You Payroll	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	ICLEI Oceania Regional Executive	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Polytech's Research Centre of Excellence	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	LGNZ National Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Cosy Homes Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Chairperon	LGNZ Policy Advisory Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	St Paul's Cathedral Foundation	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Theatre Trust (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Christine Garey	Trustee	Garey Family Trust - Property Owner - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Creative Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		External family member is a Principal Security Consultant works for CCL	Major supplier of CCL	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Symphony Orchestra Foundation Board of Trustess (Council Appointment)	Potential Grants recipient.	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Chair	Grants Subcommittee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Council Appointment)	No conflict identified	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Local Government New Zealand Zone 6 Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Doug Hall	Director/Owner	Hall Brothers Transport Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Shareholder	The Woodshed 2014 Limited	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/ Owner	Dunedin Crane Hire	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/ Owner	Wood Recyclers Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/ Owner	Dunedin Concrete Crushing Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/ Owner	Anzide Properties Ltd - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Farmlands	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ravensdown Fertiliser	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Silver Fern Farms	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	PGG Wrightson	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Supplier	Southweight Truck & Weights for testing Weighbridges Otago & Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Milburn Processing Limited	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Donor of the use of a building free of charge to the group	Fire Brigade Restoration Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Financial Donor	Dunedin North Community Patrol	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	North Dunedin Blokes Shed	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Valley View Development Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Geekfix Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Highland Helicopters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Appellant	2GP	Appellant to 2GP	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Dunedin Chinese Garden Advisory Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Cragieburn Reserve Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Mike Lord	Trustee	ML Lord Family Trust - Owner of Residential Properties - Dunedin	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Rural Support Trust	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Federated Farmers Charitable Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Fonterra	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Federated Farmers	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Rotary Club of Mosgiel	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel RSA	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed Companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Youth Adventure Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cones Trust (Council Appointment)	Potential grants recipient. Duties to Trust may conflict with duties of Council Office.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Janet Copeland	Director	Next Investments Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Director	Ronaki (Southland) Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Stoney Creek Investments Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Stoney Creek Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Copeland Ashcroft Law Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Southland Charitable Hospital Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed Companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Past President	Southland Branch of NZ Law Society	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Law Society - Standards Committee (Southland)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Staff				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Sandy Graham	Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Trustee of the Taieri Airport Facilities Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Golf Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Gavin Logie	Owner	Residential Property, Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property, Wanaka	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Minority Shareholder	Southern Hospitality	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Block Investments Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Five Council-owned non-trading companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Son works for Tregaskis Brown who provide consultancy Services to Central Government	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Wife works in a senior financial position in the Finance Department, University of Otago	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Andrew Slater	Risk and Internal Audit Manager	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

CONFIRMATION OF MINUTES


AUDIT AND RISK SUBCOMMITTEE MEETING - 24 JUNE 2021

RECOMMENDATIONS

That the Subcommittee:

- a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 24 June 2021 as a correct record.

Attachments

	Title	Page
A 	Minutes of Audit and Risk Subcommittee meeting held on 24 June 2021	12

Audit and Risk Subcommittee

MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Otaru Room, Civic Centre, The Octagon, Dunedin on Thursday 24 June 2021, commencing at 2.00 pm

PRESENT

Chairperson	Warren Allen	
Deputy Chairperson	Janet Copeland	
Members	Cr Christine Garey	Cr Doug Hall
	Mayor Aaron Hawkins	

IN ATTENDANCE

Sandy Graham (Chief Executive Officer), Gavin Logie (Chief Financial Officer) and Andrew Slater (Risk and Internal Audit Manager).

Governance Support Officer Wendy Collard

1 APOLOGIES

Moved (Warren Allen/Mayor Aaron Hawkins):

That the Subcommittee:

Accepts the apology from Cr Mike Lord (for absence) and Mayor Aaron Hawkins (for early departure).

Motion carried

2 CONFIRMATION OF AGENDA

Moved (Mr Warren Allen/Cr Doug Hall):

That the Subcommittee:

Confirms the agenda without addition or alteration

Motion carried

3 DECLARATIONS OF INTEREST

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Warren Allen provided an update to his register of interest.

Moved (Warren Allen/Mayor Aaron Hawkins):

That the Subcommittee:

- a) **Amends** the Elected or Independent Members' Interest Register attached ; and
- b) **Amends** the proposed management plan for Elected or Independent Members' Interests.

Motion carried

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 21 APRIL 2021

Moved (Warren Allen/Ms Janet Copeland):

That the Subcommittee:

- a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 21 April 2021 as a correct record.

Motion carried

PART A REPORTS

5 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021

A report from Civic provided the revised Audit and Risk Subcommittee Work Plan 2021 which had been aligned with work programmes scheduling and decision-making.

Moved (Warren Allen/Mayor Aaron Hawkins):

That the Subcommittee:

- a) **Notes** the Audit and Risk Subcommittee Work Plan.

Motion carried (AR/2021/021)

6 FINANCIAL RESULTS FOR PERIOD ENDING 30 APRIL 2021

A report from Finance provided a copy of the Financial Results for the period ending 30 April 2021 report which was presented to the Council meeting held on 25 May 2021.

The Chief Executive Officer (Sandy Graham) and the Chief Financial Officer (Gavin Logie) spoke to the report and responded to questions.

