

**MEETING OF THE
RISK & ASSURANCE COMMITTEE**

Thursday 18 July 2024

commencing at 10.30 am

at the Council Chambers,

1 Rosebank Office

BALCLUTHA

CLUTHA DISTRICT COUNCIL

Notice is hereby given that a Meeting of the Risk & Assurance Committee will be held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 18 July 2024, commencing at 10.30 am.

Steve Hill
CHIEF EXECUTIVE OFFICER

Mayor Bryan Cadogan (Acting Chair)
Councillor Ken Payne (Deputy Mayor)
Councillor Alison Ludemann (Corporate & Policy Committee Chair)
Councillor Gaynor Finch (Regulatory & Community Committee Chair)
Councillor Bruce Graham (Infrastructure Strategy & Operations
Committee Chair)
Councillor John Herbert
Councillor Bruce Vollweiler
Councillor Michele Kennedy

RISK & ASSURANCE COMMITTEE

18 JULY 2024

APOLOGIES

DECLARATION OF INTEREST

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

URGENT BUSINESS

PUBLIC FORUM

Item	Page #	Title
1.	10	Risk & Assurance Committee Minutes <i>(For the Committee's Confirmation)</i> Minutes of the Risk & Assurance Committee held 6 June 2024.
2.	17	Risk Status Progress Report – “Lack of clear business continuity processes in place” <i>(For the Committee's Information)</i> The purpose of this paper is to provide Risk and Assurance Committee with risk status information for the organisation's various risk themes.
3.	20	Risk & Assurance Workplan Report <i>(For the Committee's Information)</i> This report outlines a proposed workplan to the end of the 2024 year.
4.	22	Financial Monitoring Report <i>(For the Committee's Information)</i> This report combines the Financial Management Accounts and the Non-Financial Key Performance Indicators (KPIs).
5.	26	Non-Financial Monitoring Report <i>(For the Committee's Information)</i> To provide more timely reporting of Key Performance Indicators (KPIs) within Council activities by month instead of just in the Annual Report.
6.	39	Protozoal and Bacterial Compliance Report <i>(For the Committee's Information)</i> This report provides an update for each Water Treatment Plant

Item	Page #	Title
		(WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment.
7.	47	3 Waters Operations 11 Month Report <i>(For the Committee's Information)</i> This report combines high level financial results for the Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.
8.	53	Audit Recommendation Monitoring Report <i>(For the Committee's Information)</i> This report provides an update on actions taken on recommendations from the Deloitte Final Report to Risk and Assurance Committee on the 30 June 2023 Annual Report Audit.
9.	58	Treasury Management Report <i>(For the Committee's Information)</i> This report includes the Treasury Services Advisory Report and the Investment Portfolio Compliance & Monitoring Report.
10.	70	Reasons To Move into Public Excluded Session <i>(For the Committee's Decision)</i> The Risk & Assurance Committee may by resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Risk & Assurance Committee - Delegations

Constitution	<p>Members of the Committee will be made up of an Independent Chair, Mayor, Deputy Mayor, Chair of the Corporate & Property, Service Delivery and Regulatory and Policy Committees and three other Councillors appointed by Council.</p> <p>Members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment, after a formal review of their performance. The Chief Executive and the General Manager Corporate Services will not be members of the Committee but may attend meetings as observers as determined by the Chairperson. The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. At least one independent member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.</p>
Meeting Frequency	<p>6 times per year, or as required.</p> <p>To oversee aspects relating to audit and risk management.</p>
Objective	<p>The Risk & Assurance Committee is an independent committee of Council.</p> <p>The purpose of the committee is to oversee:</p> <ul style="list-style-type: none">• risk management• internal control• external accountability• internal audit• external audit and• compliance with legislation, policies, and procedures. <p>The Committee has no executive powers and will conduct itself in accordance with the values and ethics of the Council. The Committee is directly responsible and accountable to the Council for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for management of the Council rests with the Chief Executive. The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Clutha District Council from time to time.</p> <p>The Council, at its meeting on 27 October 2022, established the Risk and Assurance Committee for the 2022-25 triennium.</p> <p>The Council authorises the Committee, within the scope of its role and responsibilities, to:</p> <ul style="list-style-type: none">• obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);

- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee, including the Chief Executive and the General Managers of Corporate Services, Service Delivery and Regulatory and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Council's expense

Quorum

5 members

Additional Attendees

The Committee may invite various parties to attend its meetings. These parties may include other members of senior management or line managers as appropriate. When the Committee is considering a report, the manager responsible for the area under review will be given the opportunity to discuss the report with the Committee. Other elected members may attend but have no voting rights.

