

**The Meeting of the
Audit and Risk Committee will be
held on Monday 8 April 2024
commencing at 1.00pm**

A G E N D A

AUDIT AND RISK COMMITTEE

Her Worship the Mayor – F K N Tunui

Councillor C J Ion

Councillor A Rangihika

Councillor B J Julian

Philip Jones – Consultant - P J Associates (Chair)

KAWERAU DISTRICT COUNCIL

The Meeting of the Audit and Risk Committee will be held on
Monday 8 April 2024
commencing at 1.00pm

AGENDA

Apologies

Declarations of Conflict of Interest

Any member having a “conflict of interest” with an item on the Agenda should declare it, and when that item is being considered, abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

1 CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 12 February 2024

Pgs. 1 - 3

Recommendation

That the minutes of the Audit and Risk Committee Meeting held on 12 February be confirmed as a true and accurate record.

2 Health, Safety and Wellbeing Report for Period 1 November 2023 – 31 January 2024 (Group Manager, Regulatory and Planning (509500))

Pgs. 4 - 12

Attached is the report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing report for period 1 February 2024 – 31 March 2024.

Recommendation

That the report “Health, Safety and Wellbeing report for period 1 February 2024 – 31 March 2024” be received.

3 Treasury Report to 31 December 2023 and to 31 January 2024 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 13 - 18

Attached is a report on the Treasury Report to 31 December 2023 and to 31 January 2024.

Recommendation

That the report “Treasury Report to 31 December 2023 and to 31 January 2024” be received.

4 Treasury Report to 29 February 2024 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 19 - 22

Attached is a report on the Treasury Report to 29 February 2024.

Recommendation

That the report “Treasury Report to 29 February 2024” be received.

5 Annual Plan Performance for the Six Months Ended 31 December 2023 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 23 - 26

Attached is a report on the Annual Plan Performance for the Six Months Ended 31 December 2023.

Recommendation

That the report “Annual Plan Performance for the Six Months Ended 31 December 2023” be received.

6 Audit and Risk Review Timetable for 2024 (Group Manager, Finance and Corporate Services) (101300)

Pgs. 27 - 29

Attached is a report on the Audit and Risk Review Timetable for 2024.

Recommendation

That the report “Audit and Risk Review Timetable for 2024” be received.

7 Annual Plan 2024 / 25 Updated Timetable (Group Manager, Finance and Corporate Services) (110400)

Pgs. 30 - 32

Attached is a report on the Annual Plan 2024 / 25 Updated Timetable.

Recommendation

That the report “Annual Plan 2024 / 25 Updated Timetable” be received.

8 Kawerau District Council Bylaw Review (Group Manager, Finance and Corporate Services) (320000)

Pgs. 33 - 37

Attached is a report on Kawerau District Council Bylaw Review.

Recommendation

That the report “Kawerau District Council Bylaw Review” be received.

M Godfery
Chief Executive Officer

**Kawerau District Council Minutes of an
Audit and Risk Committee held on 12 February 2024
commencing at 1.00pm**

Present: Philip Jones – P J Associates (Chair)
Her Worship the Mayor – F K N Tunui
Deputy Mayor – A Rangihika
Councillor C Ion
Councillor B J Julian

In Attendance: Chief Executive Officer (M Godfery)
Group Manager, Finance and Corporate Services (L Butler)
Group Manager, Regulatory and Planning (M Glaspey)
Administration Officer (T Barnett)
Audit New Zealand (R van Zyl) via Zoom
Audit NEW Zealand (K Macown) via Zoom

Apologies

No apologies were received.

Declarations of Conflict of Interest

No conflicts of interest were received.

1 CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 4 December 2023

Resolved **Councillor Julian / Deputy Mayor Rangihika**

That the minutes of the Audit and Risk Committee Meeting held on 4 December 2023 be confirmed as a true and accurate record.

**2 Health, Safety and Wellbeing Report for Period 1 November 2023 – 31 January 2024
(Group Manager, Regulatory and Planning (509500))**

Attached is the report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing report for period 1 November 2023 – 31 January 2024.

Correction: Page 3 – Third bullet point from the bottom – A total of 38 health and safety incident reported opposed to 29 as per agenda.

Group Manager, Regulatory and Planning spoke of three additional incidents to be added to the table that were not reported. This will be amended by the next meeting.

Resolved **Her Worship the Mayor / Councillor Ion**

That the report “Health, Safety and Wellbeing report for period 1 November 2023 – 31 January 2024” be received.

3 Audit Management Report for Year Ended 30 June 2023 (Group Manager, Finance and Corporate Services) (201000)

The Committee received an Audit Management report for year ended 30 June 2023 from the Group Manager, Finance and Corporate Services and Audit New Zealand Director Renè van Zyl.

Resolved

Chair Jones / Her Worship the Mayor

That the report "Audit Management Report for Year Ended 30 June 2023" be received.

4 2024 – 2034 Long Term Plan Update and Timetable (Group Manager, Finance and Corporate Services) (110400)

The Committee received the report for the 2024 – 2034 Long Term Plan Update and Timetable.

Resolved

Councillor Julian / Deputy Mayor Rangihika

That the report "2024 – 2034 Long Term Plan Update and Timetable" be received.

5 Treasury Report to 30 November 2023 (Group Manager, Finance and Corporate Services) (110551)

The Committee received the Treasury report from the Group Manager, Finance and Corporate Services.

Correction: Page 42 – Background – 1st Paragraph – The report was presented to the Regulatory and Services Committee on 13 December 2023, not 15 as stated in the report.

Resolved

Her Worship the Mayor / Councillor Ion

That the report "Treasury Report to 30 November 2023" be received.

6 Insurance Policies for 2023 / 24 (Group Manager, Finance and Corporate Services) (201000)

The Committee received a report for Insurance Policies for 2023 / 24

Resolved

Chair Jones / Her Worship the Mayor

1. *That the report "Insurance Policies 2023 / 24" be received.*

2. *That the Audit and Risk Committee concluded no more additional insurance(s) were needed.*

7 Financial Contributions Policy Review (Group Manager, Finance and Corporate Services) (110551)

The Committee received the report for the Financial Contributions Policy Review

Resolved

Her Worship the Mayor / Deputy Mayor Rangihika

1. *That the report "Financial Contributions Policy Review" be received.*

2. *That the Audit and Risk Committee made no further changes to the Financial Contributions Policy.*

8 **Review of Councils Investment Policy and Liability Management Policy (Group Manager, Finance and Corporate Services) (11551)**

The Committee received the report for the Review of Councils Investment Policy and Liability Management Policy.

Correction: Page 64 – Interest Rate Exposure – 4th Paragraph – Change to;

“The use of hedging instruments for interest rate risk management on Councils borrowing is not possible, as Council has insufficient debt levels to be using hedging instruments. Should hedging instruments be required, an ordinary resolution approving use of these instruments will be adopted by Council”.

Resolved

Councillor Ion / Chair Jones

1. *That the report “Review of Councils Investment Policy and Liability Management Policy” be received.*
2. *That the Audit and Risk Committee made no further changes to the Investment Policy and Liability Management Policy.*

Meeting closed 2.24pm

P Jones

Chairperson

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Meeting: Audit and Risk Committee

Meeting Date: 8 April 2024

Subject: **Health, Safety and Wellbeing Report for period – 1 February 2024 – 31 March 2024**

File No: 509500

1 **Purpose**

This report provides a summary of the activities Kawerau District Council undertakes to meet the requirements of the Health and Safety at Work Act 2015 and our efforts to ensure everyone goes home healthy and safe.

2 **Executive Summary**

The core systems and controls in place to manage Council's health, safety and wellbeing risks include:

- Ensuring Elected Members and all Council Staff are aware of their specific and general duties under current Health and safety legislation, through inductions and training.
- Development of a health and safety culture that encourages the identification, reporting and mitigation of new and existing health, safety and wellbeing risks, with ongoing risk monitoring and reviews.
- Dedicated Health and Safety Officer engaged to monitor compliance with health and safety legislation, driving continuous improvement and continual learning.
- Maintaining an effective Health and Safety Committee by engaging with staff, which enable participation and provides leadership, guidance and support across the organisation to better inform health and safety decisions and policies for Council staff, contractors and visitors.
- Implementation of health, safety, and wellbeing software (BWARE) to enable reporting, investigation and ongoing monitoring of identified risks.
- Provision of an employee assistance programme, a wellbeing service, policies and training for staff

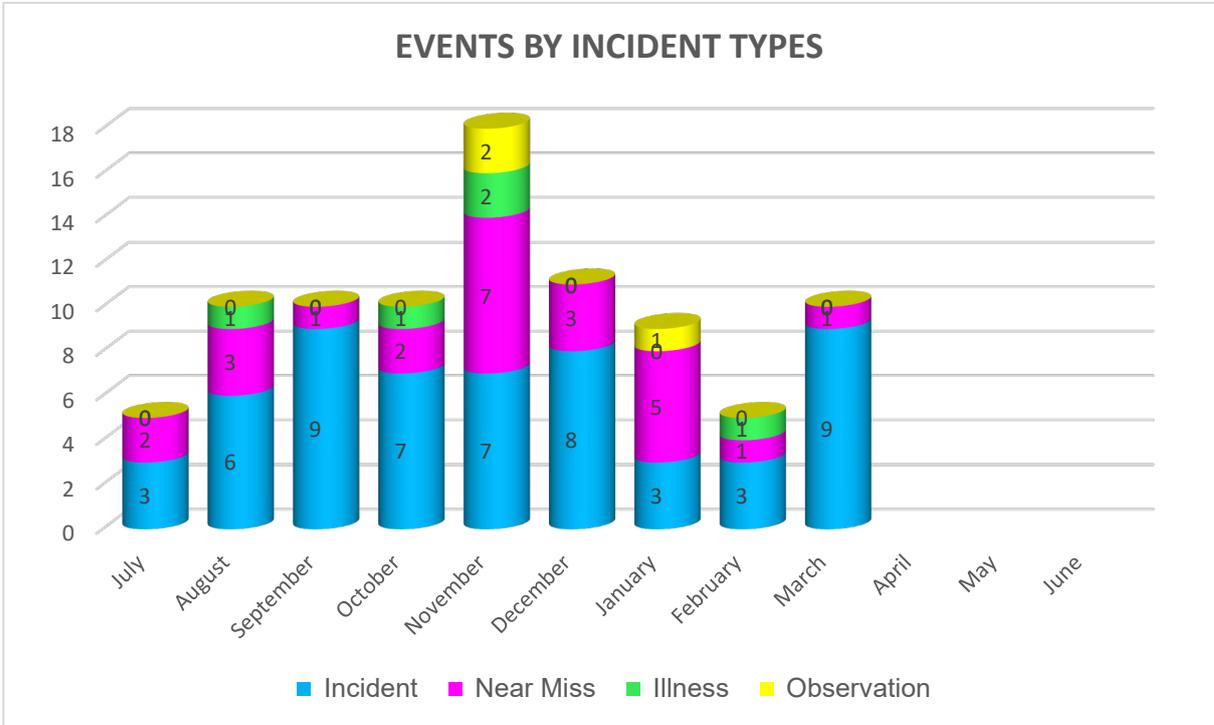
The key items which elected members should note from this report are:

- A total of 15 health and safety incidents reported for the period 1 February 2024 to 31 March 2024. Two further incidents were reported, however, related to operational matters rather than health and safety incidents, so have not been included in this report.
- No notifiable events occurred during this period.
- Overall, the majority of incidents reported this period, have been minor in nature. It is encouraging to see the reporting of all incidents (regardless how small) as this helps keep staff vigilant.