Moved (Warren Allen/Janet Copeland):

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 30 April 2021 report.

Motion carried (AR/2021/026)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Warren Allen/Mayor Aaron Hawkins):

That the Subcommittee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
C1 Audit and Risk Subcommittee meeting - 21 April 2021 - Public Excluded	<p>S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to</p>	.	

carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

S7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

S7(2)(b)(i)
The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.

S7(2)(h)
The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

S7(2)(a)

	The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.		
	S6(b) The making available of the information would be likely to endanger the safety of a person.		
C2 Audit Plan for Year Ending 30 June 2021	S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C3 10 Year Plan 2021-31 Update Report	S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	Discussions are still to be held with the auditors to finalise the 10 year plan 2021-31 document..
C4 Health and Safety Monthly Reporting for April 2021	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	The information relates to the actions of individual staff who could be identified. This would breach their privacy and potentially prejudice any processes which may need to be managed..
C5 Audit and Risk Subcommittee Actions Report	S7(2)(c)(i) The withholding of the information is necessary to protect information which is	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the	

	subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.	disclosure of information for which good reason for withholding exists under section 7.
C6 DCC Corporate Risk Register Update	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
C7 DCC Risk 'Deep Dive' - Cyber Risk	S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C8 Legal Matters	<p>S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
C9 Internal Audit Workplan Update	<p>S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

	disadvantage, commercial activities.	
C10 DCC Internal Audit Actions Update	<p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
C11 Dunedin City Holdings Ltd - Update on Audit and Risk Activity	<p>S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
C12 Treasury Risk Management Compliance Report	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>
C13 Protected Disclosure Register	<p>S7(2)(a)</p>	<p>S48(1)(a)</p>

	<p>The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p>	<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	
C14 Investigation Register	<p>S6(b) The making available of the information would be likely to endanger the safety of a person.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 and 7.</p>	<p>The matters detailed in this report are subject to investigation and information should remain confidential so not to prejudice the investigation and any possible outcomes of the investigation..</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.

Motion carried (AR/2021/027)

The meeting moved into confidential at 2.12 pm and concluded at 4.48 pm.

.....
CHAIRPERSON

PART A REPORTS

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021- 2022

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the revised Audit and Risk Subcommittee Work Plan 2021-2022 which has been aligned with work programmes scheduling and decision-making.
- 2 Please note that the Governance and Financial Policies are included as an appendix to the Work Plan.
- 3 It should be noted that items without ticks shown have not been scheduled for action.
- 4 As this is an administrative report only, the Summary of Considerations is not required.

RECOMMENDATIONS

That the Subcommittee:

- a) **Notes** the Audit and Risk Subcommittee Work Plan 2021-2022.

Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Clare Sullivan - Manager Governance

Attachments

	Title	Page
A	Audit and Risk Subcommittee Work Plan	23

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021-22							
	Nov	Dec	Feb	Apr	Jun	Aug	Sept
GOVERNANCE							
Audit and Risk Subcommittee Terms of Reference/Delegations							
POLICY REVIEWS/UPDATES							
<u>Governance</u>							
		✓			✓		
<u>Human Resources</u>							
Staff Code of Conduct (Employee Values and Practices)							
Gifts and Hospitality Policy							
Electronic Communications Email Quarantine Policy							
Electronic Communications Email Quarantine Policy (quarterly reporting)		✓					
<u>Financial</u>							
Asset Disposal and Write off Policy			✓				
Treasury Risk Management Policy					✓		
Treasury Compliance Report	✓	✓	✓	✓	✓	✓	✓
Koha Policy							✓
<u>Procurement (Purchasing, Contracting & Tendering)</u>							
Procurement and Contracts Management Policy					✓		
Asset Management Policy							
Schedule of top 100 Suppliers	✓						
<u>Health and Safety</u>							
Health, Safety and Wellbeing Policy		✓					
Health and Safety Reporting	✓		✓		✓		
Electronic Communications Email Quarantine Policy (quarterly reporting)		✓		✓		✓	
<u>Fraud</u>							
Staff Conflict of Interest Policy	✓						
Fraud Bribery & Corruption Prevention Policy							✓
Protected Disclosure "Whistle-Blower" Policy			✓				

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021-22							
	Nov	Dec	Feb	Apr	Jun	Aug	Sept
Fraud Reporting	✓	✓	✓	✓	✓	✓	✓
Protected Disclosure Reporting	✓	✓	✓	✓	✓	✓	✓
Information Technology							
Information Management Policy	✓						
ICT Acceptable Use Policy	✓						
RISK MANAGEMENT							
Risk Management Policy		✓					
Corporate Risk Register		✓		✓		✓	
Insurance Update	✓					✓	
RISK OVERVIEW							
Climate Change							
Organisation Security (Cyber)							
Strategic Project Management							
Asset Management - Renewals		✓					
Central Government Reforms			✓				
Business Continuity Planning including COVID							
Financial Risk							
AUDIT (EXTERNAL)							
Annual Report Governance							
Annual Report Audit Plan							
External Audit Actions Update	✓						
Interim Management Letter							
AUDIT (INTERNAL)							
Internal Audit Workplan Updates	✓	✓	✓	✓	✓	✓	✓
Internal Audit Actions Update		✓					

