

Notice of Meeting:

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

Date: Wednesday 21 April 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, Acting General Manager Finance	
Governance Support Officer	Wendy Collard	

Wendy Collard
Governance Support Officer

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Wendy.Collard@dcc.govt.nz
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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 or independent representative and any private or other external interest they might have.
2. Elected or 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 Subcommittee:

- 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	Member's Register of Interest	7

Audit and Risk Subcommittee - Register of Interest - current as at 12 April 2021				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Waren 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 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 Subcmmitee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Personal Submitter	Dunedin City Council Speed Limit Bylaw Amendment 11	Maybe a conflict when the Bylaw is adopted at Council	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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.
	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.
	Loan of a four wheel drive truck free of charge to the group for cartage of gravel	Mountainbiking Otago	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.
	Trustee	Hall Family Trust, Invercargill	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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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.
	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.
	Council Member Director	Southern Institute of Technology 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.
	President	Southland Branch of NZ Law Society	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 - 18 FEBRUARY 2021

RECOMMENDATIONS

That the Subcommittee:

Confirms the public part of the minutes of the Audit and Risk Subcommittee meeting held on 18 February 2021 as a correct record.

Attachments

Title	Page
A  Minutes of Audit and Risk Subcommittee meeting held on 18 February 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 18 February 2021, commencing at 2.00 pm

PRESENT

Chairperson	Susie Johnstone	
Deputy Chairperson	Janet Copeland	
Members	Cr Christine Garey	Cr Doug Hall
	Mayor Aaron Hawkins	Cr Mike Lord

IN ATTENDANCE

Sandy Graham (Chief Executive Officer), Gavin Logie (Acting General Manager, Finance), Andrew Slater (Risk and Internal Audit Manager), Julian Tan (Director, Audit NZ) and Rudie Tomlinson (Director, Audit NZ)

Governance Support Officer Wendy Collard

1 APOLOGIES

There were no apologies.

2 CONFIRMATION OF AGENDA

Moved (Cr Mike Lord/Cr Doug Hall):

That the Subcommittee:

Confirms the agenda without addition or alteration:

Motion carried (AR/2021/001)

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.

Janet Copeland and Susie Johnstone provided updates to their register of interests.

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

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

Motion carried (AR/2021/002)

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 2 DECEMBER 2020

Moved (Janet Copeland/Cr Mike Lord):

That the Subcommittee:

Confirms the public part of the minutes of the Audit and Risk Subcommittee meeting held on 02 December 2020 as a correct record.

Motion carried (AR/2021/003)

PART A REPORTS

5 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021

A report from Civic provided a copy of the updated Audit and Risk Subcommittee Work Plan 2021 and the Governance and Financial Policies.

Moved (Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

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

Motion carried (AR/2021/004)

6 FINANCIAL RESULTS FOR PERIOD ENDING 31 DECEMBER 2020

Cr Doug Hall left the meeting at 2.24 pm during discussion of the item.

A report from Finance provided a copy of the Financial Results for the period ending 31 December 2020 report which was presented to the Finance and Council Controlled Organisations Committee meeting held on 9 February 2021.

The Chief Executive Officer (Sandy Graham) and the Acting General Manager Finance (Gavin Logie) spoke to the report and responded to questions.

Moved (Janet Copeland/Cr Mike Lord):

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 31 December 2020 report.

Motion carried (AR/2021/005)

7 10 YEAR PLAN 2021-31 UPDATE REPORT

A report from Corporate Policy provided an update on the development of the 10 year plan 2021-31 (10 year plan).

Moved (Ms Susie Johnstone/Cr Mike Lord):

That the Subcommittee:

- a) **Notes** the 10 Year Plan 2021-31 Update Report.

Motion carried (AR/2021/006)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Cr Mike Lord/Cr Christine Garey):

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 - 2 December 2020 - Public Excluded	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)(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)(h)

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

S7(2)(c)(ii)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the

	information would be likely to damage the public interest.	
	<p>S7(2)(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)(b)(ii)</p> <p>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> <p>The making available of the information would be likely to endanger the safety of a person.</p>	
C2 Audit and Risk Subcommittee meeting - 9 December 2020 - Public Excluded	<p>S7(2)(b)(i)</p> <p>The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p>	
C3 Report to the Council on the audit of Dunedin City Council for the year ended 30 June 2020	<p>S7(2)(b)(ii)</p> <p>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</p>	<p>S48(1)(a)</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</p>

	the person who supplied or who is the subject of the information.	exists under section 7.
C4 Audit and Risk Subcommittee Action List 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 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.
C5 Update on Appointment of Independent Member and Chair of Audit and Risk Subcommittee	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.
C6 Internal Audit Workplan Update	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)(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 disclosure of information for which good reason for withholding exists under section 7.