3 Incident and Injury Reporting

**Incidents for period – 1 February 2024 – 31 March 2024
(Brackets – Year to Date)**

Incidents 12 (55)	Near Miss 2 (25)	Illness 1 (5)	Observations 0 (3)
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Note:

- Illness is defined as a health condition or disease directly caused or significantly aggravated by factors in the workplace. These include breathing issues, heat exhaustion, dehydration, but not include covid-19 cases.
- Safety Violations (staff actions in breach of policy) are recorded as observations.
- Two incidents reported in BWARE have not been included in this report as they are operational matters as opposed to health and safety related incidents. (Finding discarded alcohol/bong, Cellphone dropping out of mower)

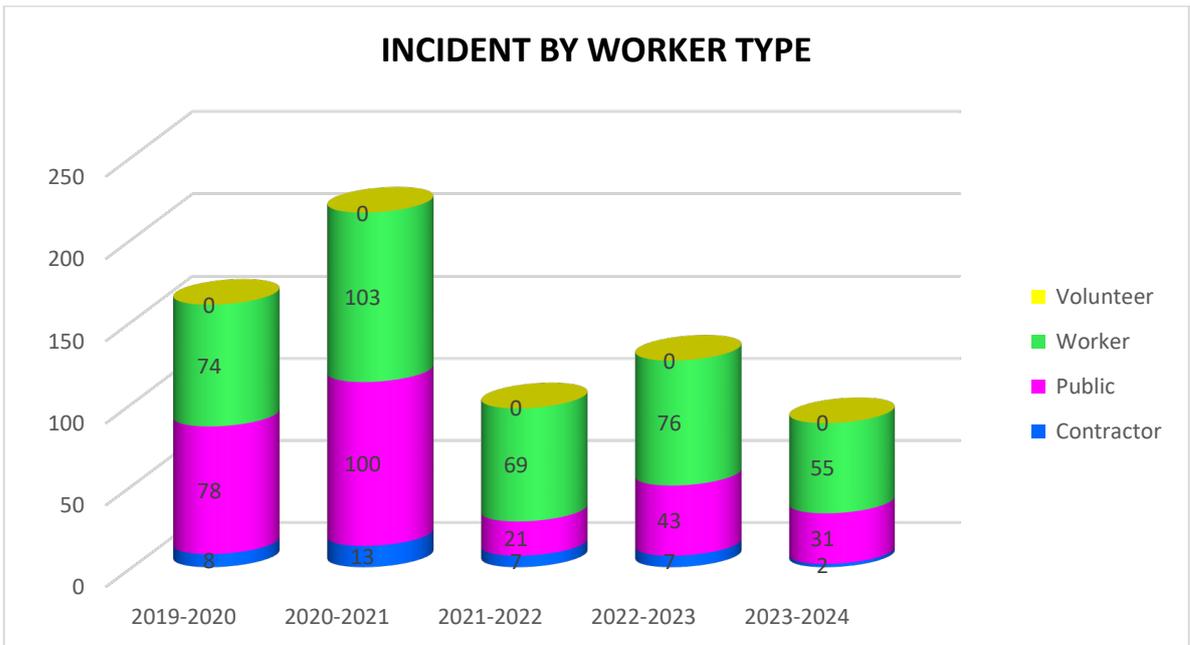
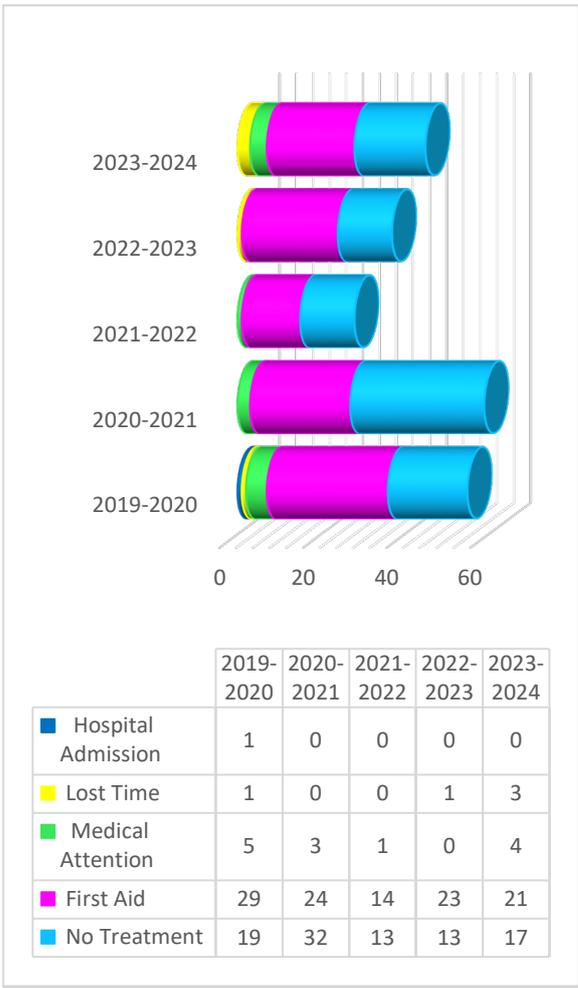
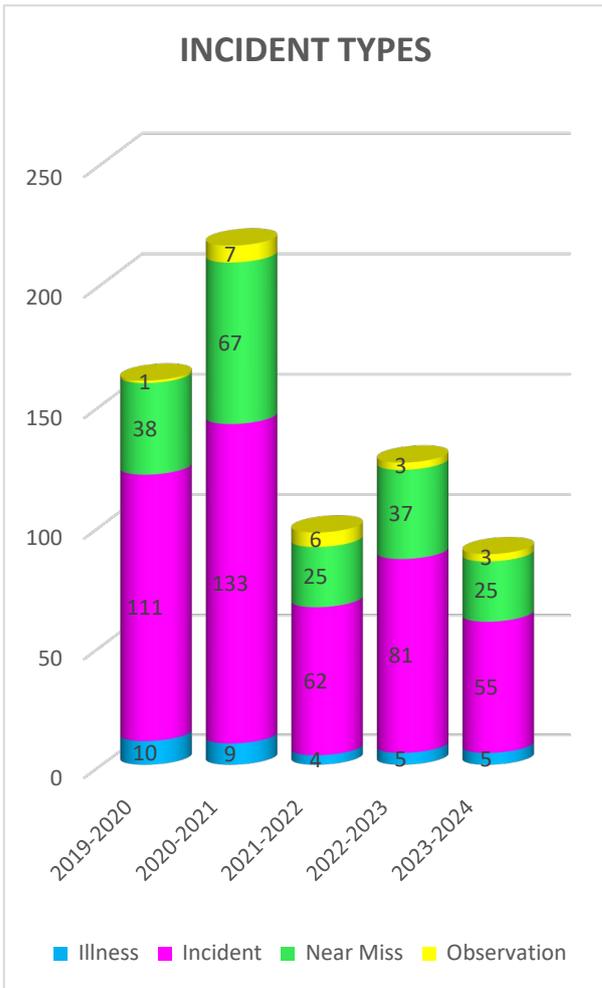
**Incidents Risk Type and Treatment for Period
1 February 2024 – 31 March 2024**

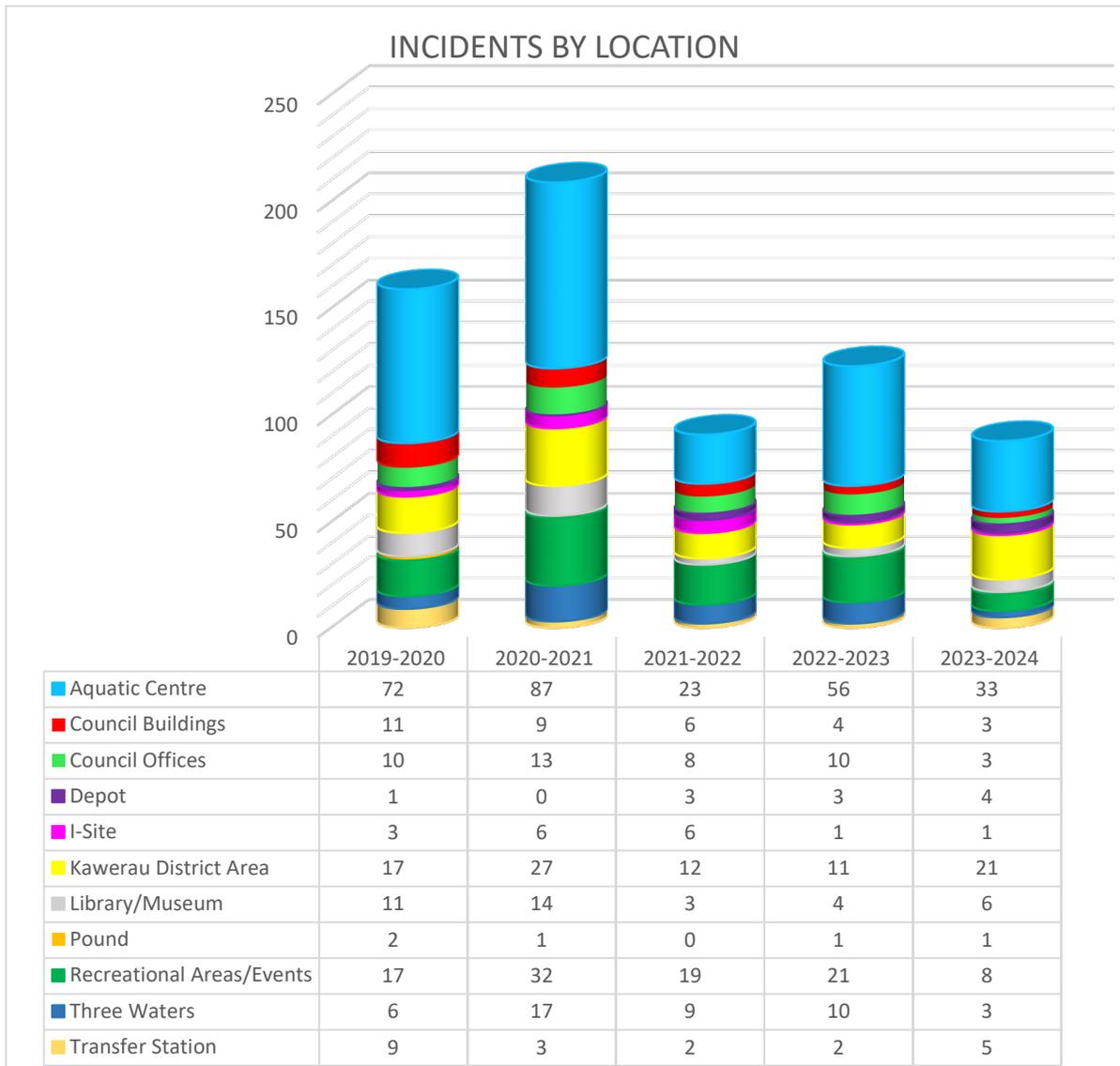
Events by Critical Risk	
Public/People/ Customers	3
Stress	1
Slips, Trips and Falls	2
Lone Working	1
Manual Handling	3
Other *	5

Outcome of Incidents	
No Treatment	10
First Aid	2
Medical Treatment	2
Lost Time	0
Hospital	0
*Does not include Near Misses	
Investigations Required	
Formal Investigation	0
Work Safe Investigation	0

* Other – Water lateral strike, Strained knee, Chemical spill, Heat exhaustion, Weed eating without traffic barrier

Incidents and Treatment Comparisons





**Potentially Critical Events/Critical Events
1 February 2024 – 31 March 2024**

Event	Critical Risk	Potential Consequence	Actual Consequence	Controls and Status
Loading tree branches onto ute – Smashed rear window with branch – no injury	Manual Handling	High	Medium	<ul style="list-style-type: none"> Manual Handling Policy Operator training/care Staff reminded to be careful when throwing equipment onto vehicle. Vehicle cleaned to avoid further incident with broken glass.
Customer refused to listen to instruction of life guard – became verbally aggressive – trespassed	Violence, Aggression and/or Assault	High	Low	<ul style="list-style-type: none"> Customer Conflict Training Dealing with Abusive Customers Process Police called to deal with customer. Process discussed with staff. Team Leader followed up on staff wellbeing.

