

Notice of Meeting:

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

Date: Thursday 21 April 2022

Time: 2.00 pm

Venue: Via Audio Visual Link

Sandy Graham
Chief Executive Officer

Audit and Risk Subcommittee
PUBLIC AGENDA

MEMBERSHIP**Chairperson**

Warren Allen

Deputy Chairperson

Janet Copeland

MembersCr Christine Garey
Mayor Aaron HawkinsCr Doug Hall
Cr Mike Lord**Senior Officer**

Gavin Logie, Chief Financial Officer

Governance Support Officer

Wendy Collard

Wendy Collard
Governance Support Officer

Telephone: 03 477 4000
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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	4
2	Confirmation of Agenda	4
3	Declaration of Interest	5
4	Confirmation of Minutes	10
4.1	Audit and Risk Subcommittee meeting - 17 February 2022	10
PART A REPORTS (Committee has power to decide these matters)		
5	Audit and Risk Subcommittee Work Plan 2022	20
6	Financial Results for period ended 28 February 2022	24
RESOLUTION TO EXCLUDE THE PUBLIC		41

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 and 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 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	Register of Interests	6

Audit and Risk Subcommittee - Register of Interest - current as at 11 April 2022				
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.
	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.
	Trustee	Nikau Foundation	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Nikau Foundation's Audit and Risk Committee	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.
Mayor 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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Cosy Homes Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	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.
Cr 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.
	Chair	Creative Dunedin Partnership (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Women of Ōtepoti	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Symphony Orchestra Foundation Board of Trustees (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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Director	Milburn Processing Limited	Currently no likely conflict	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.
Cr 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.

CONFIRMATION OF MINUTES


AUDIT AND RISK SUBCOMMITTEE MEETING - 17 FEBRUARY 2022

RECOMMENDATIONS

That the Subcommittee:

- a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 17 February 2022 as a correct record.

Attachments

Title		Page
A 	Minutes of Audit and Risk Subcommittee meeting held on 17 February 2022	11

Audit and Risk Subcommittee

MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Via Audio Visual Link on Thursday 17 February 2022, commencing at 2.00 pm

PRESENT

Chairperson	Warren Allen	
Deputy Chairperson	Janet Copeland	
Members	Cr Christine Garey	Mayor Aaron Hawkins
	Cr Mike Lord	

IN ATTENDANCE

Sandy Graham (Chief Executive Officer), Gavin Logie (Chief Financial Officer) and Hayley Knight (Quality, Compliance and Assurance Advisor, Risk and Internal Audit)

Governance Support Officer Wendy Collard

1 APOLOGIES

Moved (Warren Allen/Cr Mike Lord):

That the Subcommittee:

Accepts the apology from Cr Doug Hall.

Motion carried (AR/2022/001)

2 CONFIRMATION OF AGENDA

Moved (Warren Allen/Cr Mike Lord):

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.

Moved (Warren Allen/Janet Copeland):

That the Subcommittee:

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

Motion carried

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 2 DECEMBER 2021

Moved (Warren Allen/Cr Mike Lord):

That the Subcommittee:

- a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 02 December 2021 as a correct record.

Motion carried (AR/2022/002)

4.2 AUDIT AND RISK SUBCOMMITTEE MEETING - 16 DECEMBER 2021

Moved (Warren Allen/Janet Copeland):

That the Subcommittee:

- a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 16 December 2021 as a correct record.

Motion carried (AR/2022/003)

PART A REPORTS**5 HEALTH AND SAFETY CHARTER**

A report from Health and Safety provided the updated Health and Safety Charter for the Audit and Risk Subcommittee's information. It noted that a new Health and Safety Charter poster had been developed.

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

The Subcommittee congratulated the staff who had contributed to the development of the updated Health and Safety Charter and Poster on their work.

Moved (Warren Allen/Cr Christine Garey):

That the Subcommittee:

- a) **Notes** the updated Health and Safety Charter and the new Health and Safety Charter poster.

Motion carried

6 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2022

A report from Civic provided a copy of the Audit and Risk Subcommittee Work Plan 2022 which has been aligned with work programmes scheduling and decision-making

Moved (Warren Allen/Cr Mike Lord):

That the Subcommittee:

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

Motion carried

7 FINANCIAL RESULTS FOR PERIOD ENDING 31 DECEMBER 2021

A report from Civic provided a copy of the Financial Results for the period ending 31 December 2021 report which was presented to the Finance and Council Controlled Committee meeting held on 9 February 2022.

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

Moved (Warren Allen/Cr Mike Lord):

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 31 December 2021 report.

Motion carried

8 WAIPORI FUND - QUARTER ENDING DECEMBER 2021

A report from Civic provided a copy of the Waipori Fund – Quarter Ending December 2021 report which was presented to the Finance and Council Controlled Committee meeting held on 9 February 2022.