Areas of responsibility

1. Risk Management

- Ensure that Council has in place a current and comprehensive risk management framework and associated procedures and review for effective identification and management of Council's financial and business risks including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- Review the effect of the Council's risk management framework on its control environment and insurance arrangements.
- Review whether a sound and effective approach has been followed in establishing the Council's business planning continuity arrangements, including whether disaster recovery plans have been tested periodically and
- Review the Council's internal controls in relation to preventing fraud and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information and to ensure appropriate action is taken against perpetrators of fraud.

2. Internal Control

Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective.

Review whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated.

Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.

Review whether appropriate policies and procedures are in place for the management and exercise of delegations.

Consider how management identifies and required changes to design or implementation of internal controls and

review whether management has taken steps to embed a culture that is committed to ethical and lawful behaviour.

3. External Accountability

The Committee's responsibilities are to:

Review the financial statements and provide advice to the Council, including whether appropriate action has been taken in response to audit recommendations and adjustments.

Satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls.

Review the processes in place designed to ensure that financial information included in the Council's annual report is consistent with the signed financial statements.

Review the processes and risk assessment that are in place for the development and adoption of the Council's Long-Term Plan.

Satisfy itself that the Council has appropriate mechanisms in place to review and implement, where appropriate, relevant external audit reports and recommendations; and

Satisfy itself that the Council has a performance management framework that is linked to organisational objectives and outcomes.

4. Internal audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Review the internal audit coverage and annual work plan, ensure that the plan is based on the Council's risk management plan, and recommend approval of the plan on behalf of the Council.

Advise the Mayor and Chief Executive on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions.

Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.

Monitor management's implementation of the internal auditor's recommendations.

Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.

5. External audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor and provide feedback on the audit services provided.

Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions and

Provide advice to the Council and Chief executive on action taken on significant issues raised in relevant external audit reports and good practice guides.

6. Compliance with legislation, standards, and good practice guidelines

The Committee's responsibilities are to:

Determine whether management has appropriately considered legal and compliance risks as part of the Council's risk assessment and management arrangements and

Review the effectiveness of the system for monitoring the Council's compliance with relevant laws regulations, and associated government policies.

Financial Delegations

7. Financial delegations are identified in Appendix B – Financial Delegations.

Power to resolve

8. In exercising the delegated powers, the committee will operate within policies, plans, standards, or guidelines that have been established and approved by Council, the overall priorities of Council, the needs of the local communities and the approved budgets for the activity.

Power to recommend to Council

9. Strategic Finance

Financial Strategy.

Revenue and Financing Policy matters (excluding rates reviews).

Treasury Management and Borrowing and Investment Policies.

Adoption of Annual Report.

Investment strategy.

Borrowing.

Management policies (e.g. fraud, sensitive expenditure).

10. Risk

Risk Management Policy (setting Council's appetite for risk).

Risk Management outside of budgets (e.g. insurance).

Risk Management outside of Risk Management Policy.

Delegations Policy to Chief Executive and direct to officers where required.

Insurance (including self-insurance) within policy and budgets.

Power to monitor

11. Strategic Finance

Investment Policy compliance.

Debt Policy compliance.

Financial Strategy compliance

i. risk and opportunities monitoring

ii. capital programme monitoring.

Financial Strategy monitoring.

Investment monitoring (including return on investment for cash and property.

Debt monitoring.

12. Risk

Risk management framework.

Major project monitoring.

Debt risk management.

External audit.

Internal control framework

- i. internal audit
- ii. sensitive expenditure
- iii. conflicts of interest.

Legal compliance.

Health and Safety culture and compliance.

Risk & Assurance Committee

Item for CONFIRMATION

Report	Confirmation of Minutes
Meeting Date	18 July 2024
Item Number	1
Prepared By	Sonia Farquharson – Finance and Policy Administrator
File Reference	902338

REPORT SUMMARY

Attached are the unconfirmed minutes of the Council's Risk & Assurance Committee meeting held 6 June 2024.

RECOMMENDATION

- 1. That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 6 June 2024.**

Risk & Assurance Committee

Minutes of the meeting of the Risk & Assurance Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha, on Thursday 6 June 2024, commencing at 10.33 am.