Chemical spill – minor leak – no injury		High	Low	<ul style="list-style-type: none"> • Chemical Handling Training • Safety Data Sheets Available • PPE and Chemical spill kits available Leak repaired, staff took appropriate steps to clean and prevent further harm.
Aggressive dog owner prevented staff from accessing pound – dog removed from vehicle – no injury	Lone Working	High	Low	<ul style="list-style-type: none"> • Customer Conflict Training • Dealing with Abusive Customers Process Discussion with staff and team members around options of how to handle situation. Letter sent to customer advising behaviour was inappropriate and infringement issued for dog offence. Team Leader followed up on staff wellbeing.
Child walking down stairs in roller blades – no injury	Slips, Trips and Falls on the same level	High	Low	Children to be supervised by parents/family during private hires at Council facilities.
Hit head on valve – Cut and bruising to head – First Aid and Medical Treatment (phone only) sought	Manual Handling	High	Medium	<ul style="list-style-type: none"> • Manual Handling Policy Staff reminded to watch surroundings and head space. Team Leader followed up on staff wellbeing.
Child tripped on item being carried – Hit head on door – no injury	Slips, Trips and Falls on the same level	High	Low	Staff offered a cold compress. Continue to report incident and monitor children's activity.

KEY:	
High	Potential or actual consequence which is serious in nature and could cause medium to long term loss of time (over a week), hospitalisation or significant damage to property
Medium	Potential or actual consequence which is moderate in nature and could cause short term loss of time (under a week), medical treatment, or damage to property.
Low	Potential or actual consequence which is minor in nature resulting in no loss of time, no medical treatment (first aid only) and minimal damage to property.

4 Health, Safety and Wellbeing Risk Related Activities

Health, Safety and Wellbeing Related Activities		
Risk	Key Activity	Planned Activity
General Health and Safety Risk Management Programme	<ul style="list-style-type: none"> • BWARE went live on 1 July 2023 and work has been ongoing to ensure all data is included into the system and reviewed. • BWARE forms now available <ul style="list-style-type: none"> - Contractor Site Monitoring - Checklists (accessible in the field) - Health and Safety Staff Inductions - Risk Assessments - Vehicle Inspections • New Staff Health and Safety Induction – (2) • Dog Pound Safety Induction – (1) • District Office Safety Induction (2) • Depot Safety Induction (1) • Pump House Safety Induction (2) • Monthly meeting ongoing – fully staffed • Review top 5 critical risks underway, with the idea of extending to the top 10. • Safe Driving Policy updated to incorporate a preference for reversing into carparks where appropriate. 	<ul style="list-style-type: none"> • Arrange for a SafePlus audit (a performance improvement initiative) to be completed late 2023. This audit will help identify areas of weakness and provide ideas for ongoing improvement. • Review top 5 critical risks, with the idea of extending to the top 10 – 5 top risks from all areas identified, now working through the final stages with the Health and Safety Committee to set the top risks for our organisation. • Health and Safety Awards being prepared with date for event to be set in early May. • Re-establish Wellbeing Committee
Contractor Management	<ul style="list-style-type: none"> • One contractor audit completed -<u>Drain Laying Contractor</u> – Site inspection completed. Sub-contractor undertaking works at the time. No job safety analysis form available at the time, although pre start form was available. 	<ul style="list-style-type: none"> • Contractor audits to be completed monthly, with two set for April, due to delay in March's Audit.

	<p>Excavated soil was not banded and could be washed over the footpath in heavy rain. Safety gates laid over excavation rather than perimeter fences being used. One excavation difficult for mobility scooters to get around. Improvements identified and discussed with contractors.</p> <ul style="list-style-type: none"> • A further contractor audit was booked with the same contractor for 28 March, however they were not available that day and audit to be rescheduled. 	
<p>Training</p>	<ul style="list-style-type: none"> • First Aid Training – (2) • Manual Handling - (2) • Health and Safety (Rep) Initial Training Standard 29315 – (1) • Confined Spaces & Gas Detection (2) • Breathing Apparatus Training (2) • Loader Operator/Verify Me – Safe Kiwi Passport - (6) 	<ul style="list-style-type: none"> • Organise Dangerous Dog Training for Outdoors Staff. Deferred to next financial year.
<p>Policy Reviews</p>	<ul style="list-style-type: none"> • Volunteer Worker Policy – Reviewed and currently with the Leadership Team to be approved. • Drug and Alcohol Policy – Reviewed and Updated, now with the Leadership Team to be approved • Workplace Stress & Fatigue Policy – Rewritten to modernise and incorporate staff wellbeing. Now with the Leadership Team to be approved. 	<ul style="list-style-type: none"> • Review KDC Property Spray Plan • Sun Protection Policy – Draft has been developed, for consideration of the Leadership Team before consultation with staff.

		<ul style="list-style-type: none"> Emergency Response Team – Amendments requested from Leadership Team have been incorporated. To be reviewed by the Leadership Team. 	<ul style="list-style-type: none"> Sun Risk – Policy developed to provide standard requirements for staff – this is yet to be reviewed and approved by the Health & Safety Committee and Leadership Team. 	<ul style="list-style-type: none"> Sun Policy – Introduction of new policy to Health and Safety Committed and Leadership Team. 	
Risk Reviews					
Risk	Potential Score			Planned Activity	Desired Risk level outcome (as per risk matrix)
Sun Risk	High		<ul style="list-style-type: none"> Continued provision of sunscreen and protective clothing to those working outdoors. 	<ul style="list-style-type: none"> Review Draft Policy – Leadership Team and Staff Ensure availability of sun protection equipment for staff working outdoors. 	Low

5 Health and Wellbeing

Health and Wellbeing

Emergency Readiness

Automatic External Defibrillators (AED's) available at Aquatic Centre and District Office
Emergency Response Team being developed and trained

General Health

Skin checks completed for this year with 15 staff taking up opportunity.
Influenza Vaccination will be offered once available in April

Wellbeing initiatives

Employment assistance programme provide by Vitae.
My Everyday Wellbeing web platform available to staff and their families.

Health Monitoring

Ongoing random drug testing and pre-employment drug testing

6 RECOMMENDATION

That the report "Health, Safety and Wellbeing Report for period - 1 February 2024 – 31 March 2024" be received.

Michaela Glaspey

Group Manager Regulatory and Planning

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Meeting: Audit and Risk Committee

Meeting Date: 8 April 2024

Subject: **Treasury Report to 31 December 2023 and to 31 January 2024**

File No: 110551

1 **Purpose**

The purpose of this report is to inform members of the funds held by Council as at 31 December 2023 and 31 January 2024 and provide explanations for any significant variances from the previous year.

2 **Background**

This report was presented to the Regulatory and Services Committee on 13 March 2024, and shows the funds currently held and the banks where those funds are invested. All investments were made in accordance with Council's Investment Policy.

Council's investment policy allows up to 50% of total funds to be invested with any one bank but up to a limit of \$1.5 million. The exception is Council's principal bank where funds can exceed 50% and/or \$1.5 million.

Council currently has reduced surplus funds than in previous years making it more difficult to spread investments, but it is still required to act prudently.

Council raised a loan of \$2.0 million in December 2022, which was used to fund the water reticulation renewal project. The interest rate for this loan is 5.75% (fixed) and the maturity date is April 2025. On the 26th of October 2023 the next \$2.0m loan for the water reticulation project was uplifted, with a fixed interest rate of 6.5% with the same maturity date of April 2025.

Staff recommended a relatively short-term loan due to the increasing interest rates and the uncertainty around the 3 waters and other reforms that are currently being undertaken.

3 **Funds Held**

The following table shows Council's reserve and general funds balances as at 31 December 2023:

	December 2023	December 2022
Reserve Funds		
Depreciation Funds*	\$4,479,326	\$2,805,185
Total Special Funds	\$4,479,326	\$2,805,185
General Funds	(\$261,768)	\$258,344
Total – comprising cash & internal loans	\$4,217,588	\$3,063,529

* This includes loan funds uplifted.

The following funds were held at 31 December 2023:

Invested in	\$	Interest Rate	% External
ANZ – on call	731	3.19%	0.02%
BNZ – current & on-call	2,612,512	2.75%	99.10%
Rabobank (on-call)	23,105	4.25%	0.88%
Total Funds (Cash)	2,636,348		100.0%
Internal Loans	1,581,210		
Total Investments	4,217,558		

The following table shows Council's reserve and general funds balances as at 31 January 2024:

	January 2024	January 2023
Reserve Balances		
Depreciation Reserve Funds*	\$4,247,867	\$4,296,780
Total Reserve Balances	\$4,247,867	\$4,296,780
General Funds	(\$877,437)	(\$561,420)
Total (comprising funds & internal loans)	\$3,370,430	\$3,735,360

* This includes loan funds uplifted.

The following funds were held at 31 January 2024:

Invested in	\$	Interest Rate	% External
ANZ – on call	731	3.19%	0.04%
BNZ – current & on-call	1,770,791	2.75%	98.66%
Rabobank (on-call)	23,272	4.25%	1.30%
Total Funds (Cash)	1,794,794		100.0%
Internal Loans	1,575,636		
Total Investments	3,370,430		

The figures show that overall Council has reduced funds of \$364,930 at the end of January when compared to the same time last year, however Council now has total loan debts of \$4 million as at 31 January 2024 (\$2 million at 31 January 2023), due to the funding of water asset renewals.

Overall Council's cashflows for the last year have continued to be lower than previous years, as Council has short term cash funds invested in the Central Cove sections, Porritt Glade units and the Bell Street Duplex's that will become realised cash funds once they are sold or have occupation agreements settled.

4 RECOMMENDATION

That the report "Treasury Report to 31 December 2023 and 31 January 2024" be received.