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)(h)

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

C7 Update on the
 DCC Internal Audit
 Actions Register

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 Update on the DCC External Audit Actions Register	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.
C9 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.
C10 DCC Policy Update 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	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.

	same source and it is in the public interest that such information should continue to be supplied.		
C11 Purchase Card Report	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.	This report is confidential because it refers and impacts Council staff positions where those staff have not had the opportunity to respond or comment on the report
C12 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.	
C13 Health and Safety monthly report for November 2020.	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.
C14 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.	

C15 Protected Disclosure Register	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.	
	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.		
C16 Investigation Register	S6(b) The making available of the information would be likely to endanger the safety of a 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 6 and 7.	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.
	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.		

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.

That Julian Tan (Audit NZ) and Rudie Tomlinson (Audit NZ) be permitted to remain at the meeting, after the public has been excluded, because of their knowledge of Item C3 and C17. This knowledge, which would be of assistance in relation to the matters discussed, was relevant because they would be reporting on the item under consideration.

Motion carried (AR/2021/007)

The meeting moved into confidential at 2.24 pm.

.....
CHAIRPERSON

PART A REPORTS

FINANCIAL RESULTS FOR PERIOD ENDING 28 FEBRUARY 2021

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the Financial Results for the period ending 28 February 2021 report which was presented to the Council meeting held on 30 March 2021.

RECOMMENDATIONS


That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 28 February 2021 report.

Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Clare Sullivan - Team Leader Civic

Attachments

	Title	Page
A	Financial Results for the period ending 28 February 2021	24

FINANCIAL RESULT - PERIOD ENDED 28 FEBRUARY 2021

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the eight months ended 28 February 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	205.831	205.303	0.528	F	208.434
Expenditure	214.608	216.047	1.439	F	212.500
Net Surplus/(Deficit) excluding Waipori	(8.777)	(10.744)	1.967	F	(4.066)
Waipori Fund Net	4.354	3.411	0.943	F	4.197
Net Surplus/(Deficit) including Waipori	(4.423)	(7.333)	2.910	F	0.131
Capital Expenditure	57.084	85.816	28.732		61.009
Debt					
Short Term Borrowings	13.000	54.400	41.400	F	16.000
Term Loans	243.973	243.973	-		218.973
Total Debt	256.973	298.373	41.400	F	234.973

RECOMMENDATIONS

That Council:

- a) **Notes** the Financial Performance for the eight months 28 February 2021 and the Financial Position as at that date.

BACKGROUND

- 3 This report provides the financial statements for the eight months ended 28 February 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 The year to date favourable revenue variance included increased activity at the Green Island Landfill, funding for economic development projects and higher building services activity. Aquatic services revenue was also higher due to increased gym memberships. Some of the membership revenue represents renewals deferred from last year.
- 5 These favourable revenue variances were partially offset by lower grants funding in transport due to a lower level of subsidised capital expenditure. Parking revenue was also tracking below budget due to the temporary closure of the St Andrew Street carpark while upgrade works were completed, along with the ongoing impact from changes in Covid19 alerts levels.
- 6 Overall expenditure was a favourable spend of \$1.439 million. This was due to favourable interest costs, the timing of some grant and service level agreement payments and software licensing expenditure year to date being less than anticipated. The timing/savings of greenspace maintenance costs in Parks also contributed to the favourable variance.
- 7 These favourable variances were partially offset by higher ETS and variable contract costs at the Green Island Landfill as a result of increased activity, and Transportation development costs relating to the major projects programme and the Shaping Future Dunedin project. Roading maintenance was also running ahead of budget due to the timing of expenditure.
- 8 The Waipori Fund was favourable year to date with positive movements across all equity markets. The markets however did experience negative movement in the current month impacting all equity groups.
- 9 Capital expenditure across all areas was running behind budget, with the timing of some expenditure delayed while project briefs and procurement activities are completed. It is anticipated that expenditure for the full year will be between \$90.0m and \$100.m.