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

Moved (Warren Allen/Cr Mike Lord):

That the Subcommittee:

- a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 31 December 2021

Motion carried

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Warren Allen/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 2021 - Public Excluded	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)(a)

The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

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)(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.

S6(b)

The making available of the information would be likely to endanger the safety of a person.

C2 Audit and Risk Subcommittee meeting - 16 December 2021 - Public Excluded	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	.
C3 DCC Internal Audit Actions Update	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.
C4 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 subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any	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.

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.

C5 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.

C6 Health and Safety
Monthly Reporting for
December 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.
C7 Legal Matters	S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.	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 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.
C9 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.
C10 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	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.

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.

C11 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.

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 Martyn Solomon (Crowe) be permitted to attend the meeting, after the public has been excluded, because of their knowledge of Item C3 and C4 This knowledge, which would be of assistance in relation to the matters discussed, was relevant because he would be reporting on the item under consideration.

Motion carried (AR/2022/004)

The meeting moved into non-public at 2.27 pm and concluded at 3.56 pm.

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 CHAIRPERSON

PART A REPORTS

AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2022

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the revised Audit and Risk Subcommittee Work Plan 2022 which has been aligned with work programmes scheduling and decision-making.
- 2 It should be noted that items without ticks shown have not been scheduled for action.
- 3 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 2022.

Signatories

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

Attachments

	Title	Page
A	Audit and Risk Subcommittee Workplan 2022	21

AUDIT AND RISK SUBCOMMITTEE WORKPLAN 2022							
	Responsible	Apr	Jun	Aug	Sept		
GOVERNANCE							
Audit and Risk Subcommittee Terms of Reference/Delegations	Governance						
REGULAR REPORTS							
Audit and Risk Subcommittee 2021-22 Workplan Report	Governance	✓	✓	✓	✓		
Financial Results	Finance	✓	✓	✓	✓		
Audit and Risk Subcommittee Action List Report	Risk and Audit	✓	✓	✓	✓		
Internal Audit Workplan Update	Risk and Audit	✓	✓	✓	✓		
Internal Audit Actions Update	Risk and Audit		✓		✓		
External Audit Actions Update	Risk and Audit	✓		✓			
Treasury Compliance	Treasury	✓	✓	✓	✓		
DCHL Audit Update	DCHL	✓	✓	✓	✓		
Health and Safety Reporting	H&S	✓	✓	✓	✓		
Protected Disclosure Register	Finance	✓	✓	✓	✓		
Investigation Register	Finance	✓	✓	✓	✓		
OTHER REPORTING							
Schedule of Top 100 Suppliers	Finance	✓					
Data Analytics	Finance		✓				
Insurance Update	Finance/Aon NZ	✓		✓			
Corporate Risk Register	Risk and Audit		✓				
Legal Update	Legal		✓				

AUDIT AND RISK SUBCOMMITTEE WORKPLAN 2022							
	Responsible	Apr	Jun	Aug	Sept		
Electronic Communications Email Quarantine Policy	Governance	✓		✓			
Annual Report Planning	Finance	✓	✓				
Management Reporting - Audit New Zealand	Finance		✓				
POLICY REVIEWS/UPDATES							
Risk Management Policy	Risk and Audit		✓				
Protected Disclosure "Whistle-Blower" Policy	Corporate and Quality		✓				
Treasury Risk Management Policy	Treasury		✓				
Asset Disposal and Write-Off Policy	Finance		✓				
Information Management Policy	BIS			✓			
ICT Acceptable Use Policy	BIS			✓			
Health, Safety and Wellbeing Policy	H&S			✓			
Gifts and Hospitality Policy	HR			✓			
Electronic Communications Email Quarantine Policy	HR			✓			
Staff Conflict of Interest Policy	Corporate and Quality			✓			
Leave Management Policy	HR				✓		
Procurement and Contracts Management Policy	Procurement				✓		
Koha Policy	Finance				✓		
Fraud Bribery & Corruption Prevention Policy	Risk and Audit				✓		
Staff Code of Conduct (Employee Values and Practices)	HR						
Asset Management Policy	Infrastructure						

AUDIT AND RISK SUBCOMMITTEE WORKPLAN 2022							
	Responsible	Apr	Jun	Aug	Sept		
RISK OVERVIEW (DEEP DIVE)							
Asset Management - Renewals	Infrastructure		✓				
Central Government Reforms	Policy			✓			
RISK OVERVIEW (DEEP DIVE) Completed							
Climate Change (October 2020)	Sustainability						
Organisation Security (Cyber) (June 2021)	BIS						
Strategic Project Management (April 2021)	PMO						
Business Continuity Planning including COVID (August 2020)	Infrastructure						
Financial Risk (August 2020)	Finance						

FINANCIAL RESULTS FOR PERIOD ENDED 28 FEBRUARY 2022

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the Financial Results for the period ending 28 February 2022 report which was presented to the Council meeting held on 29 March 2022.