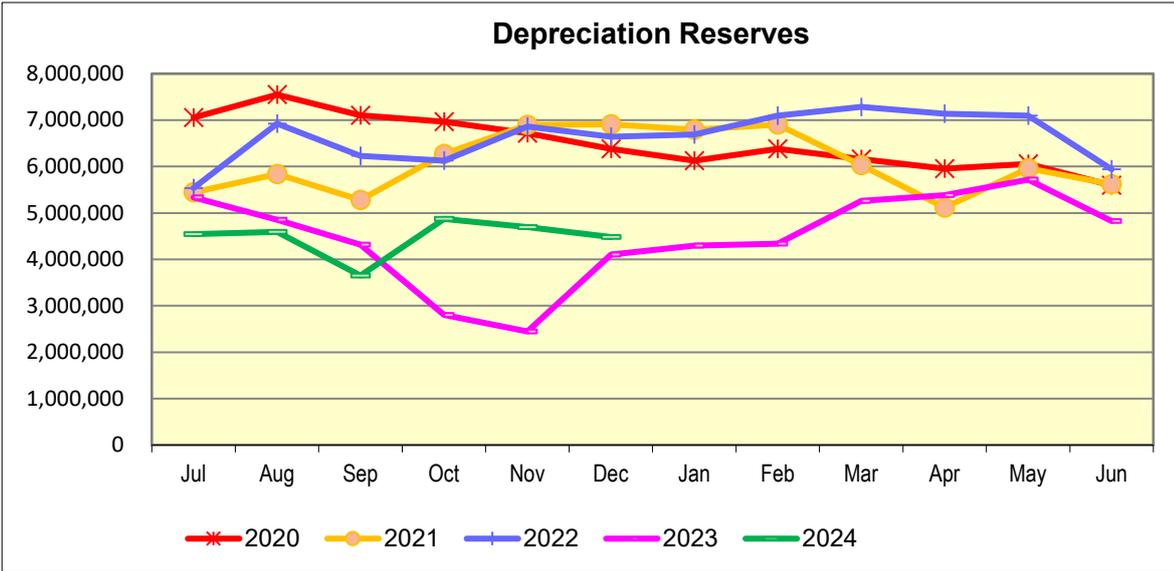


Lee-Anne Butler, CA, BMS

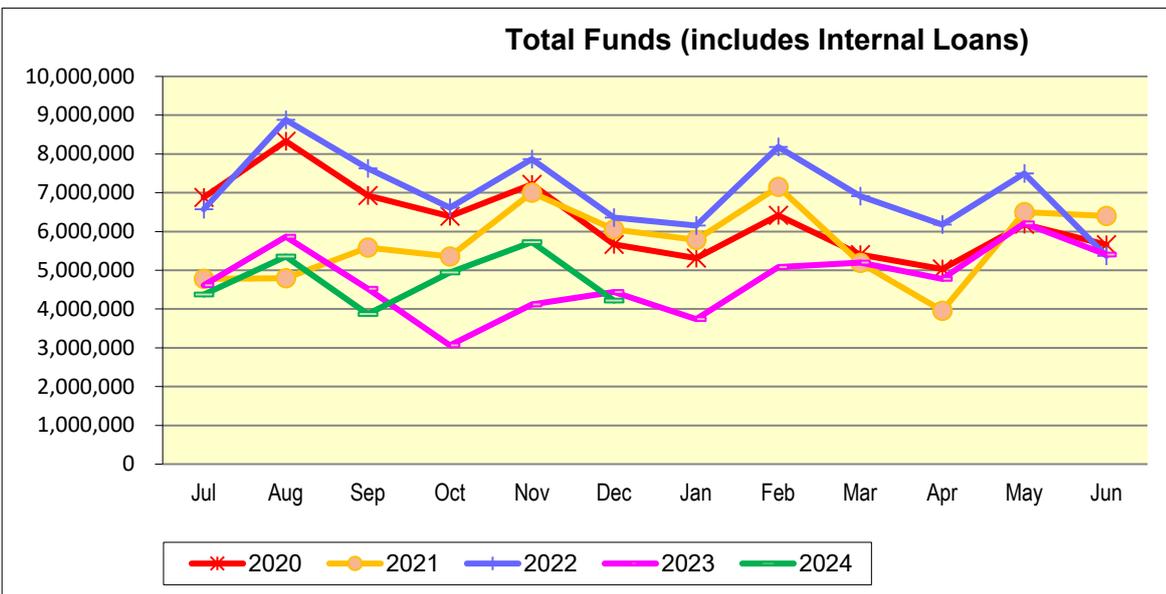
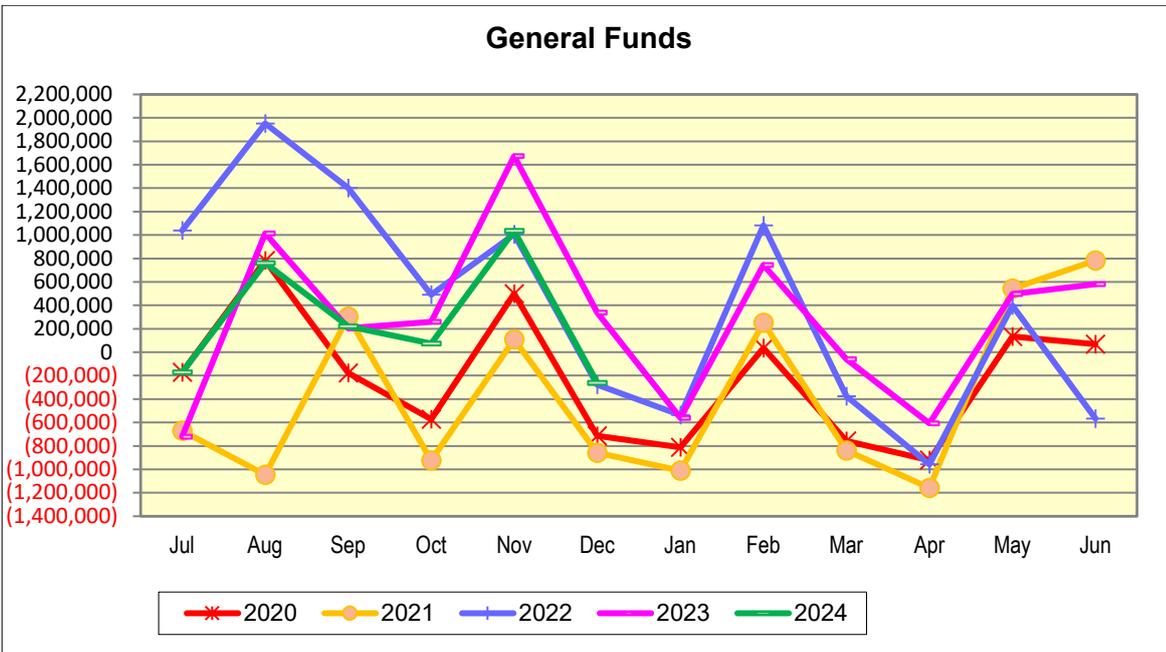
Group Manager, Finance & Corporate Services

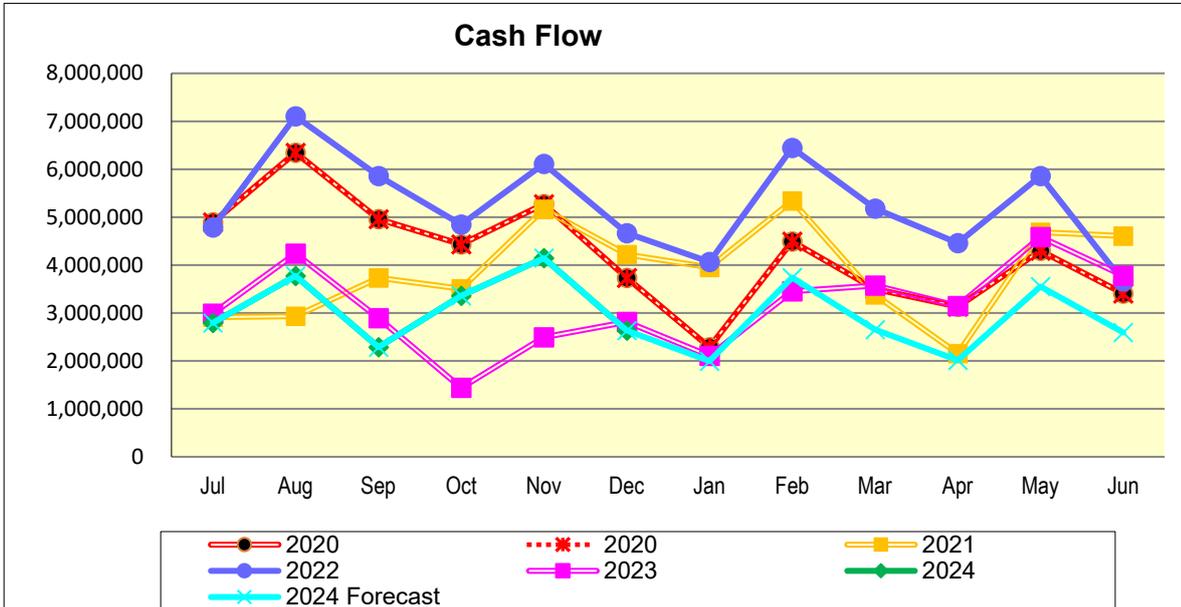
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**Appendix
Financial Data - December 2023**



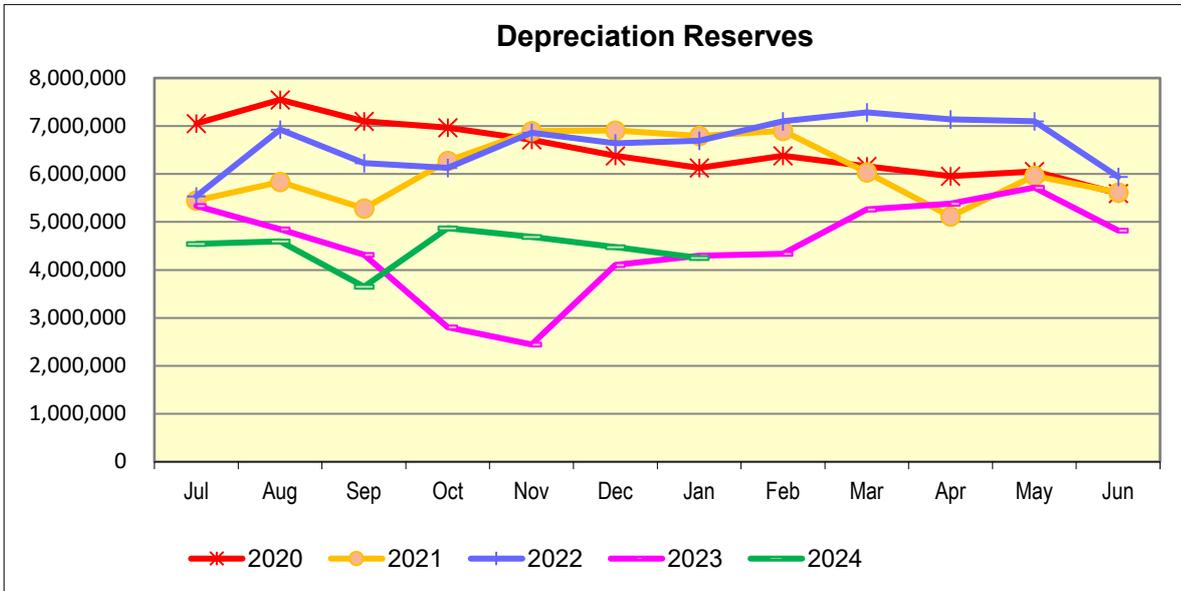
The depreciation reserves funds above includes the loan funding Council has uplifted.