NEXT STEPS

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

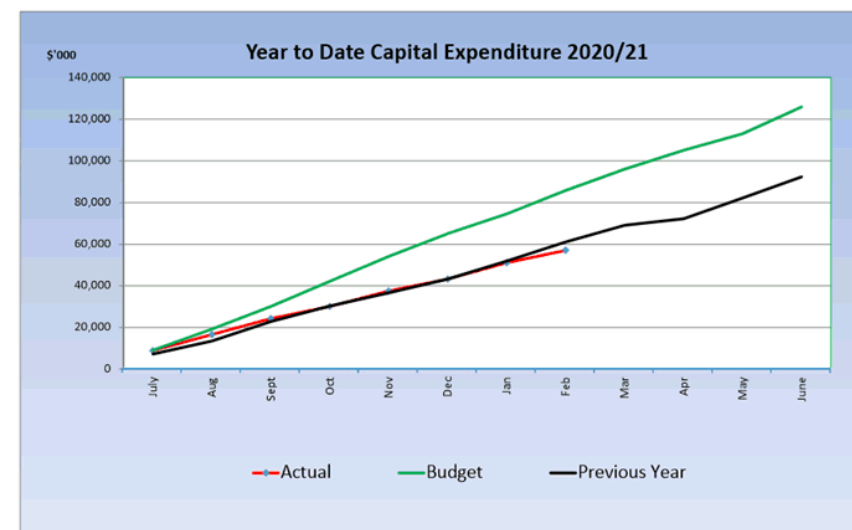
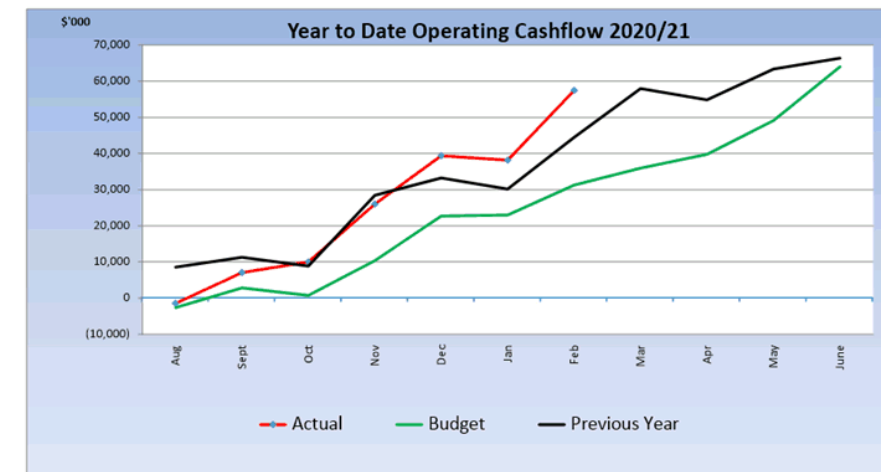
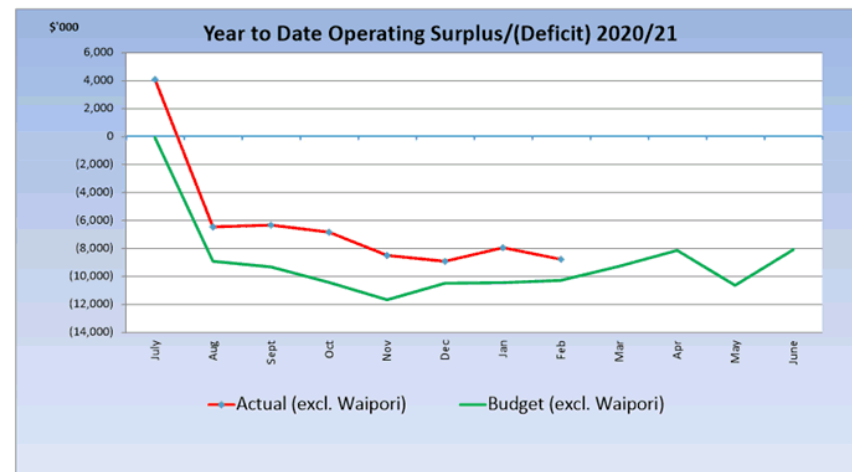
Signatories

Authoriser:	Gavin Logie - Acting General Manager Finance
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Attachments


	Title	Page
A	Summary Financial Information	203
B	Statement of Financial Performance	204
C	Statement of Financial Position	205
D	Statement of Cashflows	206
E	Capital Expenditure Summary	207
F	Summary of Operating Variances	208
G	Financial Review	209


DUNEDIN CITY COUNCIL
SUMMARY FINANCIAL INFORMATION AS AT 28 FEBRUARY 2021




Borrowing Metrics	LGFA Target	Actual	Budget
Interest as a % rates revenue	< 30% *	5.3%	7.3%
Interest as a % total revenue	< 20% *	3.1%	4.3%
Debt % annualised revenue	250.0% Max.	94.0%	108.8%