RECOMMENDATIONS

That the Subcommittee:

- a) **Notes** the Financial Results for the period ending 28 February 2022 report

Signatories

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

Attachments

	Title	Page
↓A	Financial Results - Period ended 28 February 2022	25

FINANCIAL RESULT - PERIOD ENDED 28 FEBRUARY 2022

Department: Finance

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the period ended 28 February 2022 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	220.015	216.971	3.044	F	205.831
Expenditure	219.269	219.823	0.554	F	214.608
Net Surplus/(Deficit) excluding Waipori	0.746	(2.852)	3.598	F	(8.777)
Waipori Fund Net	(1.466)	2.180	(3.646)	U	4.354
Net Surplus/(Deficit) including Waipori	(0.720)	(0.672)	(0.048)	U	(4.423)
Capital Expenditure	82.006	85.298	3.292		57.084
Debt					
Short Term Borrowings	43.300	54.300	11.000	F	13.000
Term Loans	271.973	271.973	-		243.973
Total Debt	315.273	326.273	11.000	F	256.973

RECOMMENDATIONS

That Council:

- a) **Notes** the Financial Performance for the period ended 28 February 2022 and the Financial Position as at that date.

BACKGROUND

- 3 This report provides the financial statements for the period ended 28 February 2022. 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 \$220.015 million for the period or \$3.044 million greater than budget. Year to date revenue included unbudgeted government funding for Economic Development activity and 3 Waters stimulus projects, as well as increased revenue from resource consents and building services applications and inspections.
- 5 These favourable variances were partially offset by the impact of the nationwide lockdown earlier in the financial year including Aquatic Services, Property, Parking, Landfill, and commercial water revenue. Grant revenue was also lower than expected due to the lower level of subsidised capital expenditure in Transport. A significant portion of the budgeted fundraising revenue for the new Aquatic centre in Mosgiel was received in the current month with the balance to be paid as the project progresses.
- 6 Expenditure was \$219.269 million for the period or \$554,000 less than budget. Operational expenditure was lower than expected in part 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 reduced spend during the lockdown period.
- 7 These favourable variances were partially offset by additional roading maintenance expenditure along with monies spent for government funded projects in 3 Waters and Economic Development. Depreciation expenditure was also higher than expected following asset revaluations as at 30 June 2021, impacting both asset replacement cost and asset useful lives.
- 8 Equity markets continued to be impacted in February as current world events create uncertainty. This resulted in negative revaluations across most equity portfolios held by the Waipori Fund. There has also been a year-to-date negative revaluation of fixed term investments as wholesale interest rates continue to rise.
- 9 Capital expenditure was \$82.006 million for the period or 96.1% of the year-to-date budget (56.4% of the full year budget). The level of spend reflected some project delays along with the impact of the nationwide lockdown in August. The 3 Waters renewals expenditure continues to track ahead of budget with a number of large water and sewer renewal projects underway. Waste and Environmental expenditure was also up on budget – Waikouaiti transfer station and Smooth Hill landfill projects in particular.