Present	His Worship the Mayor Bryan Cadogan (Deputy Chairperson), Councillors Bruce Graham, John Herbert, Gaynor Finch, Michele Kennedy, Alison Ludemann, and Bruce Vollweiler
In Attendance	Steve Hill (Chief Executive), Jules Witt (Deputy Chief Executive), Sharon Jenkinson (Chief Financial Officer), Christina Johnston (Manager Risk Management), Linda Till (Manager Three Waters), Daniel Pickup (Team Leader Compliance & Reporting), Schalk Breytenbach (Chief Information Officer), Greg Bowie (Financial Accounting Team Leader), Trey Willis Croft (Financial Support Accountant), Oscar Melad (Financial Support Accountant), Councillors Simon McAtamney (via teams), Wayne felts, Jock Martin, Dane Catherwood and Lilly Paterson (Community Support & Development Advisor)
Apologies	Councillor Ken Payne <i>Moved Mayor Cadogan/Councillor Graham and Resolved: "That the apology be sustained."</i>

DECLARATIONS OF INTEREST

There were no declarations of interest.

URGENT BUSINESS

There was no urgent business.

PUBLIC FORUM

There was no public forum.

1. CONFIRMATION OF MINUTES

The minutes of the meeting of the Risk & Assurance Committee held on 24 April 2024 were submitted for confirmation.

Moved Mayor Cadogan/Councillor Graham and Resolved:

“That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 24 April 2024.”

2. HEALTH & SAFETY, RISK AND MAJOR PROJECTS REPORT

The purpose of this paper is to provide Risk and Assurance Committee with Health and Safety reporting for the period January - March (Quarter 3, FY 23/24).

This paper also reports on our Organisational Risk Profile and the Major Projects - Category A Risk Register.

Christina Johnston (Manager Risk Management) was in attendance to speak to the report and answer any questions, the following were key discussion points.

- Request that Elected Members be included in any new workshops in relation to de-escalation processes.

Moved Councillors Finch/Kennedy and Resolved:

“That the Risk & Assurance Committee receives the ‘Health & Safety, Risk and Major Projects Report’, dated 6 June 2024.”

Christina Johnston (Manager Risk Management) left the meeting at 10.57 am.

3. RISK AND ASSURANCE WORKPLAN REPORT

This report outlines the proposed workplan to the end of the 2024.

Sharon Jenkinson – (Chief Financial Officer) was in attendance to speak to the report and answer any questions.

Moved Councillors Vollweiler/Herbert and Resolved:

“That the Risk & Assurance Committee receives the ‘Risk and Assurance Workplan Report’, dated 6 June 2024.”

4. MANAGEMENT ACCOUNT REPORT

This report outlines the Financial Management Accounts for the period 1 July 2023 to 30 April 2024.

Trey Willis-Croft – (Financial Support Accountant) was in attendance to speak to his report and answer any questions. The following points were highlighted:

- Noting that the previous 'Annual Plan Monitoring report' has been split into two. This and item 5.

Moved Councillors Herbert/Graham and Resolved:

"That the Risk & Assurance Committee receives the 'Management Account Report', dated 6 June 2024."

5. NON-FINANCIAL MONITORING REPORT

This report outlines the non-financial key performance indicators within activities by month.

Trey Willis-Croft – (Financial Support Accountant) was in attendance to speak to his report and answer any questions. The following points were highlighted:

- No update on median times KPI's due to lack of accuracy in the data due to systems not yet being integrated.

Moved Councillors Graham/Finch and Resolved:

"That the Risk & Assurance Committee receives the 'Non-Financial Monitoring Report', dated 6 June 2024."

6. PROTOZOAL AND BACTERIAL COMPLIANCE REPORT

This report provides an update for each Water Treatment Plant (WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment.

Daniel Pickup (Team Leader Compliance & Reporting) was in attendance to speak to the report and available to answer questions.

Moved Councillors Finch/Ludemann and Resolved:

"That the Risk & Assurance Committee receives the 'Protozoal and Bacterial Compliance Report', dated 6 June 2024."

7. 3 WATERS OPERATIONS 10 MONTH REPORT

This report displays the financial results for the 3 Waters activity for the first ten months of the 2023/24 financial year. This report combines high level financial results for the

Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.

Linda Till – (Head of Three Waters) and Greg Bowie (Financial Accounting Team Leader) were in attendance to speak to the report and answer any questions.

Moved Councillors Vollweiler/Kennedy and Resolved:

“That the Risk & Assurance Committee receives the ‘3 Waters Operations 10 Month Report’, dated 6 June 2024.”

8. AUDIT RECOMMENDATION MONITORING REPORT

This report provides an update on actions taken on recommendations from the Deloitte Final Report to Risk and Assurance Committee on 30 June 2023 Annual Report Audit.

Sharon Jenkinson – Chief Financial Officer, was in attendance to speak to the report.