* represents the ability to fund interest costs from revenue

<p>DUNEDIN CITY COUNCIL Statement of Financial Performance For the Period Ending 28 February 2021 Amount : \$'000</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
REVENUE									
13,580	13,541	39 F	Rates Revenue	108,739	108,329	410 F	104,466	156,967	163,136
80	90	10 U	Rates Penalties	645	256	389 F	688	766	333
5,679	5,301	378 F	Other Operating Revenue	47,275	43,655	3,620 F	50,177	73,113	66,172
1,537	3,512	1,975 U	Grants	24,103	29,052	4,949 U	28,583	40,052	40,701
247	69	178 F	Contributions	1,459	555	904 F	839	6,083	3,832
2,957	2,932	25 F	Internal Revenue	23,610	23,456	154 F	23,681	35,349	35,180
24,080	25,445	1,365 U	TOTAL REVENUE	205,831	205,303	528 F	208,434	312,330	309,354
EXPENDITURE									
5,032	5,243	211 F	Personnel Costs	43,611	45,299	1,688 F	44,566	67,488	67,972
5,753	5,636	117 U	Operations & Maintenance	48,592	45,765	2,827 U	46,197	67,593	68,293
2,497	2,536	39 F	Occupancy Costs	19,174	19,629	455 F	19,112	24,825	26,235
1,844	1,860	16 F	Consumables & General	15,650	15,398	252 U	15,991	27,255	23,629
36	189	153 F	Grants & Subsidies	9,105	9,743	638 F	8,625	10,095	10,790
2,955	2,932	23 U	Internal Charges	23,610	23,457	153 U	23,680	35,349	35,180
6,155	6,107	48 U	Depreciation	49,139	48,859	280 U	47,302	73,097	73,289
642	979	337 F	Interest	5,727	7,897	2,170 F	7,027	10,014	12,051
24,914	25,482	568 F	TOTAL EXPENDITURE	214,608	216,047	1,439 F	212,500	315,716	317,439
(834)	(37)	797 U	NET SURPLUS (DEFICIT) EXCLUDING WAIPORI	(8,777)	(10,744)	1,967 F	(4,066)	(3,386)	(8,085)
Add									
Waipori Fund Net Operating Result									
(2,655)	426	3,081 U		4,354	3,411	943 F	4,197	4,948	5,115
(3,489)	389	3,878 U	NET SURPLUS (DEFICIT) INCLUDING WAIPORI	(4,423)	(7,333)	2,910 F	131	1,562	(2,970)

		DUNEDIN CITY COUNCIL Statement of Financial Position As at 28 February 2021 Amount : \$'000		 DUNEDIN CITY COUNCIL		kaunihera a-rohe o ōtepoti
As at 30-Jun-20		As at 28-Feb-21	Budget 28-Feb-21	Budget 30-Jun-21	As at 28-Feb-20	
Current Assets						
15,362	Cash and Deposits	23,431	10,301	9,558	12,059	
24,357	Sundry Debtors	20,417	24,623	19,379	22,647	
7,163	Short Term Investments	6,100	9,733	9,733	7,117	
-	Assets held for Resale	-	-	-	-	
352	Inventories	381	288	288	288	
47,234	Total Current Assets	50,329	44,945	38,958	42,111	
Non Current Assets						
317,036	Investments	325,116	317,736	320,869	319,388	
3,065,159	Fixed Assets	3,073,067	3,139,403	3,195,493	3,055,836	
3,382,195	Total Non Current Assets	3,398,183	3,457,139	3,516,362	3,375,224	
3,429,429	TOTAL ASSETS	3,448,512	3,502,084	3,555,320	3,417,335	
Current Liabilities						
13,284	Sundry Creditors	24,911	12,000	10,000	12,906	
36,300	Accrued Expenditure	35,290	24,534	27,407	33,997	
-	Short Term Borrowings	13,000	54,400	-	16,000	
2,052	Derivative Financial Instruments	1,257	874	367	2,859	
51,636	Total Current Liabilities	74,458	91,808	37,774	65,762	
Non Current Liabilities						
243,973	Term Loans	243,973	243,973	308,873	218,973	
12,241	Other Non-Current Liabilities	12,133	11,360	11,360	11,379	
256,214	Total Non Current Liabilities	256,106	255,333	320,233	230,352	
307,850	TOTAL LIABILITIES	330,564	347,141	358,007	296,114	
3,121,579	COUNCIL EQUITY	3,117,948	3,154,943	3,197,313	3,121,221	
3,429,429		3,448,512	3,502,084	3,555,320	3,417,335	
Statement of Change in Equity						
3,120,186	Opening Balance	3,121,579	3,161,587	3,161,587	3,120,186	
1,562	Operating Surplus (Deficit)	(4,423)	(7,333)	(2,970)	131	
(2,382)	Movements in Reserves	(3)	-	37,500	(502)	
2,213	Adjustment Derivatives	795	689	1,196	1,406	
3,121,579		3,117,948	3,154,943	3,197,313	3,121,221	