NEXT STEPS

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

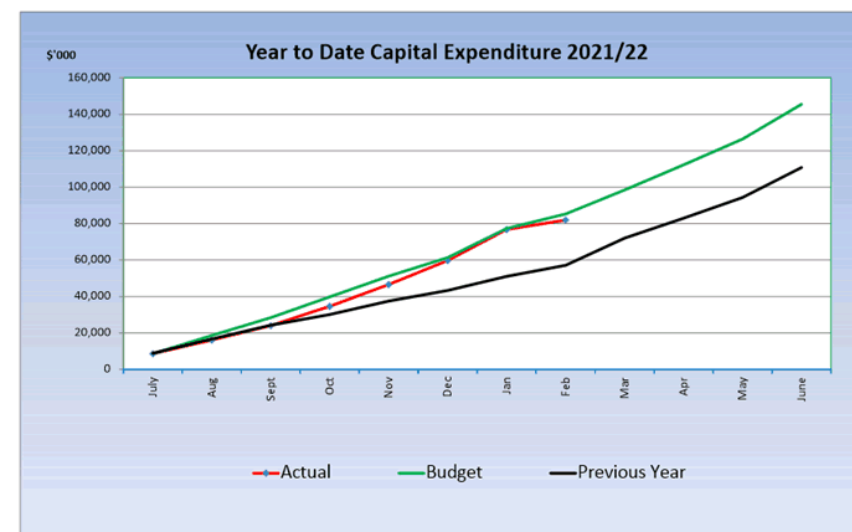
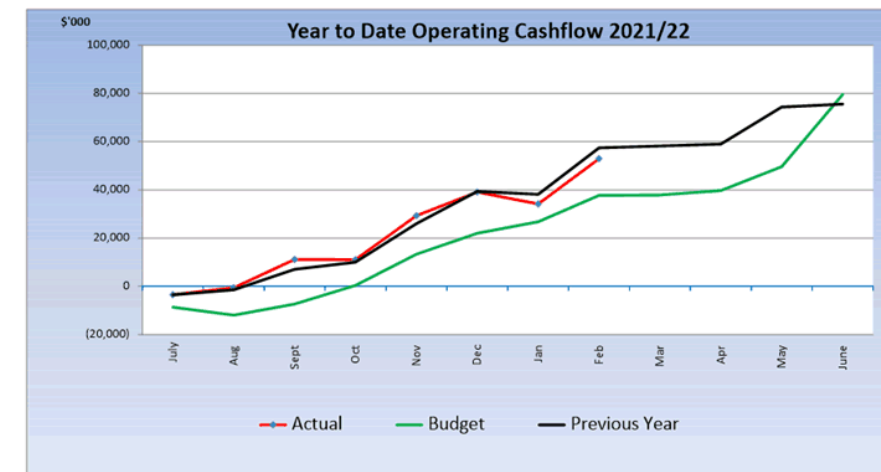
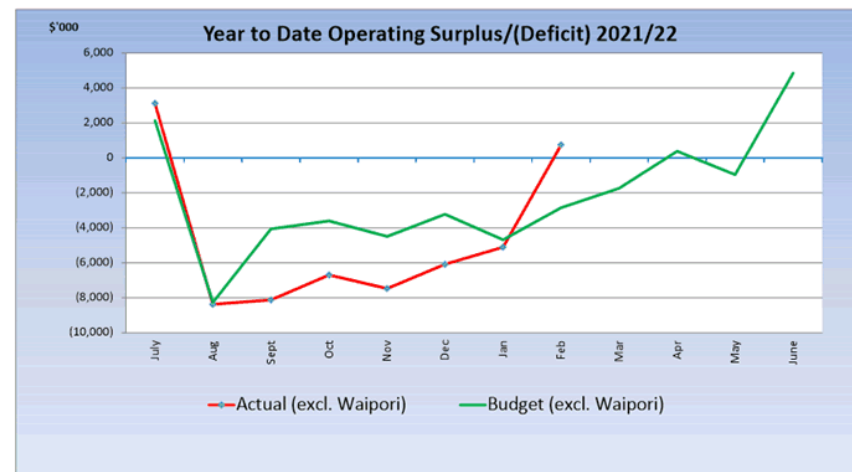
Signatories

Authoriser:	Gavin Logie - 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 28 FEBRUARY 2022



Borrowing Metrics	LGFA Target	Actual	Budget
Interest as a % rates revenue	< 30% *	4.5%	5.6%
Interest as a % total revenue	< 20% *	2.7%	3.4%
Debt % annualised revenue	250.0% Max.	103.8%	108.2%


* represents the ability to fund interest costs from revenue

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DUNEDIN CITY COUNCIL									DUNEDIN CITY COUNCIL		kaunihera a-rohe o Ōtepoti	
Statement of Financial Performance												
For the Period Ending 28 February 2022												
Amount : \$'000												
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		
14,927	14,927	-		119,416	119,416	-		108,739	163,492	179,124		
69	230	161 U	REVENUE	578	655	77 U		645	1,055	850		
5,321	5,646	325 U	Rates Revenue	44,905	47,344	2,439 U		47,275	81,232	71,146		
6,506	2,417	4,089 F	Rates Penalties	30,211	23,712	6,499 F		24,103	41,227	33,292		
121	289	168 U	Other Operating Revenue	1,407	2,312	905 U		1,459	10,110	6,468		
2,940	2,941	1 U	Grants	23,498	23,532	34 U		23,610	35,795	35,296		
29,884	26,450	3,434 F	Contributions	220,015	216,971	3,044 F		205,831	332,911	326,176		
			Internal Revenue									
			TOTAL REVENUE									
			EXPENDITURE									
5,141	5,386	245 F	Personnel Costs	44,690	46,550	1,860 F		43,611	65,970	69,965		
5,572	5,902	330 F	Operations & Maintenance	46,454	45,967	487 U		48,592	77,835	67,667		
1,036	1,078	42 F	Occupancy Costs	20,934	20,992	58 F		19,174	25,584	27,877		
1,764	2,080	316 F	Consumables & General	13,925	15,895	1,970 F		15,650	26,912	23,818		
111	23	88 U	Grants & Subsidies	9,946	9,242	704 U		9,105	10,587	10,243		
2,942	2,942	-	Internal Charges	23,498	23,532	34 F		23,610	35,795	35,296		
6,817	6,376	441 U	Depreciation	54,438	51,012	3,426 U		49,139	74,283	76,519		
650	829	179 F	Interest	5,384	6,633	1,249 F		5,727	8,103	9,943		
24,033	24,616	583 F	TOTAL EXPENDITURE	219,269	219,823	554 F		214,608	325,069	321,328		
5,851	1,834	4,017 F	NET SURPLUS (DEFICIT) EXCLUDING WAIPORI	746	(2,852)	3,598 F		(8,777)	7,842	4,848		
			Add									
(928)	272	1,200 U	Waipori Fund Net Operating Result	(1,466)	2,180	3,646 U		4,354	9,328	3,270		
4,923	2,106	2,817 F	NET SURPLUS (DEFICIT) INCLUDING WAIPORI	(720)	(672)	48 U		(4,423)	17,170	8,118		