Moved Councillors Ludemann/Graham and Resolved:

“That the Risk & Assurance Committee receives the ‘Audit Recommendation Monitoring Report’, dated 6 June 2024.”

9. TREASURY MANAGEMENT REPORT

This report covers Councils Investment and Borrowing portfolios, the monitoring of these and compliance with Council Policy. The report also includes information regarding Council’s loans with LGFA, their maturity dates and interest rates.

Greg Bowie – (Financial Accounting Team Leader) was in attendance to speak to the report and answer any questions.

- Markets were all down in April, across all asset classes. Similar theme between domestic and global markets reacting to sticky inflation and timing of interest rates cuts being pushed out. Our fund is up 11.03% for the 12 months ended April 2024 vs benchmark of 7.46%.

Moved Councillors Ludemann/Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the ‘Treasury Management Report’, dated 6 June 2024.”

10. DATASCAPE ERP UPGRADE REPORT

This report provides an update on the implementation of the ‘Datascap ERP Upgrade’ which sits as a Category A project on the risk register.

Schalk Breytenbach– Chief Information Officer, was in attendance to speak to the report and answer any questions. The following points were highlighted:

- CDC Is upgrading its ERP (Enterprise Resource Planning) systems to a cloud-based solution.
- This is driven by end-of-life for the legacy systems as vendors are upgrading to new technology, improved efficiencies and capabilities with the new system and better customer and online services.
- Through our partnership with our Vendor, we are spearheading an initiative for Local Government to reduce cost and time. This is achieved by reducing complexities and compromising to create a standard template for all other councils to adopt and build on.
- Partnering with the Vendor we are able to significantly reduce cost for CDC (around 80% of standard costs) to help build these templates up.
- We have already implemented the CRM (Customer Relationship Management) and budget and planning side of the solution.
- Next aim is to implement the financial and rating solution. Target date is for the 1st of July 2024. This is an optimistic date, but we are still aiming to see if we can make it or not as there are gains if we can achieve it.
- Alternative plans are in draft for an option B and C if needed.
- There will be a financial impact if we can't reach the 1 July date, but it won't be major. We will then probably only save around 70% of the standard cost.

Councillor Graham left the meeting at 11.31am

Councillor Graham returned to the meeting at 11.32am

Moved Councillors Herbert/Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the ‘Datascope ERP Upgrade Report’, dated 6 June 2024.”

11. REASONS TO MOVE INTO PUBLIC EXCLUDED

The Risk & Assurance Committee may by resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Moved Councillors Finch/Kennedy and Resolved:

“That the Risk & Assurance Committee receives the “Reasons to Move to Public Excluded Session” report.”

“That if required, the Risk & Assurance Committee excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:”

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Risk & Assurance Independent Chair	To allow the Committee to have full and frank discussions with the applicants without disclosing information about private individuals.	<i>Section A2 (a)</i> Protect the privacy of natural persons, including that of deceased natural person.
Council Insurance Update	The information contained in the report is commercially sensitive.	<i>Section A2 (b)</i> Protect information where the making available of the information would: Disclose a trade secret; or Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

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 after each item.

The meeting moved into Public Excluded session at 11.32 am.

The meeting moved back into public session at 12.29 pm.

The meeting closed at 12.29 pm.

Read and Confirmed

Mayor Bryan Cadogan
ACTING CHAIRPERSON

Risk & Assurance Committee

Item for INFORMATION

Report	Risk Status Progress Report – “Lack of clear business continuity processes in place”
Meeting Date	18 July 2024
Item Number	2
Prepared By	Christina Johnston – Manager Risk Management
File Reference	878505

REPORT SUMMARY

The purpose of this paper is to provide the Risk and Assurance Committee with risk status information for the organisation’s various risk themes.

This papers focus is on Top Risk #7: “Lack of clear business continuity processes in place”.

RECOMMENDATIONS

1. **That the Risk & Assurance Committee receives the Risk Status Progress Report – “Lack of clear business continuity processes in place”**

REPORT

1. Background

A recent strategic focus on reversing population decline in the Clutha District is showing positive results. We are now shifting focus to the internal functioning and performance of the Council. We have identified that the Council has a lack of robust systems and processes for an organisation of its size.

The Covid-19 pandemic acted as a significant catalyst for activating and revising Business Continuity Plans across the organisation, and the need for robust IT solutions.

Our Performance Framework, Clutha Stars, requires teams to document key work processes and ensure redundancy in roles to maintain continuous operations and service delivery.