<p>DUNEDIN CITY COUNCIL Statement of Cashflows For the Period Ending 28 February 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	111,077	107,564	162,974	108,971
Other Revenue	82,082	66,933	100,611	73,174
Interest Received	3,770	4,539	8,105	4,018
Dividend Received	726	1,022	1,531	1,218
Income Tax Refund	-	-	850	-
<i>Cash was applied to</i>				
Suppliers and Employees	(133,002)	(140,306)	(198,532)	(135,909)
Interest Paid	(7,209)	(8,473)	(11,571)	(6,998)
Net Cash Inflow (Outflow) from Operations	57,444	31,279	63,968	44,474
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	49	-	120	726
Reduction in Investments	-	-	-	-
<i>Cash was applied to:</i>				
Increase in Investments	(4,025)	-	(2,550)	(324)
Capital Expenditure	(58,399)	(83,339)	(124,841)	(60,722)
Net Cash Inflow (Outflow) from Investing Activity	(62,375)	(83,339)	(127,271)	(60,320)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	-	-	64,900	-
Increase in Short Term Borrowings	27,000	54,400	-	42,000
<i>Cash was applied to:</i>				
Loans Repaid	-	-	-	-
Decrease in Short Term Borrowings	(14,000)	-	-	(26,000)
Net Cash Inflow (Outflow) from Financing Activity	13,000	54,400	64,900	16,000
Total Increase/(Decrease) in Cash	8,069	2,340	1,597	154
Opening Cash and Deposits	15,362	7,961	7,961	11,905
Closing Cash and Deposits	23,431	10,301	9,558	12,059

<div><div>DUNEDIN CITY COUNCIL</div><div>Capital Expenditure Summary by Activity</div><div>For the Period Ending 28 February 2021</div><div>Amount : \$'000</div></div> <div> DUNEDIN CITY COUNCIL kaunihera a-rohe o Ōtepoti</div>						
Description	Year to Date Actual	Year to Date Budget	Year to Date Variance	Over Under Spend	LY YTD Actual	Full Year Budget
Arts and Culture	805	1,274	469	U	682	2,267
Community and Planning	-	404	404	U	349	644
Corporate Services	1,106	2,921	1,815	U	2,031	4,060
Enterprise Dunedin	1	-	1	O	7	-
Property	5,946	13,929	7,983	U	6,764	18,966
Parks and Recreation	2,303	3,697	1,394	U	2,119	9,769
Customer and Regulatory Services	130	1,067	937	U	101	1,752
Transport	28,792	39,721	10,929	U	34,986	55,487
Waste & Environmental	814	1,021	207	U	1,040	2,012
Three Waters	17,187	21,782	4,595	U	12,930	30,999
	57,084	85,816	28,732	U	61,009	125,956

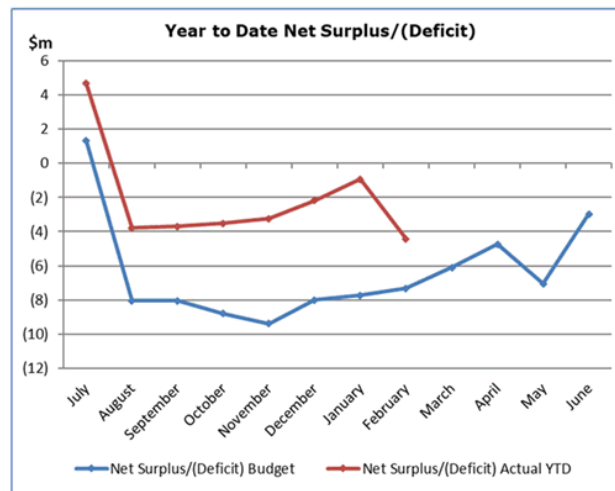
<p>DUNEDIN CITY COUNCIL Summary of Operating Variances For the Period Ending 28 February 2021</p> <p>Amount : \$'000</p> <p>DUNEDIN kaunihera CITY COUNCIL a-rohe o Ōtepoti</p>												
Group	Year to Date Surplus(Deficit)			Year to Date Variance Favourable (Unfavourable)								
	Actual	Budget	Variance	Rates Revenue	Other Ext Revenue	Int Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n	
Waipori Fund	4,354	3,411	943	-	956	-	-	(13)	-	-	-	-
Arts and Culture	331	(644)	975	-	369	11	423	142	2	-	28	-
Community and Planning	(533)	(816)	283	-	123	20	412	(215)	(62)	-	5	-
Corporate Services	1,040	2	1,038	-	(8)	28	102	985	16	-	(85)	-
Enterprise Dunedin	371	(242)	613	-	983	6	211	(580)	(4)	-	(3)	-
Property	(1,366)	(1,795)	429	-	509	5	(7)	(302)	(7)	-	231	-
Investment	(4,714)	(7,529)	2,815	377	59	-	(10)	75	8	2,306	-	-
Otago Museum Levy	(1,512)	(1,512)	-	-	-	-	-	-	-	-	-	-
Other	432	(230)	662 *	428	(4)	3	361	(4)	15	(136)	(1)	-
Parks and Recreation	895	(1,164)	2,059	-	753	1	283	1,093	(4)	-	(67)	-
Customer and Regulatory Services	1,603	1,020	583	-	83	(71)	27	484	17	-	43	-
Transport	(1,043)	7,088	(8,131)	-	(6,158)	-	235	(2,061)	(5)	-	(142)	-
Waste & Environmental	62	(494)	556	-	1,810	151	22	(1,397)	15	-	(45)	-
Three Waters	(4,343)	(4,428)	85	(6)	1,056	-	(371)	(206)	(144)	-	(244)	-
Total Council	(4,423)	(7,333)	2,910	799	531	154	1,688	(1,999)	(153)	2,170	(280)	
* Other includes: Corporate Management, Dunedin Centre, Finance, Human Resources and Warm Dunedin												