		DUNEDIN CITY COUNCIL		DUNEDIN CITY COUNCIL		kaunihera a-rohe o Ōtepoti	
		Statement of Financial Position					
		As at 28 February 2022					
		Amount : \$'000					
As at 30-Jun-21		As at 28-Feb-22	Budget 28-Feb-22	Budget 30-Jun-22	As at 28-Feb-21		
	Current Assets						
7,939	Cash and Deposits	15,831	10,007	6,071	23,431		
23,645	Sundry Debtors	19,998	24,448	13,239	20,417		
6,975	Short Term Investments	10,168	1,428	5,928	6,100		
3,694	Assets held for Resale	-	-	-	-		
294	Inventories	448	392	392	381		
42,547	Total Current Assets	46,445	36,275	25,630	50,329		
	Non Current Assets						
329,833	Investments	327,810	338,350	336,742	325,116		
3,487,282	Fixed Assets	3,514,886	3,222,109	3,312,715	3,073,067		
3,817,115	Total Non Current Assets	3,842,696	3,560,459	3,649,457	3,398,183		
3,859,662	TOTAL ASSETS	3,889,141	3,596,734	3,675,087	3,448,512		
	Current Liabilities						
17,697	Sundry Creditors	11,440	12,000	12,000	24,911		
42,514	Accrued Expenditure	35,723	34,753	31,642	35,290		
-	Short Term Borrowings	43,300	54,300	-	13,000		
656	Derivative Financial Instruments	296	98	-	1,257		
60,867	Total Current Liabilities	90,759	101,151	43,642	74,458		
	Non Current Liabilities						
271,973	Term Loans	271,973	271,973	335,948	243,973		
14,283	Other Non-Current Liabilities	14,232	12,783	12,783	12,133		
286,256	Total Non Current Liabilities	286,205	284,756	348,731	256,106		
347,123	TOTAL LIABILITIES	376,964	385,907	392,373	330,564		
3,512,539	COUNCIL EQUITY	3,512,177	3,210,827	3,282,714	3,117,948		
3,859,662		3,889,141	3,596,734	3,675,087	3,448,512		
	Statement of Change in Equity						
3,121,579	Opening Balance	3,512,539	3,211,117	3,211,117	3,121,579		
17,170	Operating Surplus (Deficit)	(720)	(672)	8,118	(4,423)		
372,394	Movements in Reserves	(2)	-	63,000	(3)		
1,396	Adjustment Derivatives	360	382	479	795		
3,512,539		3,512,177	3,210,827	3,282,714	3,117,948		

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<p>DUNEDIN CITY COUNCIL  DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti</p> <p>Statement of Cashflows For the Period Ending 28 February 2022 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	122,443	118,946	178,929	111,077
Other Revenue	76,413	69,960	105,295	82,082
Interest Received	3,738	3,823	7,389	3,770
Dividend Received	819	817	1,229	726
Income Tax Refund	-	-	864	-
<i>Cash was applied to</i>				
Suppliers and Employees	(145,113)	(148,579)	(204,190)	(133,002)
Interest Paid	(5,346)	(7,240)	(9,943)	(7,209)
Net Cash Inflow (Outflow) from Operations	52,954	37,727	79,573	57,444
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	3,659	3,000	3,120	49
Reduction in Investments	-	-	-	-
<i>Cash was applied to:</i>				
Increase in Investments	(4,031)	-	(2,550)	(4,025)
Capital Expenditure	(87,990)	(92,501)	(145,528)	(58,399)
Net Cash Inflow (Outflow) from Investing Activity	(88,362)	(89,501)	(144,958)	(62,375)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	-	-	63,975	-
Increase in Short Term Borrowings	53,300	54,300	-	27,000
<i>Cash was applied to:</i>				
Loans Repaid	(10,000)	-	-	(14,000)
Decrease in Short Term Borrowings	-	-	-	-
Net Cash Inflow (Outflow) from Financing Activity	43,300	54,300	63,975	13,000
Total Increase/(Decrease) in Cash	7,892	2,526	(1,410)	8,069
Opening Cash and Deposits	7,939	7,481	7,481	15,362
Closing Cash and Deposits	15,831	10,007	6,071	23,431