Appendix A

CORPORATE POLICIES REFERENCE INDEX					
Policy Area	Current Policy/Guidelines	Current Version Date	Cycle (Yrs)	Review Date	Area Responsible
Governance					
	Audit and Risk Subcommittee Terms of Reference	October 2019	3	October 2022	Civic
	Elected Members' Code of Conduct and Conflict of Interest	October 2019	3	October 2022	Civic
	Legislative Compliance Policy	April 2019	3	April 2022	Legal
Organisation Development and Performance (ODP)					
	Staff Code of Conduct	Mar 2013	3	February 2018	Human Resources, Organisation, Development
	Staff Conflict of Interest Policy	June 2018	3	June 2021	Human Resources, Organisation, Development
	Health, Safety and Wellbeing Policy	December 2019	2	December 2020	Health and Safety
	Electronic Communications Email Quarantine Policy	May 2019	1	May 2020	Human Resources, Organisation, Development
Financial					
	Treasury Risk Management Policy	March 2021	1	June 2022	Dunedin City Treasury Ltd
	Asset Disposal and Write Off Policy	June 2018	3	June 2021	Finance
Procurement (purchasing, contracting, disposal, tendering)					
	Procurement and Contracts Management Policy	June 2020	2	June 2022	Procurement

CORPORATE POLICIES REFERENCE INDEX					
Policy Area	Current Policy/Guidelines	Current Version Date	Cycle (Yrs)	Review Date	Area Responsible
	Asset Management Policy	November 2019	1	November 2020	Infrastructure Services
Risk Management					
	Risk Management Policy	December 2019	2	December 2021	Internal Audit and Risk
	Internal Audit Policy	July 2021	2	July 2023	Internal Audit and Risk
Cyber Security					
	Information, Communication and Technology Policy			August 2019	Business Information Services
	ICT Acceptable Use Policy	June 2018	3	July 2021	Business Information Services
Sensitive Expenditure					
	Sensitive Expenditure Policy	September 2020	3	September 2023	Finance
	Purchase Card Policy	August 2020	3	August 2023	Finance
Gift and Hospitality					
	Gift and Hospitality Policy	July 2018	2	July 2020	People, Safety and Culture
	Koha Policy	September 2020	2	September 2022	Finance
Fraud					
	Fraud Bribery & Corruption Prevention Policy	September 2019	3	September 2022	Finance
	Protected Disclosure "Whistle-Blower" Policy	January 2020	2	January 2022	Corporate Governance

FINANCIAL RESULTS FOR PERIOD ENDING 30 SEPTEMBER 2021

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the Financial Results for the period ending 30 September 2021 report which was presented to the Council meeting held on 27 October 2021.

RECOMMENDATIONS

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 30 September 2021 report.

Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Clare Sullivan - Manager Governance

Attachments

	Title	Page
↓A	Financial Results - period ended 30 September 2021	28

FINANCIAL RESULT - PERIOD ENDED 30 SEPTEMBER 2021

Department: Finance

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the period ended 30 September 2021 and the financial position as at that date.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	79.669	84.361	(4.692)	U	78.378
Expenditure	87.796	88.420	0.624	F	84.708
Net Surplus/(Deficit) excluding Waipori	(8.127)	(4.059)	(4.068)	U	(6.330)
Waipori Fund Net	1.765	0.818	0.947	F	2.628
Net Surplus/(Deficit) including Waipori	(6.362)	(3.241)	(3.121)	U	(3.702)
Capital Expenditure	23.953	28.413	4.460		24.265
Debt					
Short Term Borrowings	23.800	38.300	14.500	F	22.000
Term Loans	271.973	271.973	-		243.973
Total Debt	295.773	310.273	14.500	F	265.973

RECOMMENDATIONS

That Council:

- a) **Notes** the Financial Performance for the period ended 30 September 2021 and the Financial Position as at that date.

BACKGROUND

- 3 This report provides the financial statements for the period ended 30 September 2021. It includes reports on: financial performance, financial position, cashflows and capital expenditure. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

- 4 Revenue was \$79.669 million for the period or \$4.692 million lower than budget. The budget for September included the receipt of external funding for the new Mosgiel aquatics facility. A delay in the consenting process has meant the timing of this revenue has changed. In addition, year to date revenue was impacted by the recent nationwide lockdown including: Aquatic Services, Parking, Landfill, and commercial water revenue. Grant revenue was also lower than expected due to the lower level of subsidised capital expenditure in Transport.
- 5 These unfavourable variances were partially offset by unbudgeted funding for CODE and Three Waters stimulus projects, as well as increased revenue from building services applications and inspections.
- 6 Expenditure was \$87.796 million for the period or \$624k less than budget. This favourable variance was due to savings in personnel costs, delays in project expenditure and favourable interest expenditure due to a lower than forecast floating interest rate. Some expenditure lines were also impacted by the recent lockdown. Depreciation expenditure was higher than expected following asset revaluations as at 30 June 2021, impacting both asset replacement cost and asset useful lives.
- 7 The Waipori Fund was favourable for the period despite negative fair value movements across all equity markets in September.
- 8 Capital expenditure was \$23.953 million for the period or 84.3% of budget. The level of spend reflected some project delays along with the impact of the nationwide lockdown in August. Three Waters expenditure was ahead of budget for the three months with a number of large water and sewer renewal projects underway.