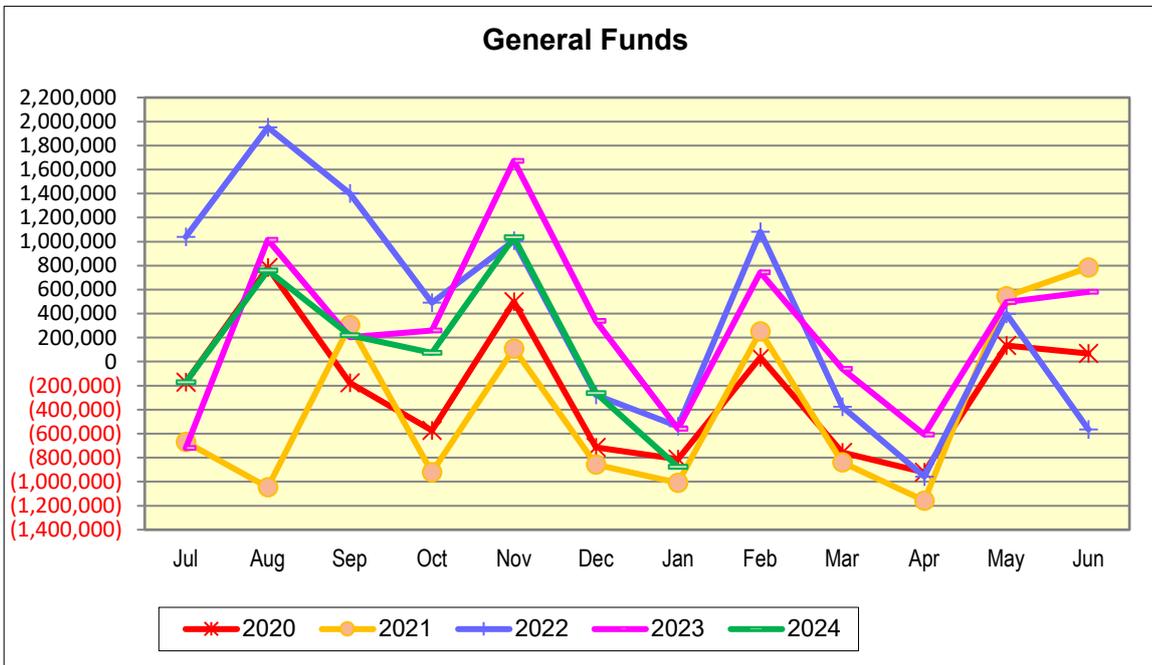


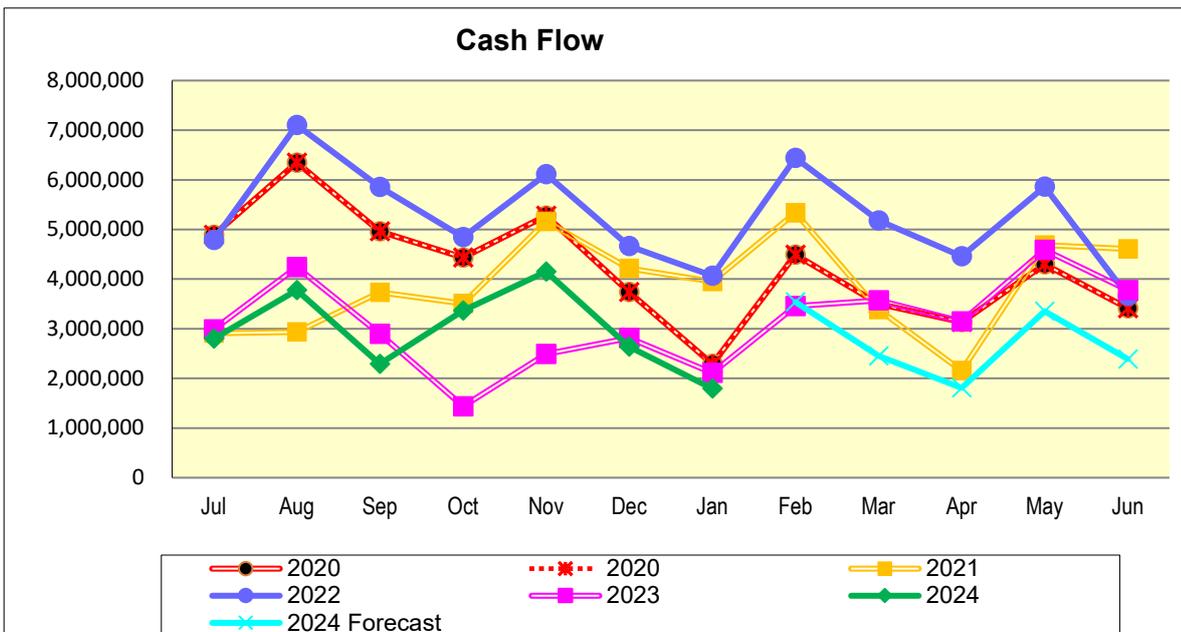
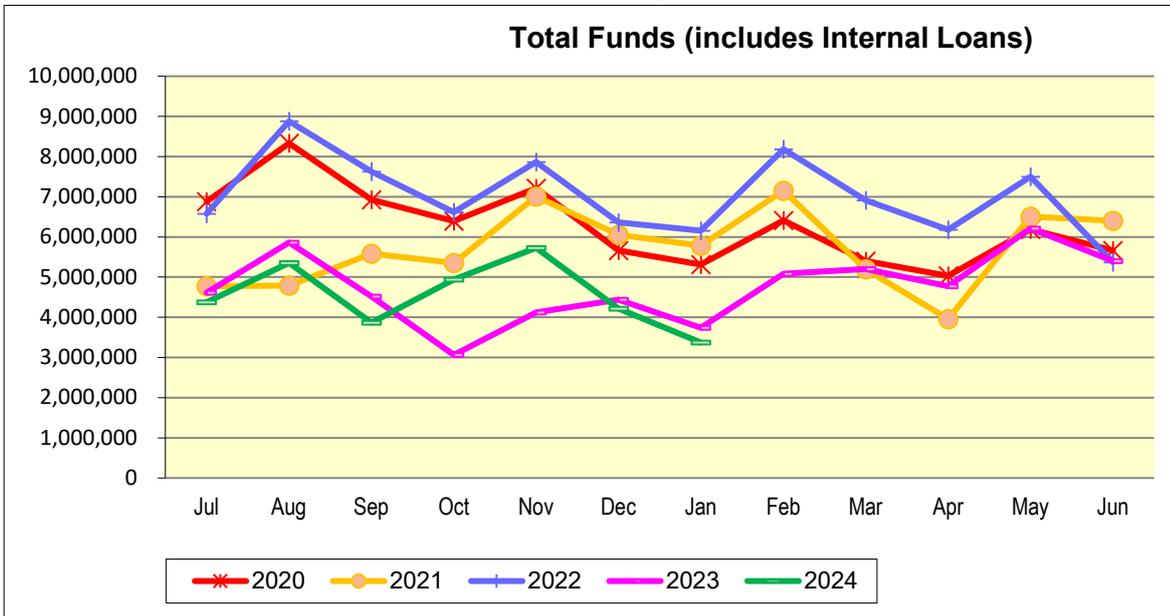
Please note that the 2023 actual cashflow is the same as the forecast cashflow for months year to date.

Financial Data - January 2024



The depreciation reserves funds above includes the loan funding Council has uplifted.





Please note that the 2023 actual cashflow is the same as the forecast cashflow for months year to date.

Meeting: Audit and Risk Committee

Meeting Date: 8 April 2024

Subject: **Treasury Report to 29 February 2024**

File No: 110551

1 **Purpose**

The purpose of this report is to inform members of the funds held by Council as at 29 February 2024 and provide explanations for any significant variances from the previous year.

2 **Background**

This report was presented to the Regulatory and Services Committee on 13 March 2024, and shows the funds currently held and the banks where those funds are invested.

All investments were made in accordance with Council's Investment Policy.

Council's investment policy allows up to 50% of total funds to be invested with any one bank but up to a limit of \$1.5 million. The exception is Council's principal bank where funds can exceed 50% and/or \$1.5 million.

Council currently has reduced surplus funds than in previous years making it more difficult to spread investments, but it is still required to act prudently.

Council raised a loan of \$2.0 million in December 2022, which was used to fund the water reticulation renewal project. The interest rate for this loan is 5.75% (fixed) and the maturity date is April 2025. On the 26th of October 2023, the next \$2.0m loan for the water reticulation project was uplifted, with a fixed interest rate of 6.5% with the same maturity date of April 2025.

Staff recommended a relatively short-term loan due to the increasing interest rates and the uncertainty around the Three Waters and other reforms that are currently being undertaken.

3 **Funds Held**

The following table shows Council's reserve and general funds balances as at 29 February 2024:

	February 2024	February 2023
Reserve Funds		
Depreciation Funds*	\$4,435,336	\$4,335,774
Total Special Funds	\$4,435,336	\$4,335,774
General Funds	\$864,880	\$742,953
Total – comprising cash & internal loans	\$5,300,216	\$5,078,727

* This includes loan funds uplifted.

The figures show that overall Council has \$221,489 additional funds at the end of February than this time last year, however the February 2024 balance includes the additional \$2m loan funds that Council uplifted on the 26th of October 2023 to pay for the water asset renewals.

Overall Council's cashflows for the last year have continued to be lower than previous years, as Council has short term cash funds invested in the Central Cove sections and Porritt Glade units that will become realised cash funds once they are sold and have occupation agreements, respectively.

The following funds were held at 29 February 2024:

Invested in	\$	Mean Interest	% External
ANZ – on call	731	0.9%	0.02%
BNZ – current & on-call	3,709,435	3.0%	99.36%
Rabobank (on-call)	23,272	4.3%	0.62%
Total Funds (Cash)	3,733,438		100.0%
Internal Loans	1,566,778		
Total Investments	5,300,216		

4 RECOMMENDATION

That the report "Treasury Report to 29 February 2024" be received.