FINANCIAL REVIEW

For the eight months ended 28 February 2021

This report provides a detailed commentary on the Council's financial result for the eight months ended 28 February 2021 and the financial position at that date.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net deficit (including Waipori) for the eight months ended 28 February 2021 was \$4.423 million or \$2.910 million lower than budget.

REVENUE

The total revenue for the period was \$205.831 million or \$528k greater than budget.

The major variances were as follows:

Other Operating Revenue

Actual \$47.275 million, Budget \$43.655 million, Favourable variance \$3.620 million

Aquatic Services revenue was favourable \$365k due to greater than budgeted revenue for the gym and the swim school. The various covid-19 alert levels have had an impact on the timing of the provision of some services at Moana Pool. This included the renewal of gym memberships delayed from the lockdown period last financial year.

Economic Development revenue was favourable \$942k due to unbudgeted funding received for the Centre of Digital Excellence, Otago Regional Economic Development projects and from the Regional Events Fund.

Regulatory Services revenue was favourable \$564k primarily due to increased building services activity.

Waste and Environmental revenue was favourable \$1.810 million due to higher than expected tonnage entering the Green Island landfill. This was partially offset by an increase in landfill variable costs – see comments below.

These favourable variances were partially offset by lower than expected off-street parking revenue due to the temporary closure of the St Andrew street carpark while upgrade works were completed and the impact of the Covid19 level changes and more people working from home.

Grants and Subsidies Revenue

Actual \$24.103 million, Budget \$29.052 million, Unfavourable variance \$4.949 million

Transportation revenue was unfavourable \$6.244 million due to the lower level of subsidised capital expenditure – see comments below.

This unfavourable variance was partially offset by unbudgeted government funding of \$395k allocated to the maintenance of community halls, \$357k for Water Reform work, funding of \$308k for the Urban Link predator control project, \$33k War Memorial Restoration grant and \$105k Responsible Camping grant.

EXPENDITURE

The total expenditure for the period was \$214.608 million or \$1.439 million less than budget.

The major variances were as follows:

Personnel Costs

Actual \$43.611 million, Budget \$45.299 million, Favourable variance \$1.688 million

This variance reflected current vacancies across the organisation.

Operations and Maintenance Costs

Actual \$48.592 million, Budget \$45.765 million, Unfavourable variance \$2.827 million

Waste and Environmental Services costs were \$1.520 million higher than budgeted due to additional ETS costs and landfill variable costs associated with the higher tonnage entering the Green Island Landfill.

Transportation costs were \$1.009 million higher than budget due the timing of maintenance expenditure.

Property costs were \$337k higher than budget due to reactive maintenance costs on a number of properties including community halls funded from the government grant discussed above.

Economic Development costs were \$540k higher than budget due to expenditure on the Centre of Digital Excellence and Otago Regional Economic Development projects. This expenditure was funded by unbudgeted revenue – see comments above.

These unfavourable variances were partially offset by timing/savings related to the greenspace maintenance contracts in Parks. These savings were in part due to improved management of the scheduled works programme and prioritising of requests.

Consumable and General Costs

Actual \$15.650 million, Budget \$15.398 million, Unfavourable variance \$252k

Transport costs were unfavourable \$1.088 million due to planning and project management costs for Shaping Future Dunedin and the Major Projects program.