NEXT STEPS

- 9 Financial Result Reports continue be presented to future meetings of either the Finance and Council Controlled Organisation Committee or Council.

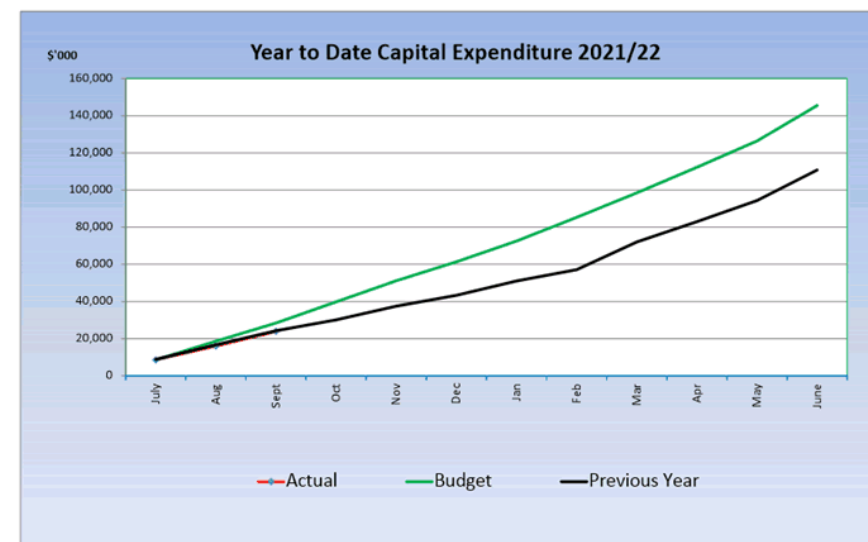
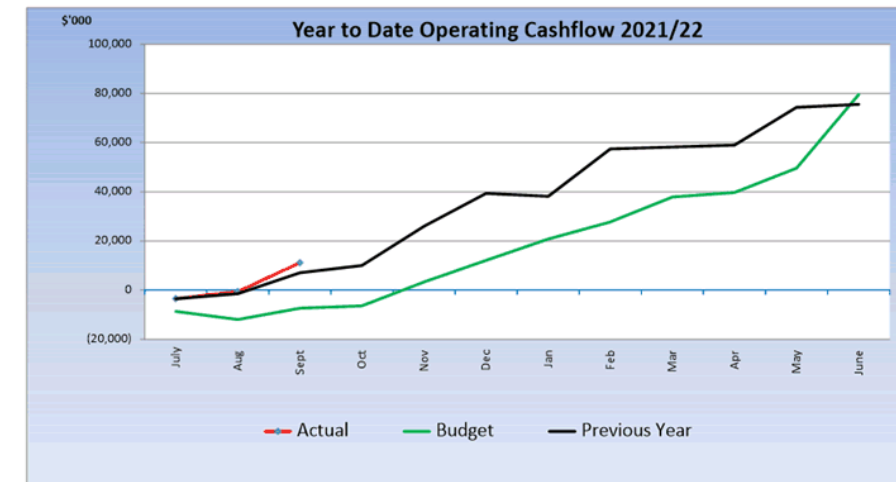
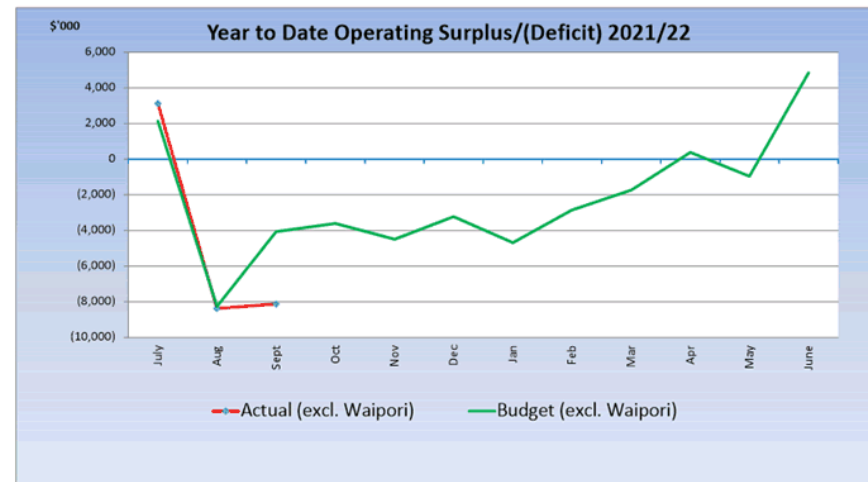
Signatories

Authoriser:	Gavin Logie - Chief Financial Officer
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Attachments

	Title	Page
A	Summary Financial Information	
B	Statement of Financial Performance	
C	Statement of Financial Position	
D	Statement of Cashflows	
E	Capital Expenditure Summary	
F	Summary of Operating Variances	
G	Financial Review	

DUNEDIN CITY COUNCIL SUMMARY FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2021




Borrowing Metrics	LGFA target	Actual	Budget
Interest as a % rates revenue	< 30% *	4.5%	5.6%
Interest as a % total revenue	< 20% *	2.8%	3.3%
Debt % annualised revenue	250.0% Max.	104.4%	104.2%