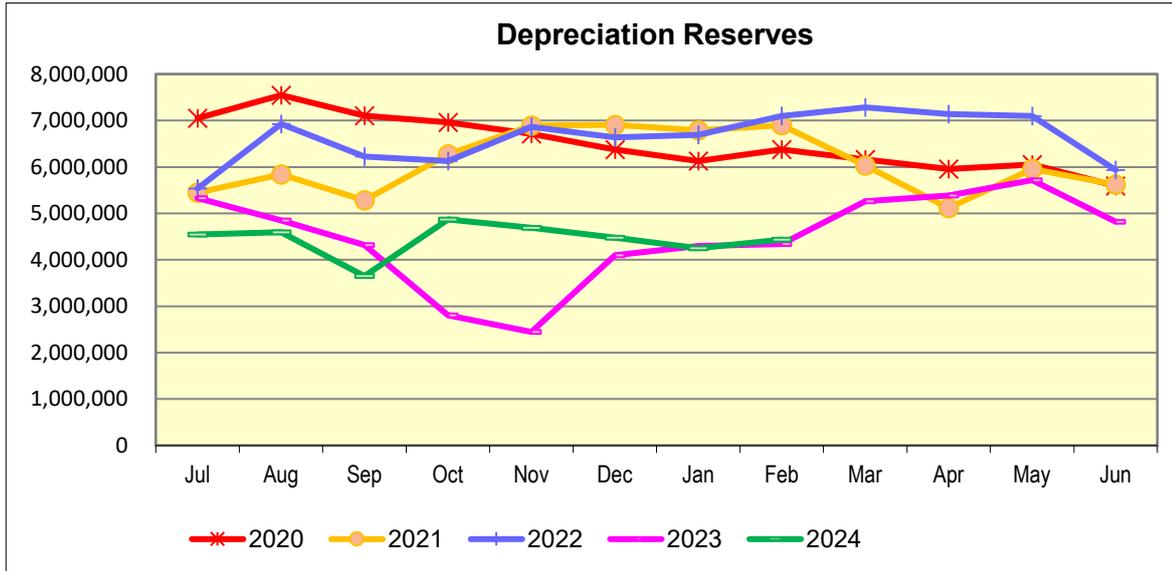


Lee-Anne Butler, CA, BMS

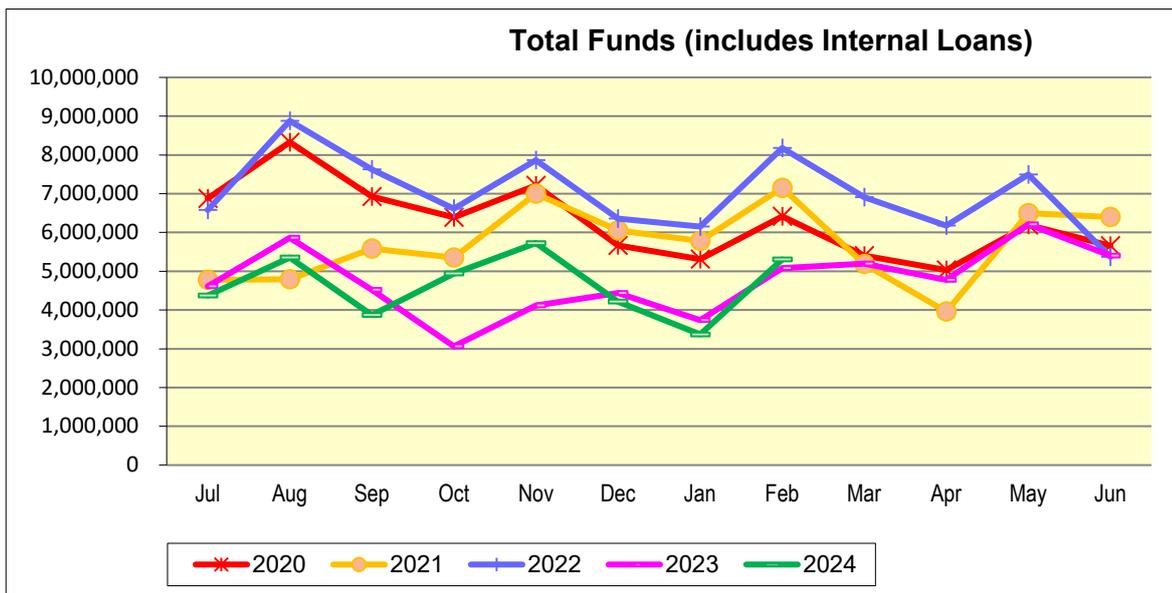
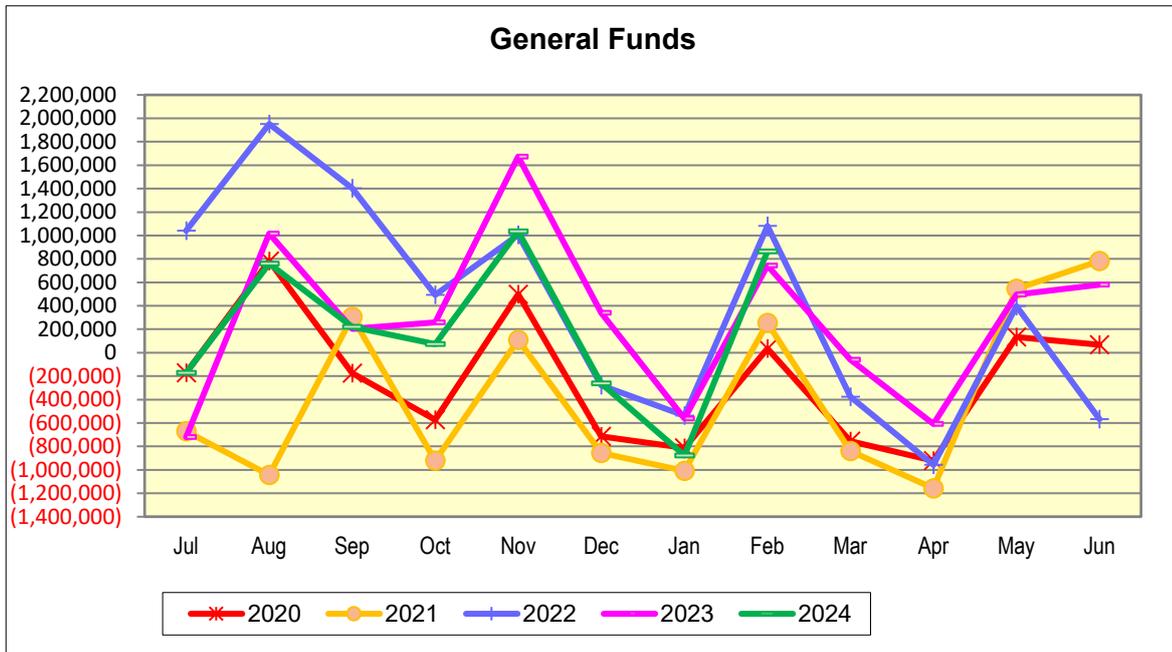
Group Manager, Finance & Corporate Services

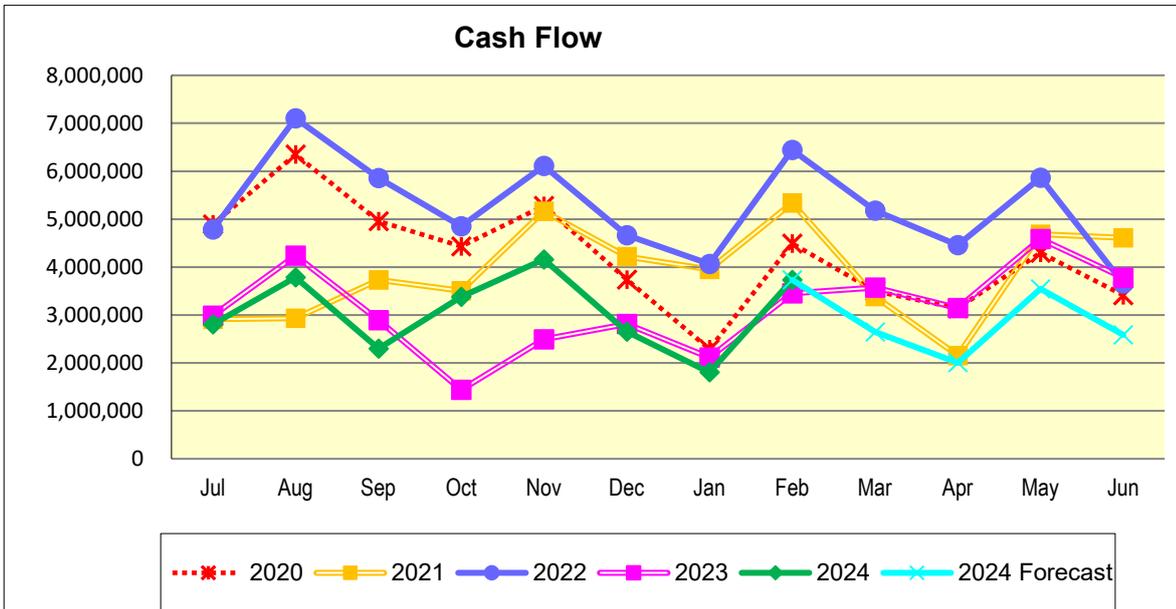
Appendix

February 2024 – Financial Data



The depreciation reserves funds above includes the loan funding Council has uplifted.





Please note that the 2023/24 actual cashflow is the same as the forecast cashflow for months year to date.

Meeting: Audit and Risk Committee

Meeting Date: 8 April 2024

Subject: Annual Plan Performance for the six months ended 31 December 2023

File No.: 110400

1 Purpose

The purpose of this report is to review and compare Council's actual financial and non-financial performance for the six months to 31 December 2023 with the Annual Plan for 2023/24.

Comments are provided where expenditure/revenue is likely to vary from budget, or the performance target is unlikely to be achieved for the year.

2 Financial Performance

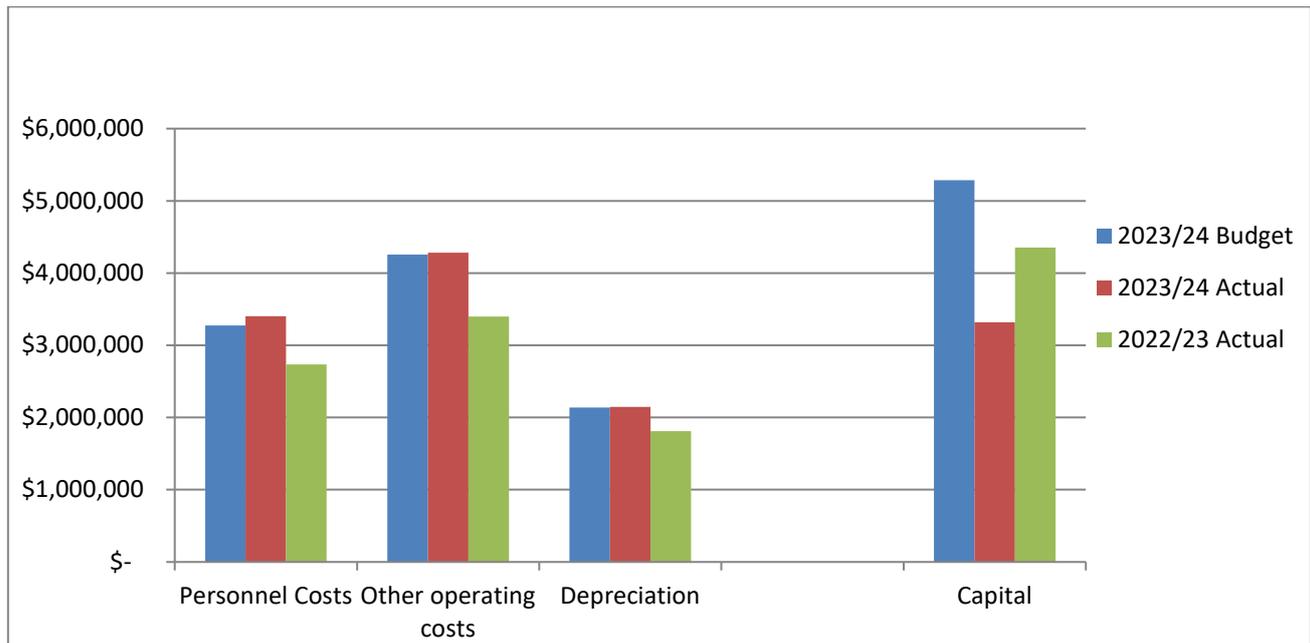
2.1 Statement of Comprehensive Revenue and Expense

The following table shows Council's financial performance for the six months compared to the adopted annual budget. The capital budget for 2023/24 has been amended to include the carried forward figures as well as any budget amendments approved by Council. NB: There will be timing differences for some revenue and expenditure.