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DUNEDIN CITY COUNCIL

Capital Expenditure Summary by Activity

For the Period Ending 28 February 2022

Amount : \$'000



DUNEDIN

CITY COUNCIL

kaunihera

a-rohe o

Ōtepoti

Description	Year to Date Actual	Year to Date Budget	Year to Date Variance	Over Under Spend	LY YTD Actual	Full Year Budget	YTD Actual vs FY Budget
Galleries, Libraries & Museums	809	1,015	206	U	805	2,363	34.2%
City Development	27	190	163	U	-	350	7.7%
Corporate Services	2,037	3,043	1,006	U	1,106	4,652	43.8%
Property	10,645	14,023	3,378	U	5,946	21,800	48.8%
Other	105	155	50	U	131	570	18.4%
Parks and Recreation	5,718	10,280	4,562	U	2,303	25,729	22.2%
Transport	23,340	28,532	5,192	U	28,792	40,000	58.4%
Waste & Environmental	1,993	937	1,056	O	814	8,273	24.1%
Three Waters	37,332	27,123	10,209	O	17,187	41,791	89.3%
	82,006	85,298	3,292	U	57,084	145,528	56.4%

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DUNEDIN CITY COUNCIL Summary of Operating Variances For the Period Ending 28 February 2022											
Amount : \$'000											
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	(1,466)	2,180	(3,646)	-	(3,640)	-	-	(6)	-	-	-
Galleries, Libraries & Museums	(1,331)	(1,561)	230	-	108	9	59	169	(1)	5	(119)
Community Development	(168)	(1,164)	996	-	137	31	(47)	876	-	-	(1)
Corporate Services	2,833	317	2,516	-	8	(84)	939	1,934	29	-	(310)
Enterprise Dunedin	265	(14)	279	-	1,565	43	165	(1,416)	(76)	-	(2)
Property	(2,330)	(320)	(2,010)	-	(365)	3	86	650	2	-	(2,386)
Investment	(941)	(2,078)	1,137	-	(39)	-	(337)	269	-	1,244	-
Parking Services/Operations	12	728	(716)	-	(1,036)	3	97	226	20	-	(26)
Parks and Recreation	3,232	4,055	(823)	-	(2,056)	1	261	1,076	17	-	(122)
Regulatory & Planning	976	130	846	-	895	-	276	(320)	10	-	(15)
Transport	(6,449)	(3,893)	(2,556)	-	(2,126)	-	142	(818)	1	-	245
Waste & Environmental	437	887	(450)	-	(527)	(40)	4	150	25	-	(62)
Three Waters	4,210	61	4,149	-	6,514	-	215	(1,959)	7	-	(628)
Total Council	(720)	(672)	(48)	-	(562)	(34)	1,860	831	34	1,249	(3,426)

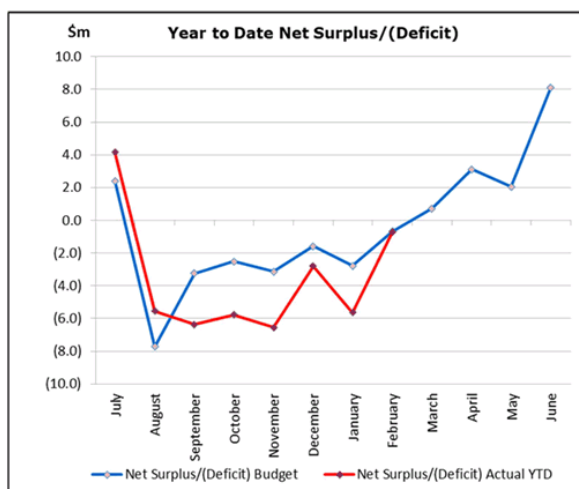
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FINANCIAL REVIEW

For the period ended 28 February 2022

This report provides a detailed commentary on the Council's financial result for the period ended 28 February 2022 and the financial position at that date.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net deficit (including Waipori) for the period ended 28 February 2022 was \$720k or \$48k greater than budget.

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REVENUE

The total revenue for the period was \$220.015 million or \$3.044 million greater than budget.

The major variances were as follows:

Other Operating Revenue

Actual \$44.905 million, Budget \$47.344 million, Unfavourable variance \$2.439 million

Aquatic Services revenue was unfavourable \$834k due to the impact of Covid-19 on the operation of the pool/gym facilities.

Parking related revenue was unfavourable \$1.037 million due primarily to the ongoing impact of Covid-19, and in particular the lockdown in August/September 2021.

Waste and Environmental revenue was unfavourable \$527k due to lower volumes 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 Covid lockdown.

Three Waters revenue was unfavourable \$534k due mainly to lower water sales.

Transportation revenue was unfavourable \$227k due to less income from corridor access requests than expected.