* represents the ability to fund interest costs from revenue

<p>DUNEDIN CITY COUNCIL Statement of Financial Performance For the Period Ending 30 September 2021 Amount : \$'000</p>									
				<p>DUNEDIN kaunihera CITY COUNCIL a-rohe o Ōtepoti</p>					
Mth Actual	Mth Budget	Mth Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance	LY YTD Actual	LY Full Year Actual	Full Year Budget
14,923	14,927	4 U	REVENUE	44,771	44,781	10 U	40,775	163,492	179,124
188	230	42 U	Rates Revenue	188	230	42 U	239	1,055	850
4,999	5,425	426 U	Rates Penalties	17,744	18,385	641 U	18,064	81,786	71,146
3,143	6,363	3,220 U	Other Operating Revenue	7,371	11,272	3,901 U	10,111	41,227	33,292
106	289	183 U	Grants	753	867	114 U	324	10,110	6,468
2,919	2,942	23 U	Contributions	8,842	8,826	16 F	8,865	35,795	35,296
26,278	30,176	3,898 U	Internal Revenue	79,669	84,361	4,692 U	78,378	333,465	326,176
			TOTAL REVENUE						
5,708	5,851	143 F	EXPENDITURE	17,209	17,884	675 F	16,877	65,970	69,965
6,094	6,094	-	Personnel Costs	17,383	16,963	420 U	16,940	77,835	67,667
1,534	1,402	132 U	Operations & Maintenance	10,608	10,228	380 U	9,717	25,584	27,877
1,254	1,913	659 F	Occupancy Costs	5,050	6,131	1,081 F	5,478	26,795	23,818
750	561	189 U	Consumables & General	6,848	6,772	76 U	6,240	10,587	10,243
2,919	2,942	23 F	Grants & Subsidies	8,842	8,825	17 U	8,865	35,795	35,296
7,099	6,377	722 U	Internal Charges	19,852	19,130	722 U	18,368	74,283	76,519
670	829	159 F	Depreciation	2,004	2,487	483 F	2,223	8,103	9,943
26,028	25,969	59 U	Interest	87,796	88,420	624 F	84,708	324,952	321,328
			TOTAL EXPENDITURE						
250	4,207	3,957 U	NET SURPLUS (DEFICIT) EXCLUDING WAIPORI	(8,127)	(4,059)	4,068 U	(6,330)	8,513	4,848
			Add						
(1,056)	273	1,329 U	Waipori Fund Net Operating Result	1,765	818	947 F	2,628	9,328	3,270
(806)	4,480	5,286 U	NET SURPLUS (DEFICIT) INCLUDING WAIPORI	(6,362)	(3,241)	3,121 U	(3,702)	17,841	8,118

		DUNEDIN CITY COUNCIL		DUNEDIN CITY COUNCIL		kaunihera a-rohe o Ōtepoti	
		Statement of Financial Position					
		As at 30 September 2021					
		Amount : \$'000					
As at 30-Jun-21		As at 30-Sep-21	Budget 30-Sep-21	Budget 30-Jun-22	As at 30-Sep-20		
Current Assets							
7,939	Cash and Deposits	12,412	12,625	6,071	13,141		
23,820	Sundry Debtors	19,488	34,527	13,239	23,616		
6,975	Short Term Investments	11,057	1,428	5,928	10,136		
3,694	Assets held for Resale	694	-	-	-		
294	Inventories	384	392	392	352		
42,722	Total Current Assets	44,035	48,972	25,630	47,245		
Non Current Assets							
329,833	Investments	328,377	337,923	336,742	321,484		
3,487,778	Fixed Assets	3,491,852	3,187,108	3,312,715	3,070,625		
3,817,611	Total Non Current Assets	3,820,229	3,525,031	3,649,457	3,392,109		
3,860,333	TOTAL ASSETS	3,864,264	3,574,003	3,675,087	3,439,354		
Current Liabilities							
17,697	Sundry Creditors	14,731	12,000	12,000	9,623		
42,514	Accrued Expenditure	31,999	30,591	31,642	31,797		
-	Short Term Borrowings	23,800	38,300	-	22,000		
656	Derivative Financial Instruments	656	480	-	2,052		
60,867	Total Current Liabilities	71,186	81,371	43,642	65,472		
Non Current Liabilities							
271,973	Term Loans	271,973	271,973	335,948	243,973		
14,283	Other Non-Current Liabilities	14,257	12,783	12,783	12,240		
286,256	Total Non Current Liabilities	286,230	284,756	348,731	256,213		
347,123	TOTAL LIABILITIES	357,416	366,127	392,373	321,685		
3,513,210	COUNCIL EQUITY	3,506,848	3,207,876	3,282,714	3,117,669		
3,860,333		3,864,264	3,574,003	3,675,087	3,439,354		
Statement of Change in Equity							
3,121,579	Opening Balance	3,513,210	3,211,117	3,211,117	3,121,376		
17,841	Operating Surplus (Deficit)	(6,362)	(3,241)	8,118	(3,702)		
372,394	Movements in Reserves	-	-	63,000	(5)		
1,396	Adjustment Derivatives	-	-	479	-		
3,513,210		3,506,848	3,207,876	3,282,714	3,117,669		