This unfavourable variance was partially offset by:

BIS costs were favourable \$421k due to the timing of software licensing and IT consultant's expenditure.

Waste and Environmental consultant expenditure was favourable \$166k due to timing of consultancy costs for phase two of the Waste Futures project.

Grants and Subsidies Costs

Actual \$9.105 million, Budget \$9.743 million, Favourable variance \$638k

Grant costs across the organisation were favourable due to the timing of payments including various community grants, and disbursements from the Covid19 support fund. Year to date disbursement from the Covid19 fund was \$190k of the full year budget of \$950k.

Interest

Actual \$5.727 million, Budget \$7.897 million, Favourable variance \$2.170 million

Interest expenditure was less than budget due to a favourable floating interest rate applied to the non-fixed interest borrowing, along with a lower loan balance.

Note that as at 28 February, \$20.0 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 \$4.354 million, Budget \$3.411 million, Favourable variance \$943k

The Waipori Fund was favourable year to date due to fair value gains across all equity portfolios. There was however a market decline in the current month as evidenced by the associated unfavourable variance. All equity markets were impacted along with a valuation adjustment to term investments reflecting some upward pressure on interest rates.

STATEMENT OF FINANCIAL POSITION

A Statement of Financial Position is provided as Attachment C.

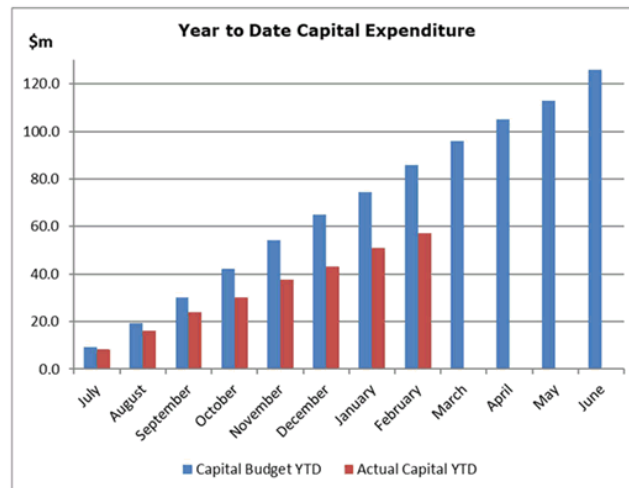
Short term investments of \$6.100 million relate to the Waipori Fund.

Total Debt was below budget year to date primarily reflecting the lower level of capital expenditure, plus the unbudgeted receipt of Three Waters reform funding yet to be spent.

CAPITAL EXPENDITURE

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

Total capital expenditure for the period was \$57.084 million or 66.5% of the year to date budget.



Corporate Services capital expenditure was \$1.815 million underspent

The underspend was primarily driven by lower than expected expenditure on a number of key IT projects including the Payroll System Replacement, Online Services, Infrastructure Program and Records Management System.

Property capital expenditure was \$7.983 million underspent

The underspend was across both renewals (\$3.595m) and new capital (\$4.388m) categories. A number of projects were impacted by delayed delivery including roof renewals for the Civic Centre and the Art Gallery, the School St housing development and the Wall St Manuka Causeway project.

Transport capital expenditure was \$10.929 million underspent

The underspend was across both renewals (\$2.035m) and new capital (\$8.894m) categories. This underspend primarily relates to timing associated with new projects pending completion of design and procurement activities. This includes Urban cycleways and intersection improvements. Renewals expenditure was also tracking below budget – in particular carriageway expenditure due to a late start to the resealing season.

Three Waters capital expenditure was \$4.595 million underspent

The underspend was across both renewals (\$2.098m) and new capital (\$2.497m) categories. The underspend was driven in part by some project budgets being phased within the first quarter of the year, whereas project delivery is going to occur later in the year. The timing of projects is dependent on a number of activities including finalisation of the planning work and completing a successful procurement process.

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.

Arts and Culture - \$975k Favourable

Revenue was favourable due to better than expected visitor fees for Lan Yuan and Olveston along with strong merchandise sales for the Art Gallery and Toitu. The group was also received greater grant funding for the eight months including CNZ and the Olveston Foundation.

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

Corporate Services - \$1.038 million Favourable

Operating expenses were favourable due to the timing of software licence fees, IT consultants and IT managed services. Grants expenditure was also favourable due to the timing of the Aukaha grant.

Enterprise Dunedin - \$613k Favourable

Economic Development revenue was favourable due to unbudgeted funding received for the Centre of Digital Excellence, Otago Regional Economic Development projects and from the Regional Events Fund.