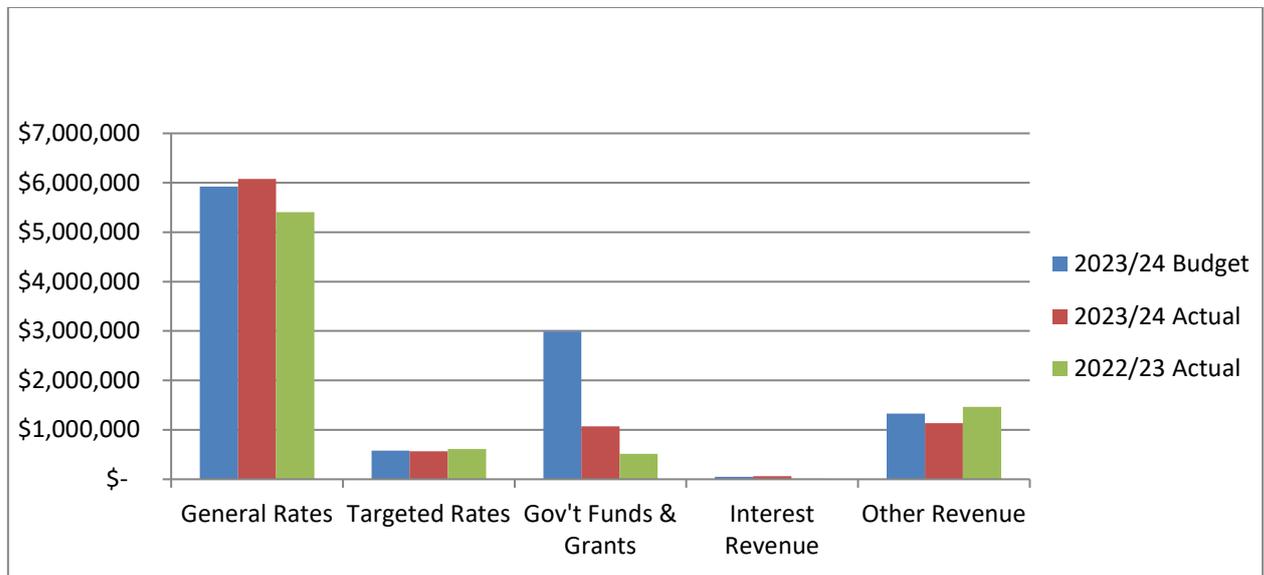
	Adopted Budget	Actual 31-12-2023	Comments
Revenue:	\$	\$	
Rates	12,938,210	6,616,778	
Subsidies and Grants	5,596,530	1,067,953	Includes Stoneham Park Grant \$4.5m
Interest Revenue	97,530	60,359	
Fees and Charges	2,802,160	1,108,212	
Other Revenue	65,000	26,496	Petrol Tax
Total Revenue	21,499,430	8,879,798	
Expenditure:			
Personnel Costs	6,579,380	3,401,591	
Depreciation	3,973,210	2,145,993	
Finance Costs	177,500	66,529	
Other Expenses	11,553,390	4,217,500	Includes Stoneham Park costs \$4.5m
Total Expenditure	22,283,480	9,831,613	
Surplus (Deficit)	(784,050)	(951,815)	
	Revised Budget	Actual 31-12-2023	
Capital Expenditure	10,734,953	3,320,263	

Council's expenditure and revenue for the year to date are shown in the graphs below, compared to the budget and expenditure/revenue for last year 2022/23.

Expenditure to 31 December 2023



Revenue to 31 December 2023



* The majority of Government Funds & Grants relates to Stoneham Park funding, which is received once expenditure is incurred.

2.2 Statement of Financial Position

The following table shows Council's financial position at 31 December 2023 compared to the budget.

The financial position does not include all the accruals for receivables and payables.

	Budget @ 30/6/2024	Actual at 31/12/2023	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$4,225,340	\$2,248,757	
Receivables	\$2,413,360	\$1,735,997	
Inventories	\$417,910	\$1,946,397	Includes sections
Non-current assets:			
Property, plant and equipment	\$114,957,740	\$110,657,016	
Intangible assets	\$85,500	\$99,379	
Other financial assets	\$36,250	\$136,252	
Total Assets	\$122,136,100	\$116,823,798	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$4,272,580	\$2,480,695	
Resident's Liability	0	\$7,609,752	*Porritt Glade
Borrowing	\$2,000,000	\$4,000,000	
Non-current liabilities:			
Provisions & employee benefits	\$241,410	\$61,678	
Borrowing	\$2,000,000	0	
Residents Liability & Deferred Revenue	\$8,380,490	\$142,857	*Budget is Porritt Glade Liability
Total Liabilities	\$16,894,480	\$14,294,982	
Ratepayers Equity	\$105,241,620	\$102,528,816	
Total liabilities & ratepayers equity	\$122,136,100	\$116,823,798	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$1,530,744 in Council's cash position.

	Budget @ 30/6/2024	Actual at 31/12/2023	Comments
Cashflow from operating activities:			
Rates	\$12,261,580	\$6,523,520	
Subsidies & Grants	\$5,596,530	\$1,347,871	
Fees & Charges & Other Revenue	\$2,867,160	\$956,631	
Interest Received	\$97,530	\$60,359	
Payments to suppliers and employees	\$(16,654,010)	\$(8,357,502)	
Interest paid on debt	\$(177,500)	\$(66,529)	
Net cashflow from Operations	\$3,991,290	\$464,350	
Net cashflow from investing:			
Disposal of Assets/Contributions ORA	\$0	\$0	
Property, Plant & Equipment/ Inventory/Purchase Investments	\$(6,727,700)	\$(3,995,094)	
Net cashflow from investing:	\$(6,727,700)	\$(3,995,094)	
Net cashflow from financing:			
Loans raised	2,000,000	\$2,000,000	
Debt repayment	\$(16,500)	\$0	
Net cashflow from financing	\$1,983,500	\$2,000,000	
Total Net cash inflow/(outflow)	\$(752,910)	\$(1,530,744)	
Opening balance (1/7)	\$4,978,250	\$3,779,501	
Closing cash balance	\$4,225,340	\$2,248,757	

3 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and actual capital expenditure for the first six months to 31 December 2023.

Activity	2023/24 Budget	Actual at 31 Dec 2023	Comments
Economic & Community Development	\$61,800	\$869	
Environmental Services	\$600,000	\$0	New Dog Pound
Roading	\$1,384,500	\$193,984	
Stormwater	\$380,000	\$66,409	
Water Supply	\$3,772,600	\$565,830	Pipe renewals
Wastewater	\$2,278,600	\$893,964	WW pipe renewals
Solid Waste	\$30,000	\$6,291	
Leisure & Recreation	\$1,733,650	\$1,245,038	Rangi Delamere Pavilion
Plant, Depot and Office	\$493,800	\$347,878	New plant/vehicles, PCs & office building renewals
Total	\$10,734,950	\$3,320,263	

4 Non-Financial Performance

The following is a summary of the non-financial targets performance to date:

Activity	2023/24 No. of Targets	On Target to Achieve 2023/24	2022/23 Achievement Rate
Democracy	3	2	33%
Economic & Community Development	5	5	80%
Environmental Services (excludes N/As)	11	8	64%
Roading (including Footpaths)	7	3	57%
Stormwater	3	3	100%
Water Supply	13	13	83%
Wastewater	7	7	43%
Solid Waste Management	2	2	50%
Leisure and Recreation	13	11	58%
TOTAL	64	54	65%

5 RECOMMENDATION

That the report "Annual Plan Performance for the year ended 31 December 2023" be received.



Lee-Anne Butler, CA, BMS

Group Manager Finance & Corporate Services

Meeting: Audit and Risk Committee
Meeting Date: 8 April 2024
Subject: **Audit and Risk Review Timetable for 2024**
File No: 101300

1 **Purpose**

The purpose of this report is to inform the members of the proposed timetable for the review of key risk and financial policies and performance for the Audit and Risk Committee for 2024.

2 **Background**

Council has appointed an Audit and Risk Committee to overview Council's finances and risks, and to make sure that adequate controls are in place to ensure that the community's assets are safe. Most Councils have an Audit and Risk committee to undertake these functions. This Council first established its Audit and Risk Committee on 8 April 2015.

3 **Proposed Audit and Risk Review Timetable**

The Appendix to this report contains the proposed timetable for the review of risk management, financial policy review, as well as financial reporting and planning, for the 2024 scheduled meetings.

There may be other areas that the committee would like to be reviewed which can be added to the schedule. Should there be additional policies or reviews that need to be presented to the Committee that arise throughout the year, these extra reports will be completed when required.

4 **RECOMMENDATION**

That the report "Audit and Risk Review Timetable for 2024" be received.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

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Appendix

Audit & Risk Committee Meetings and Task Schedule

Topic	Tasks	13 February 2024	8 April 2024	10 June 2024	5 August 2024	7 October 2024	9 December 2024
Risk management	Insurance renewal plan	Report on current Council insurance policies				Provide insurance renewal proposals	
	Health and safety policy and reporting requirements	Reports (monthly) monitoring Council's Health and Safety systems throughout the year					
	Review/update Risk Policy, Risk Register and Risk Framework			Review/update on IT Risks	Review/update risk framework, register and policy	Undertake further reviews as required in line with best practice	
Policy Review	Identification of risks and mitigations for significant projects				Residential Developments – Risks identified and mitigations/controls	Identification of risks and mitigations associated with significant capital projects	
	Sensitive Expenditure Policy			Review/update policy for committee consideration			
	Procurement Policy (OAG guidelines)				Review/update policy for committee consideration		
	Other policies (Code of Conduct, Gifts Policy, Fraud Policy)		Update on Council By-Laws Proposed Timetable for Policy and tasks			Review/update Council's gift policy	

Topic	Tasks	13 February 2024	8 April 2024	10 June 2024	5 August 2024	7 October 2024	9 December 2024
	Investment and Liability Management Policies	Review/update policy for committee consideration					
	Treasury Reports	Reports (monthly) on Council's treasury position throughout the year along with the projected cashflow for the year					
Financial reporting and Annual Report	Quarterly financial and non-financial performance		Performance report to 31 December 2023	Performance report to 31 March 2024		Performance report to 30 June 2024	Performance report to 30 September 2024
	Audit Management Report						Final Audit Management Report 2023/24
	Prepare 2023/24 Annual Report			Timetable for Annual Report		Draft Annual Report	
Annual Plan/LTP amendments	Timetable for the preparation and adoption of AP/LTP amendments	Updated Long Term Plan timetable	Updated timetable for Annual Plan 2024/25		Long Term Plan timetable for 2025-2034		
Internal Audit	Review and consider provision of internal audit functions					Proposed internal audit programme for Council	
Asset Management Plans	On-going programme to improve the AMPS						Report programme/progress to update asset management plans in line with best practice for 2025-34 Long Term Plan

Meeting: Audit and Risk Committee
Meeting Date: 8 April 2024
Subject: Annual Plan 2024/25 Updated Timetable
File No: 110400

1 **Purpose**

The purpose of this report is to update the committee on the transitional option to prepare an Annual Plan for 2024/25 and provide a revised timetable for its completion.

2 **Background**

The Local Government Act 2002 requires Council to prepare a Long Term Plan at least every three years and an annual plan in the years in between. The 2024/25 rating year would have been year one of the new 2024-2034 Long Term Plan.

Council was scheduled to prepare and consult on the Long Term Plan for the 10 years from 2024–2034. However, due to the legislative change in February with the enactment of the Water Services Acts Repeal Act 2024, the Government has provided transitional options for Councils with regards to the preparation of the Long Term Plan due to the significant impact on water services.

The transitional options were presented to Council at the Extraordinary Council meeting on 20 March 2024 and Council resolved:

- That under clauses 48 and 49 of Schedule 1AA of the Local Government Act 2002 (inserted by the Water Services Acts Repeal Act 2024) to prepare and adopt:
 - An Annual Plan for 2024/25
 - An Annual Plan Consultation Document 2024/25
 - A nine year Long Term Plan 2025-2034.

The key considerations for Council, were the uncertainties without the new Local Water Done Well legislation in place and the impact this would have on Council's Three Waters and the potential of any further legislative changes as signalled by the Government.

With all the uncertainties, particularly on financial forecasts from 2026 onwards Council deemed it appropriate and prudent to complete an Annual Plan for 2024/25 which would include full consultation with the community. Council will then complete a Long Term Plan for the nine years from 2025 to 2034, when there is increased certainty regarding forecasting assumptions and any impacts on levels of service from the legislative changes.

Following the Long Term Plan 2025-2034, the next Long Term Plan would be completed in two years for 2027-2037, which will bring the Long Term Plan cycle back into the normal three yearly cycle.