Property revenue was unfavourable \$215k due to rent relief provided to tenants during the Covid-19 lockdown.

These unfavourable variances were partially offset by:

Building Services revenue was favourable \$513k primarily due to increased activity including building applications, inspections revenue and code compliance certificate revenue.

Resource Consents revenue was favourable \$244k due to the number of consents processed year-to-date.

Grants and Subsidies Revenue

Actual \$30.211 million, Budget \$23.712 million, Favourable variance \$6.499 million

This variance was due to unbudgeted government income including Three Waters stimulus funding and Economic Development funding for the Centre of Digital Excellence, Otago regional development projects and the Strategic Tourism Asset Protection Programme.

These favourable revenue lines were partially offset by:

Parks and Recreation revenue was unfavourable \$1.294 million due to the delayed timing of the balance of external funding for the new Mosgiel aquatics facility, and timing of MBIE funding for the Tunnel Beach carpark/toilet project. It should be noted that the first tranche of pool funding was received in February \$3.200 million.

Transportation revenue was also unfavourable \$1.694 million due to the lower level of subsidised capital expenditure – see capital expenditure comments below.

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EXPENDITURE

The total expenditure for the period was \$219.269 million or \$554k less than budget.

The major variances were as follows:

Personnel Costs

Actual \$44.690, Budget \$46.550 million, Favourable variance \$1.860 million

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

Operations and Maintenance Costs

Actual \$46.454 million, Budget \$45.967 million, Unfavourable variance \$487k

Transportation expenditure was unfavourable \$1.642 million due to greater state highway street lighting maintenance, emergency works and traffic services maintenance than budgeted, including road marking which is a seasonal activity. There was also additional environmental maintenance, including road gritting and sweeping, which is weather dependant.

Three waters expenditure was unfavourable \$495k including \$667k of stimulus funded projects.

Economic Development costs were \$402k higher than budget due to 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 – see offsetting income note above.

Waste and Environmental costs were \$221k unfavourable primarily due to the increased per tonne cost of ETS units required to offset landfill emissions.

Parks and Recreation costs were \$340k under budget due to timing of expenditure on building maintenance and greenspace maintenance contract costs.

Property costs were \$873k less than budget due to some reactive maintenance unable to be carried out over the Covid-19 lockdown period, and expenditure on the Railway station to date being mainly capital in nature.

Consumable and General Costs

Actual \$13.925 million, Budget \$15.895 million, Favourable variance \$1.970 million

BIS costs were favourable \$857k due to timing of software licence fees and IT consultant's expenditure.

Corporate Policy expenditure was \$581k favourable, largely reflecting delayed timing of project expenditure while scoping work is completed.

Waste and Environmental expenditure was \$493k favourable as most consultants costs to date for the Smooth Hill landfill are capital in nature.

Transportation expenditure was \$717k favourable due to the timing of consultant costs related to capital project development (Central City and Cycleways). Some of these costs have also now been reclassified as capital expenditure.

Page 3 of 7

Page 13 of 17

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Events & Community Development expenditure was \$381k less than budget and primarily related to delayed timing of costs associated with the hosting of the ICC Cricket World Cup event.

Parks and Recreation expenditure was \$189k favourable due to timing of work developing reserves and other asset management plans, including coastal management planning.

These favourable variances were partially offset by unbudgeted expenditure in Three Waters (\$1.541 million) for costs associated with water reform and design work for stimulus projects – see favourable income noted above.

Depreciation

Actual \$54.438 million, Budget \$51.012 million, Unfavourable variance \$3.426 million

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

Interest

Actual \$5.384 million, Budget \$6.633 million, Favourable variance \$1.249 million

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

Note that as at 28 February, \$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 set by Dunedin City Treasury Limited.

WAIPORI FUND NET OPERATING RESULT

Actual \$1.466 million deficit, Budget \$2.180 million surplus, Unfavourable variance \$3.646 million

Equity markets continued to be impacted in February as current world events create uncertainty. This resulted in negative revaluations across most equity portfolios held by the Waipori Fund. There has also been a year-to-date negative revaluation of fixed term investments as wholesale interest rates continue to rise.

STATEMENT OF FINANCIAL POSITION

A Statement of Financial Position is provided as Attachment C.

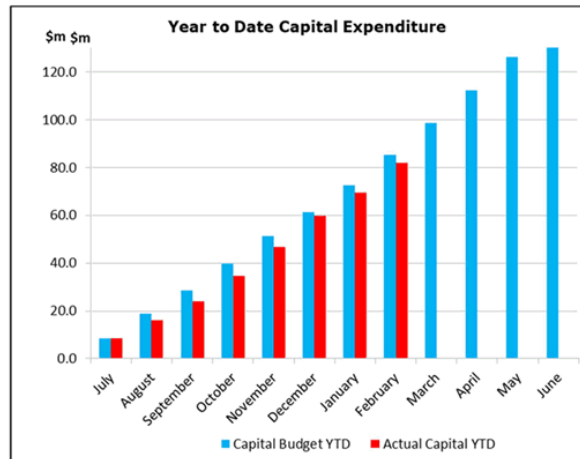
Short term investments of \$10.168 million relate to the Waipori Fund.