Parks and Recreation - \$2.059 million Favourable

Overall revenue was favourable with the various Covid-19 alert levels having an impact on the timing of the provision of some services at Moana Pool. Gym memberships in particular were higher than budget with renewals deferred from the last quarter in 2019/20 now being completed. Moana and Community pools swim revenue was also ahead of budget. Revenue also included the government funding received for the Urban Link predator control project.

Group operating costs were favourable primarily due to improved management of the greenspace maintenance contracts.

Transportation - \$8.131 million Unfavourable

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

Operating costs were unfavourable \$2.061 million due to planning and project management costs for Shaping Future Dunedin and the Major Projects program as well as timing of core maintenance expenditure.

Waste and Environmental - \$556k Favourable

This variance reflected the net impact of higher than expected tonnage entering the Green Island landfill.

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the revised Audit and Risk Subcommittee Work Plan 2021 which has been aligned with work programmes scheduling and decision-making.
- 2 Please note that the Governance and Financial Policies are included in 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.

Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Clare Sullivan - Team Leader Civic

Attachments

	Title	Page
A	Audit and Risk Subcommittee Workplan	41

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021							
	Apr	Jun	Aug	Dec			
GOVERNANCE							
Audit and Risk Subcommittee Terms of Reference/Delegations							
POLICY REVIEWS/UPDATES							
<u>Governance</u>							
Legal Update		✓		✓			
<u>Human Resources</u>							
Leave Management Policy							
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			✓				
Internal Audit Policy		✓					
Risk Management Policy				✓			
Treasury Compliance Report	✓	✓	✓	✓			
<u>Procurement (Purchasing, Contracting & Tendering)</u>							
Asset Management Policy							
Schedule of top 100 Suppliers			✓				
<u>Health and Safety</u>							
Health, Safety and Wellbeing Policy							
Health and Safety Reporting	✓	✓	✓	✓			
<u>Fraud</u>							
Staff Conflict of Interest Policy			✓				
Fraud Reporting	✓	✓	✓	✓			
Protected Disclosure Reporting	✓	✓	✓	✓			
<u>Information Technology</u>							
Information Management Policy							

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2021							
	Apr	Jun	Aug	Dec			
ICT Acceptable Use Policy			✓				
RISK MANAGEMENT							
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 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		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
	Staff Conflict of Interest Policy	June 2018	3	June 2021	Human Resources
	Health, Safety and Wellbeing Policy	December 2019	2	December 2020	Human Resources
	Electronic Communications Email Quarantine Policy	May 2019	1	May 2020	Human Resources
Financial					
	Treasury Risk Management Policy	March 2021	1	June 2022	Treasury
	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
	Asset Management Policy	November 2019		November 2020	ELT

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Policy Area	Current Policy/Guidelines	Current Version Date	Cycle (Yrs)	Review Date	Area Responsible
Risk Management					
	Risk Management Policy	December 2019	2	December 2021	Internal Audit and Risk
	Internal Audit Policy	May 2019	2	May 2021	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	Corporate Governance
Fraud					
	Fraud Bribery & Corruption Prevention Policy	September 2019	3	September 2022	Finance
	Protected Disclosure "Whistle-Blower" Policy	January 2020	2	January 2022	Corporate Governance

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 - 18 February 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)(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</p>	.	

	<p>should continue to be supplied.</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)(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)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S6(b) The making available of the information would be likely to endanger the safety of a person.</p>		
C2 Report to the Council on the audit of Dunedin City Council for the year ended 30 June 2020	<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>	
C3 Audit Engagement Letter and Audit	S7(2)(i)	S48(1)(a)	

Arrangements for Year Ending 30 June 2021	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).	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 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.	The report is in draft. Discussions are still to be held with the auditors to finalise the report..
C5 DCC Risk 'Deep Dive' - Strategic Project Management	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.	
C6 Internal Audit Workplan Update	S7(2)(b)(i) The withholding of the information is necessary to protect information where the	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure	

	<p>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>of information for which good reason for withholding exists under section 7.</p>	
C7 DCC External 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</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>	

	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.		
C8 DCC Policy Update 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.	
C9 Health and Safety Monthly Report for February 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..
C10 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	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.		
C11 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.	
C12 Protected Disclosure Register	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. 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.	
C13 Investigation Register	S6(b) The making available of the information would be likely to endanger the safety of a person. S7(2)(a)	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	The matters detailed in this report are subject to investigation and information should remain confidential so not to prejudice the investigation and any

	The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	withholding exists under section 6 and 7.	possible outcomes of the investigation..
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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.

That Rudie Tomlinson (Audit NZ) be permitted to remain at the meeting, after the public has been excluded, because of their knowledge of Item C2 and C3. This knowledge, which would be of assistance in relation to the matters discussed, was relevant because they would be reporting on the item under consideration.