<p>DUNEDIN CITY COUNCIL Statement of Cashflows For the Period Ending 30 September 2021 Amount : \$'000</p>				
	Year to Date Actual	Year to Date Budget	Full Year Budget	LY YTD Actual
Cash Flow from Operating Activities				
<i>Cash was provided from operating activities</i>				
Rates Received	46,267	36,315	178,929	42,062
Other Revenue	26,748	25,633	105,295	27,799
Interest Received	368	327	7,389	343
Dividend Received	334	306	1,229	317
Income Tax Refund	-	-	864	-
<i>Cash was applied to</i>				
Suppliers and Employees	(61,265)	(67,537)	(204,190)	(60,676)
Interest Paid	(1,274)	(2,399)	(9,943)	(2,778)
Net Cash Inflow (Outflow) from Operations	11,178	(7,355)	79,573	7,067
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	3,025	3,000	3,120	10
Reduction in Investments	-	-	-	-
<i>Cash was applied to:</i>				
Increase in Investments	(1,450)	-	(2,550)	(5,308)
Capital Expenditure	(32,080)	(28,801)	(145,528)	(25,990)
Net Cash Inflow (Outflow) from Investing Activity	(30,505)	(25,801)	(144,958)	(31,288)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	-	-	63,975	-
Increase in Short Term Borrowings	33,800	38,300	-	22,000
<i>Cash was applied to:</i>				
Loans Repaid	(10,000)	-	-	-
Decrease in Short Term Borrowings	-	-	-	-
Net Cash Inflow (Outflow) from Financing Activity	23,800	38,300	63,975	22,000
Total Increase/(Decrease) in Cash	4,473	5,144	(1,410)	(2,221)
Opening Cash and Deposits	7,939	7,481	7,481	15,362
Closing Cash and Deposits	12,412	12,625	6,071	13,141

<div><div><div>DUNEDIN CITY COUNCIL</div><div>Capital Expenditure Summary by Activity</div><div>For the Period Ending 30 September 2021</div><div>Amount : \$'000</div></div><div> DUNEDIN CITY COUNCIL kaunihera a-rohe o Ōtepoti</div></div>						
Description	Year to Date Actual	Year to Date Budget	Year to Date Variance	Over Under Spend	LY YTD Actual	Full Year Budget
Galleries, Libraries & Museums	197	429	232	U	325	2,363
City Development	23	110	87	U	-	350
Corporate Services	834	1,189	355	U	500	4,652
Property	4,617	6,268	1,651	U	2,979	21,800
Other	3	50	47	U	85	570
Parks and Recreation	1,186	1,952	766	U	850	25,729
Transport	5,113	7,434	2,321	U	12,842	40,000
Waste & Environmental	454	319	135	O	366	8,273
Three Waters	11,526	10,662	864	O	6,318	41,791
	23,953	28,413	4,460	U	24,265	145,528

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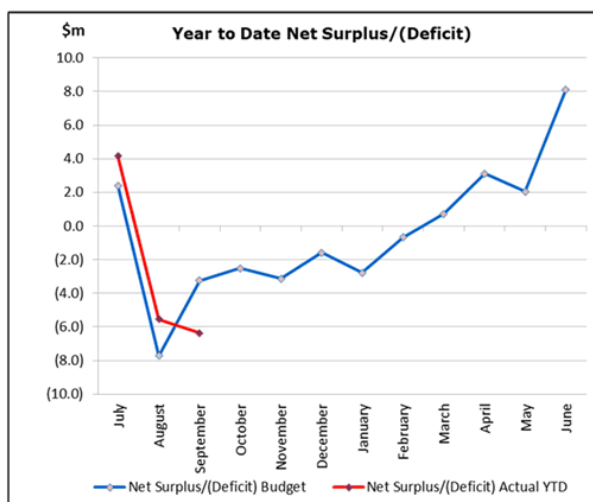
<p>DUNEDIN CITY COUNCIL Summary of Operating Variances For the Period Ending 30 September 2021</p> <p>Amount : \$'000</p>											
Group	Year to Date Surplus(Deficit)			Year to Date Variance Favourable (Unfavourable)							
	Actual	Budget	Variance	Rates Revenue	Other Ext Revenue	Int Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
Waipori Fund	1,765	818	947	-	961	-	-	(14)	-	-	-
Galleries, Libraries & Museums	(3,572)	(3,663)	91	-	(14)	7	58	56	(1)	2	(17)
Community Development	(840)	(917)	77	-	(18)	6	(3)	92	-	-	-
Corporate Services	880	(221)	1,101	-	11	(45)	306	922	7	-	(100)
Enterprise Dunedin	230	143	87	-	374	19	62	(342)	(23)	-	(3)
Property	(1,330)	(1,045)	(285)	-	(183)	1	(6)	254	2	-	(353)
Investment	(605)	(1,020)	415	(10)	(47)	-	(126)	119	(2)	481	-
Parking Services/Operations	(99)	257	(356)	-	(484)	(3)	31	104	9	-	(13)
Parks and Recreation	(159)	3,965	(4,124)	-	(4,200)	1	137	12	5	-	(79)
Regulatory & Planning	909	658	251	-	207	-	68	(22)	4	-	(6)
Transport	(3,622)	(1,735)	(1,887)	-	(1,739)	-	21	(263)	2	-	92
Waste & Environmental	31	329	(298)	-	(440)	30	(1)	125	11	-	(23)
Three Waters	50	(810)	860	-	1,835	-	128	(852)	(31)	-	(220)
Total Council	(6,362)	(3,241)	(3,121)	(10)	(3,737)	16	675	191	(17)	483	(722)

FINANCIAL REVIEW

For the period ended 30 September 2021

This report provides a detailed commentary on the Council's financial result for the period ended 30 September 2021 and the financial position at that date.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net deficit (including Waipori) for the period ended 30 September 2021 was \$6.362 million or \$3.121 million greater than budget.