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CAPITAL EXPENDITURE

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

Total capital expenditure for the period was \$82.006 million or 96.1% of the year-to-date budget. The report also shows the relative level of expenditure versus the full year budget showing an overall spend of 56.4% after 8 months.



Corporate Services capital expenditure was \$1.006 million 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 \$3.378 million underspent

The Civic Centre roof renewal/window replacement project was behind budget due to programme adjustments required to manage the risk associated with asbestos. Work has now progressed to the sixth floor.

The Art Gallery roof renewal was behind budget due to additional work required for asbestos and roof framing remediation. Construction is progressing well with completion expected June 2022.

Other projects have been delayed resulting in the underspend including the South Dunedin Library and Community Complex and new housing developments.

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Parks and Recreation capital expenditure was \$4.562 million underspent

The underspend was primarily due to delayed timing of the Mosgiel Pool development. Construction work on this project is now well underway.

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

Transport capital expenditure was \$5.192 million underspent

Transport's overall renewal spend was underspent due to the budget timing of some NZTA subsidised renewals projects, including 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.

Timing of the Shaping Future Dunedin projects and the Peninsula Connection has also contributed to the underspend. The tender for separable portions of the Peninsula widening project have now been awarded.

Waste and Environmental capital expenditure was \$1.056 million overspent

Expenditure was ahead of budget due to costs associated with the development of the proposed landfill at Smooth Hill as well as renewals projects at the Green Island landfill and Waikouaiti transfer station.

Three Waters capital expenditure was \$10.209 million overspent

Renewal's expenditure was ahead of budget \$12.195 million, including water and sewer renewals in North East Valley, Stuart St, Malvern St and Sawyers Bay, and water renewals at Karitane and Mosgiel. Other projects included the biofilter media renewal at Green Island and Tahuna wastewater treatment plants, as well as the program to replace water toby taps and water meters.

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 \$2.516 million Favourable

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

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

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Property - \$2.010 million Unfavourable

Revenue was unfavourable \$365k mainly due to rent relief provided to some commercial tenants during the covid-19 lockdown, as well as the timing of development contributions revenue.

Depreciation was unfavourable \$2.386 million due to the revaluation of Property assets as at 30 June 2021 impacting both the depreciable replacement cost and asset useful lives.

Operating costs were favourable \$650k largely due to a higher-than-expected level of expenditure being classified as capital, particularly in the housing activity, as well as the Railway Station refurbishment project.

Parking Services/Operations - \$716k Unfavourable

Revenue was unfavourable year to date primarily due to the ongoing impact of the Covid-19 pandemic, and in particular the lockdown earlier in the financial year.

Parks and Recreation - \$823k Unfavourable

Overall revenue was unfavourable partly due the delayed timing of external funding for the Mosgiel aquatic facility. A significant portion of the expected community funding for the new facility has now been received with the balance due as project milestones are achieved. Revenue was also below budget due to the impact of Covid-19 closures on pool/gym revenue.

Operating costs were \$1.076 million favourable due partly to savings in energy and cleaning costs at Moana Pool reflecting the reduced activity, as well as timing of consultant expenditure in the Recreation Planning and Coastal Planning activities. Greenspace contract costs and building maintenance costs were also favourable, mainly due to the timing of budgets.

Transport - \$2.557 million Unfavourable

Revenue was unfavourable \$2.126 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, Portobello Road, Factory Road and Melrose Street.

Three Waters - \$4.149 million Favourable

Three Waters revenue was favourable \$6.514 million including \$7.617 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 \$1.959 million primarily due to unbudgeted expenditure on stimulus funded project work. Depreciation was also unfavourable \$628k 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 - 17 February 2022 - Public Excluded	<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)(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</p>	.	

	<p>necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</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)(g) The withholding of the information is necessary to maintain legal professional privilege.</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) The making available of the information would be likely to endanger the safety of a person.</p>		
C2 Insurance Presentation	<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</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>	

	commercial position of the person who supplied or who is the subject of the information.		
C3 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.	
C4 Top 100 Suppliers 2020/2021	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.	The information in this report is commercially sensitive..
C5 Health and Safety Monthly Reporting for February 2022	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	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 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 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.	
C10 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	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.	

	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.		
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>	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.	

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 Representative from Aon be permitted to attend the meeting, after the public has been excluded, because of their knowledge of Item C2. This knowledge, which would be of assistance in relation to the matters discussed, was relevant because he would be reporting on the item under consideration.