3 **Proposed timetable**

At the Extraordinary meeting of Council on 20 March 2024, Council adopted the draft budget 2024/25 and proposed rates for inclusion in the preparation of the Annual Plan Consultation Document which is to be adopted by Council on 10 April 2024.

The appendix to this report contains the revised proposed timetable detailing the remaining work to be completed for the Annual Plan 2024/25. The community consultation process starts from 12 April to 14 May, with submission hearings on 22 May 2024. Council will adopt the Annual Plan 2024/25 and set the rates on 26 June 2024.

4 **RECOMMENDATION**

That the report "Annual Plan 2024/25 Timetable" be received.



Lee-Anne Butler, CA, BMS

Group Manager Finance and Corporate Services

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APPENDIX**Annual Plan 2024/25 Preparation Timetable**

Tasks	Person	Completion
Preparation of <ul style="list-style-type: none"> Budget 2024/25 Rates impact Annual Plan 2024/25 	GMFCS/FA	13 March 2024
Extraordinary Council meeting <ul style="list-style-type: none"> Council resolution to adopt Transitional Option to prepare an Annual Plan 2024/25 Proposed Budget for the Annual Plan 2024/25 	GMFCS	20 March 2024
Draft Annual Plan Consultation Document prepared for consideration and changes prior to adoption.	CEM/ GMFCS	27 March 2024
Extraordinary Council Meeting <ul style="list-style-type: none"> Adoption of Annual Plan 2024/25 Consultation Document for consultation 	Council	10 April 2024
Special Consultation Period: Newsletter/Website/Media/Public Meetings	CEO/CEM/GMFCS	12 April – 14 May 2024
Submissions Close		14 May 2024
Advise submitters wanting to speak	CEM/Admin Officer	16 May 2024
Hear and consider all submissions at Extra-ordinary Council Meeting.	Council	22 May 2024
Deliberate on all submissions for the Annual Plan and decide on any Annual Plan amendments	Council	29 May 2024
Implement any Annual Plan amendments & prepare rates	GMFCS/FA	18 June 2024
Obtain legal opinion concerning FIS and rates resolution	GMFCS	18 June 2024
Adopt of: <ul style="list-style-type: none"> Fees and Charges Rates Remission Policy Balanced Budget Requirement 2024/25 Annual Plan 2024/25 Setting of Rates for 2024/25 	Council	26 June 2024
Annual Plan on website	CEM/GMFCS	28 June 2024

GMFCS = Group Manager Finance and Corporate Services
CEM = Communications & Engagement Manager
GMRP = Group Manager Regulatory and Planning
FA = Financial Accountant

Meeting: Audit and Risk Committee

Meeting Date: 8 April 2024

Subject: Kawerau District Council Bylaw Reviews

File No: 320000

1 Purpose

The purpose of this report is to outline the requirements around Council Bylaws and to provide an update on the status of Council Bylaws and the steps being undertaken to address the bylaws requiring urgent renewal.

2 Background

Council has bylaws to help manage public nuisances, promote public health and safety, minimise the potential for offensive behaviour, protect public infrastructure and regulating activities in public places.

Council has the power to make bylaws under s145 of the Local Government Act 2002 ('LGA'). Other Acts also enable Council to make bylaws such as the Dog Control Act 1996 and Sale and Supply of Alcohol Act 2012.

Under the LGA, all bylaws must be reviewed 5 years after first implemented and every 10 years after that. Where a bylaw has not been reviewed within the required timeframe, it will automatically expire and become revoked two years after the last date in which it should have been reviewed.

Council currently has seventeen different bylaws covering a range of subject matter from dog control to water supply.

A review of the current KDC bylaws under the LGA requirements has been undertaken. In some circumstances, legislation addressing the specific bylaw subject matter, may also influence review timeframes. For example, the Dog Control Act 1996 requires a Bylaw to be implemented within 6 months of any new Dog Control Policy. This report does not cover the specific legislation in regards to each individual bylaw.

3 Situation

Kawerau District Council has a total of seventeen bylaws. This a split between a consolidated bylaw and individual bylaws. Twelve bylaws have past their review dates and become revoked two years after their last review date. Essentially, twelve bylaws require urgent review and one is currently under review and should be completed prior to the final review date. This information has been broken down below for your information.

Currently Council has a consolidated Bylaw with 11 parts. The following parts have not been reviewed and are now revoked or will become revoked in April 2024:

- General Bylaw Part 1 – Introductory 2009
- General Bylaw Part 3 – Trading in Public Places 2009
- General Bylaw Part 5 – Advertising Signs 2013 (too late to be reviewed - revoked June 2025)
- General Bylaw – Part 8 – Wastewater Drainage 2010
- General Bylaw Part 9 – On-site Wastewater Disposal 2010
- General Bylaw Part 10 – Trade Waste 2010
- General Bylaw Part 11 – Solid Waste 2010
- General Bylaw Part 12 – Cemetery 2012
- General Bylaw Part 13 – Leisure and Recreation Facilities 2010

There are two parts of the consolidated bylaw that do not currently require reviewing.

- General Bylaw Part 2 – Public Places 2013 (review due September 2029)
- General Bylaw – Control of Stock, Poultry and Bees 2019 (review due January 2029)

It will be recommended to Council to revoke the consolidated bylaw, which will require these two parts to also be reviewed (discussed at 4.1 Bylaw format).

In addition to the consolidated bylaw, Council has 6 standalone bylaws of which the following are revoked:

- Speed Limits Bylaw 2011
- Traffic and Parking Bylaw 2011
- Water Supply Bylaw 2009

One bylaw is currently under review and should be completed within the required timeframe:

- Freedom Camping Bylaw 2019 - (currently under review)

The final bylaws do not require review, and for easy reference I have outlined their required review dates:

- Dog Control Bylaw 2019 - (Review due September 2027)
- Alcohol Control Bylaw 2022 - (Review due February 2029)

Initial conversations and quotes have been obtained from three different service providers in the policy space. There is significant cost involved in engaging external staff to provide this service.

4 Discussions

4.1 Bylaw Consolidation or Not

Our bylaws are a mix of a consolidated bylaw and individual bylaws. The benefit of a consolidated bylaw is that the information relevant to more than one bylaw (such as definitions) can be placed in part one as the introduction and it does not need to be repeated in each bylaw.

The disadvantage is that all relevant information could be contained in more than one document. In today's world, our community does not want to be downloading multiple documents to find out what they need to know and understand about any one topic.

Given we need to review so much of the consolidated bylaw and we already have existing individual bylaws, it is recommended we move away from our consolidated bylaw and make all bylaws individual standalone documents that are easy to understand and hold all the required information on those topics.

This approach will require the early review of two parts, as the consolidated bylaw would no longer be operational.

4.2 Bylaw Workload

This is a significant piece of work, due to the number of bylaws requiring review, and the process that is required. Bylaws must follow the special consultative process as outlined briefly below:

- Prepare and adopt a statement of proposal and draft bylaw.
- Publically notify statement of proposal and draft bylaw, provide public consultation meetings and allow at least one month for the community to provide feedback.
- Consolidate community feedback and present to Council and submitters.
- Provide public hearing for community to present their views in person.
- Consider community feedback.
- Pass resolution to adopt bylaw with or without amendments.

Given the large amount of public consultation upcoming, it is recommended we try to minimise consultation through grouping the bylaw reviews so we are going out with groups of four or five at a time.

4.3 Budget

Initial conversations and quotes/estimates have been sought from three different service providers in the policy space. Each of the service providers were recommended from other Councils that have used their services.

Consultant 1 – estimated \$15,675 (plus GST) for an initial report outlining options and priorities, key issues. Hourly rates \$150 to \$245 depending on who was doing the work. Senior staff will be reviewing all work.

Consultant 2 – Did not have a capacity to take on the work, however estimated each bylaw would take approximately 190hrs. They offered a template pack including 12 documents for \$5,000 (plus GST) and hourly consultation for advice at \$160 (plus GST) per hour.

Consultant 3 – Hourly rate of \$150 (plus GST), 10 hours for 8 months equally \$48,000 plus expenses. This was not an estimate of hours required, just of the hours available, with the option to extend where required.

A breakdown of the hours estimated for each bylaw as provided by Consultant 2, although initially thinking it was excessive, this incorporated all steps including consultation and it is believed it is a reasonable estimate.

Council does not have a budget for this work and the community cannot afford the additional expense.

To minimise costs, the Chief Executive has agreed to fund the \$5,000 document package and work with Consultant 2 to provide advice, while internal staff undertake the bylaw reviews.

The following timeframes and groupings are proposed. Please note some flexibility will be required due to competing priorities.

Review Programme	
<u>Phase 1: Completed by August</u>	<u>Phase 2: Completed by December</u>
<ul style="list-style-type: none"> • Traffic and Parking Bylaw 2011 • Speed Limits Bylaw 2011 • Water Supply Bylaw 2009 • General Bylaw – Part 8 Wastewater Drainage 2010 • General Bylaw Part 9 On-site Wastewater Disposal 2010 • General Bylaw Part 10 Trade Waste 2010 • General Bylaw Part 11 Solid Waste 2010 	<ul style="list-style-type: none"> • General Bylaw Part 1 – Introductory 2009 • General Bylaw Part 2 – Public Places 2013 • General Bylaw Part 3 – Trading in Public Places 2009 • General Bylaw Part 5 – Advertising Signs 2013 • General Bylaw Part 13 – Leisure and Recreation Facilities 2010 • General Bylaw Part 12 – Cemetery 2012 • General Bylaw – Control of Stock, Poultry and Bees 2019

This timeline allows 5 months to complete the process for Phase one and four months for Phase two. This project will be overseen by the Group Manager of Regulatory and Planning, with significant input from the Group Manager of Operations and Services and the Manager Communications and Engagement and their teams.

Key timelines are in the process of being drawn up as this paper was being prepared and will be presented to Council once completed.

5 RECOMMENDATIONS

1. That the report “Kawerau District Council Bylaw Reviews” be received.
2. That the Audit and Risk Committee review and recommend any changes to the proposed review programme.



Michaela Glaspey

Group Manager, Regulatory and Planning

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Bylaw Review Dates

Bylaw Name	Last Enacted	Last Reviewed	Next Review Date	Reason
Water Supply Bylaw 2009	1/06/2009	Apr-09	Jun-19 – Now Revoked	10 Year Review
Speed Limits Bylaw 2011	1/07/2011	Jun-11	Jul-21 – Now Revoked	10 Year Review
Traffic and Parking Bylaw 2011	1/11/2011	Oct-11	Nov-21- Now Revoked	10 Year Review
General Bylaw Part 1 - Introductory 2009 (2012 Amendment)	24/11/2009	Apr-12	Apr-22 –Revoked in April	10 Year Review
General Bylaw Part 3 - Trading in Public Places 2009	1/12/2009	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 8 - Wastewater Drainage 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 9 - On-site Wastewater Disposal 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 10 - Trade Waste 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 11 - Solid Waste 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 12 - Cemetery 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 13 - Leisure and Recreation Facilities 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 5 - Advertising Signs 2013	1/06/2013	May-13	Jun-23 – Revoked in 2025	10 Year Review
Freedom Camping Bylaw 2019	1/10/2019		Oct-24 - Under review	5 Year Review
General Bylaw: Control of Stock, Poultry and Bees 2019	1/01/2019	Dec-18	Jan-29	10 Year Review
Dog Control Bylaw 2019	1/03/2019	Feb-19	Feb-29	10 Year Review
General Bylaw Part 2 - Public Places 2013 (2019 Amendment)	1/06/2013	Sep-19	Sep-29	10 Year Review
Alcohol Control Bylaw 2022	22/09/2022	Sept -22	Sept - 27	5 Year Review