•

REVENUE

The total revenue for the period was \$79.669 million or \$4.692 million less than budget.

The major variances were as follows:

Other Operating Revenue

Actual \$17.744 million, Budget \$18.385 million, Unfavourable variance \$641k

Aquatic Services revenue was unfavourable \$220k due to the impact of Covid-19 closures on pool/gym facilities.

Parking related revenue was unfavourable \$484k due primarily to the impact of the Covid-19 lockdown.

Waste and Environmental revenue was unfavourable \$440k due to lower than expected volume of waste entering the Green Island landfill, as well as a drop off in the sales of plastic refuse bags. Some of this shortfall will be attributable to the recent Covid lockdown.

These unfavourable variances were partially offset by:

Economic Development revenue was favourable \$396k due to the timing of funding received for the Centre of Digital Excellence, Otago Regional Economic Development projects and the Strategic Tourism Asset Protection Programme.

Building Services revenue was favourable \$198k primarily due to increased building services activity including building applications, inspections revenue and code compliance certificate revenue.

Grants and Subsidies Revenue

Actual \$7.371 million, Budget \$11.272 million, Unfavourable variance \$3.901 million

Parks and Recreation revenue was unfavourable \$4.005 million due to the delayed timing of external funding for new Mosgiel aquatics facility pending finalisation of the consenting process.

Transportation revenue was unfavourable \$2.056 million due to the lower level of subsidised capital expenditure – see capital expenditure comments below.

These unfavourable variances were partially offset by unbudgeted Three Waters stimulus funding.

EXPENDITURE

The total expenditure for the period was \$87.796 million or \$624k less than budget.

The major variances were as follows:

Personnel Costs

Actual \$17.209 million, Budget \$17.884 million, Favourable variance \$675k

This variance reflected a higher than expected level of position vacancies while recruitment activity is completed.

•

Operations and Maintenance Costs

Actual \$17.383 million, Budget \$16.963 million, Unfavourable variance \$420k

Transportation expenditure was unfavourable \$554k due greater routine drainage maintenance and state highway street lighting maintenance than budgeted, as well as additional environmental maintenance, including road gritting and sweeping, which is weather dependant.

Three waters expenditure was unfavourable \$282k including \$235k of stimulus funded projects.

Economic Development costs were \$136k higher than budget due timing of the delivery of MBIE funded projects, including the engagement of contractors for the Centre of Digital Excellence and the Strategic Tourism Asset Protection Programme.

Property costs were \$409k less than budget due to some reactive maintenance unable to be carried out over the Covid-19 lockdown period.

Consumable and General Costs

Actual \$5.050 million, Budget \$6.131 million, Favourable variance \$1.081 million

BIS costs were favourable \$508k due to timing of software licence fees and IT consultant's expenditure.

Corporate Policy expenditure was \$237k favourable reflecting delayed timing of project expenditure while scoping work is completed.

Waste and Environmental expenditure was \$212k favourable mainly due to the timing of consultant costs associated with the Waste Futures project.

Three Waters expenditure was unfavourable \$396k due to consultant costs associated with water reform and design work for stimulus projects.

Depreciation

Actual \$19.852 million, Budget \$19.130 million, Unfavourable variance \$722k

This variance was due to a revaluation of Three Waters and Property assets as at 30 June 2021 impacting both the depreciable replacement cost and asset useful lives.

Interest

Actual \$2.004 million, Budget \$2.487 million, Favourable variance \$483k

Interest expenditure was less than budget due to a favourable floating interest rate applied to the non-fixed interest borrowing.

Note that as at 30 September, \$10.0 million of the term loan balance was subject to historical fixed rates of interest, with the balance being charged at the floating rate as set by Dunedin City Treasury Limited.

•

WAIPORI FUND NET OPERATING RESULT

Actual \$1.765 million, Budget \$818k, Favourable variance \$947k

The year to date result reflected positive movements across all equity markets noting a negative shift in the current month.

STATEMENT OF FINANCIAL POSITION

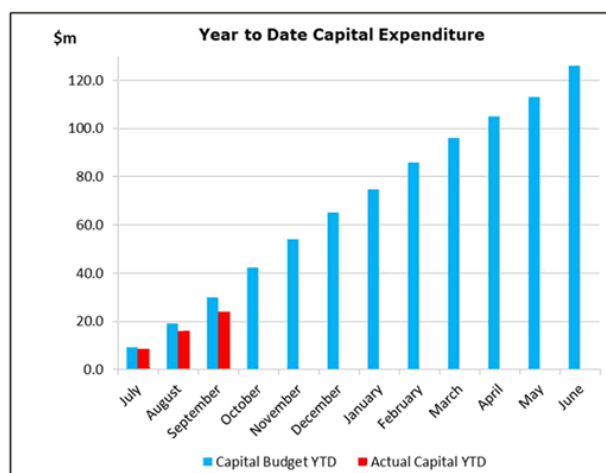
A Statement of Financial Position is provided as Attachment C.

Short term investments of \$11.057 million relate to the Waipori Fund.

CAPITAL EXPENDITURE

A summary of the capital expenditure programme by Activity is provided as Attachment E.

Total capital expenditure for the period was \$23.953 million or 84.3% of the year-to-date budget.



Corporate Services capital expenditure was \$355k underspent

The underspend was primarily driven by lower-than-expected expenditure on IT related projects – Customer Self Service Portal, Aquatic Retail System, and Asset Management solution.

•

Property capital expenditure was \$1.651 million underspent

The Palmyra housing renewal project was behind budget due to delays with stages 4 and 5 while tenant movements were completed and building consent issued for the stage 5 additional units.

The Civic Centre roof renewal project was behind budget due to programme adjustments required to manage the risk associated with asbestos.

Parks and Recreation capital expenditure was \$766k underspent

The underspend was primarily delayed timing of the Mosgiel Pool development, while consenting matters are finalised.

Renewals expenditure was also behind budget due to timing of some projects including Moana Pool and other recreational facilities renewals.

Transport capital expenditure was \$2.321 million underspent

Transport's overall renewal spend was underspent (\$2.247m) due to the budget timing of some NZTA subsidised renewals projects, including gravel roads re-metaling, kerb and channel renewals, street lighting renewals, reseal surface preparation and footpath resurfacing. The phasing of these budget lines will be reviewed in future to ensure they align with planned delivery.

Three Waters capital expenditure was \$864k overspent

Renewals expenditure was ahead of budget (\$1.432m), including water and sewer renewals in North East Valley, Stuart St and Sawyers Bay, and water renewals at Karitane and Mosgiel as well as the program to replace water toby taps and water meters.

New capital expenditure was behind budget \$568k, mainly in stormwater and wastewater growth capital, and wastewater treatment plant projects.

COMMENTS FROM GROUP ACTIVITIES

Attachment F, the Summary of Operating Variances, shows by Group Activity the overall net surplus or deficit variance for the period. It also shows the variances by revenue and expenditure type.

Corporate Services \$1.101 million Favourable

Staff costs were favourable due to the current level of vacancies.

Operating expenditure was favourable \$922k due mainly to timing of software licence fees, and delayed project costs in Corporate Policy while scoping activities are completed.

Parking Services/Operations - \$356k Unfavourable

Revenue was unfavourable year to date primarily due to the impact of the recent Covid-19 lockdown.

•

Parks and Recreation - \$4.124 million Unfavourable

Overall revenue was unfavourable \$4.200 million mainly due the delayed timing of external funding for the Mosgiel aquatic facility while consenting activities are completed, and the impact of Covid-19 closures on pool/gym revenue.

Staff costs were favourable due to the current level of vacancies.

Transport - \$1.887 million Unfavourable

Revenue was unfavourable \$1.739 million due to the lower than budgeted level of subsidised capital expenditure year to date.

Operating costs were unfavourable due to higher than expected road gritting and sweeping work in July and August which was weather driven. Drainage maintenance costs were also high due to some large jobs being undertaken at Mount Watkin Road and Melrose Street.

Waste and Environmental - \$298k Unfavourable

Waste and Environmental external revenue was unfavourable \$440k due to lower volumes of waste entering the Green Island landfill, as well as a drop off in the sales of plastic refuse bags.

Three Waters - \$860k Favourable

Three Waters revenue was favourable \$1.835 million including \$2.157 million stimulus project funding from the Department of Internal Affairs, partly offset by lower than anticipated water sales, and consultancy fee recoveries.

Operating expenditure was unfavourable primarily due to unbudgeted expenditure on stimulus funded project work. Depreciation was also unfavourable due to the revaluation of Three Waters assets as at 30 June 2021 impacting both the depreciable replacement cost and asset useful lives.

RESOLUTION TO EXCLUDE THE PUBLIC

That the Audit and Risk Subcommittee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
C1 Confirmation of the Confidential Minutes of Audit and Risk Subcommittee meeting - 24 June 2021 - Public Excluded	<p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the</p>	.	

	<p>supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.</p> <p>S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>S6(b)</p>		
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	The making available of the information would be likely to endanger the safety of a person.		
C2 Audit and Risk Subcommittee Actions Report	S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C3 Audit NZ Report on the DCC 10 year plan (LTP) June 2021-31	S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C4 Report to the Council on the Interim Audit of the Dunedin City Council for the year ended 30 June 2021	S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	

	the person who supplied or who is the subject of the information.		
C5 Internal Audit Workplan Update	<p>S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	
C6 DCC External Audit Actions Update	<p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure</p>	

	subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.	of information for which good reason for withholding exists under section 7.	
C7 Dunedin City Holdings Ltd - Update on Audit and Risk Activity	S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C8 Treasury Risk Management Compliance Report	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C9 Health and Safety Monthly Reporting for August 2021	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	

C10 Protected Disclosure Register	<p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	
C11 Investigation Register	<p>S6(b) The making available of the information would be likely to endanger the safety of a person.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 and 7.</p>	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.