2. Updates

Remote Work Capabilities: IT have undertaken a significant amount of work, since the pandemic to support remote working. By enabling remote work and secure access, the organisation ensures that staff can continue their duties from anywhere, reducing the risk of operational downtime caused by natural disasters or pandemics.

HR has recently reviewed our Flexible Work Policy, providing clear guidelines on how remote work is implemented within our organisation. This initiative not only supports remote work but also enhances our appeal as an attractive workplace, helping us to retain and attract top talent.

Training Programs: IT have implemented a training regime requiring all staff to complete cybersecurity training modules which raises awareness and equips employees with the knowledge to identify and mitigate threats. This supports business continuity by bringing attention to security breaches that could disrupt operations and potentially preventing them.

Centralised Data Systems: Several systems have been introduced recently, including SafetyCulture, Bamboo, and SharePoint Intranet pages and IT continues to collaborate with teams on implementing our ERP. Implementing systems to centralise data creates a single source of truth, facilitating efficient information sharing and decision-making. This minimises reliance on individual team members and ensures that critical information is accessible even if specific employees are unavailable.

Council ended our contract with the process mapping tool “Promapp” as of 1 July 2024 and Clutha Stars aims to pick up process documentation in its place.

Civil Defence – During the 2023/24 period, we focused on filling and training essential positions. All leadership roles have been successfully filled, and teams have clear roles with backup positions in place. Having succession plans is crucial to ensure coverage for extended events and to address potential absences due to illness. Every year, Civil Defence Emergency Management Otago organises exercises to simulate disaster scenarios. These drills allow us to practice and respond as if we are facing a real emergency. This year's exercise is scheduled for October.

3. References – Tabled/Agenda Attachments

“Top Risk 7 – Risk of Lack of clear business continuity processes in place”

Top Risk 7

Risk of

Lack of clear business continuity processes in place



Description	A lack of Council's preparedness leads to a failure to respond or an ineffective response to a crisis (e.g. pandemic) or emergency (e.g. security attack) resulting in compromised business resilience and being unable to provide critical services within appropriate timeframes		
Possible impacts	Data loss and security risks, Financial losses, Disruptions		
Category	Legal and policy non-compliance Risks	Risk owner	ELT and Policy
Possible causes	<ol style="list-style-type: none"> Lack of a culture that prioritises risk management and preparedness Insufficient understanding of the importance of business continuity planning. 		

Inherent Risk Rating	Possible x Major = Critical		
Existing Controls			
<ol style="list-style-type: none"> Security systems put in place at Rosebank Majority of IT has been moved to the cloud CDEM roles accounted for and monthly meetings in place with training Most staff have ability to work from home or remotely IT awareness training in place Following the loss of internet/disruption event on 30/10/20. An action plan is underway to improve redundancy at Rosebank office: Implement a redundant fibre route down to Invercargill (scoping and costings in progress) Implement 3rd level backup solution utilising WISP(Wireless Internet Service Provider) Both options will be able to cater for current and near future data requirements 			

Residual Risk Rating	Possible x Moderate = High		
What we would need to do to move out of High			
<ul style="list-style-type: none"> Active program of work is in play to improve the IT systems DR processes and reduce the risk. Expected to complete the foundational projects by end of 2023. Planning for resilience through Clutha Stars Business continuity disruption management policy and documented processes for the organisation identifies those products, services, processes and activities upon which the organisation depends for its survival. 			
Key risk indicator			Status
Business Continuity Plans (BCP) are agreed for all sites/ Activities BCP is up to date and reviewed (i.e. annually/ bi-annual/ quarterly to ensure it is still relevant, responsibilities are clear, responsible people are still employed and aware of responsibilities)	% of agreed completed		In progress
Staff trained in civil defence	% of staff trained in civil defence/ annum		On track

Risk & Assurance Committee

Item for INFORMATION

Report	Risk & Assurance Workplan Report
Meeting Date	18 July 2024
Item Number	3
Prepared By	Sharon Jenkinson – Chief Financial Officer
File Reference	902340

REPORT SUMMARY

This report presents the workplan to the end of the 2024 year.

The quarterly investment (Melville Jessop Weaver) and quarterly borrowing (Bancorp) reports were not available at the time of writing this report.

Insurance update – There will be an update given in the Committee of the Whole meeting.

This workplan does not preclude additional reports being included in any meeting as and when required.

RECOMMENDATIONS

- 1. That the Risk & Assurance Committee receives the Risk and Assurance Workplan Report.**

Risk & Assurance Committee

Item for INFORMATION

Report	Financial Monitoring Report
Meeting Date	18 July 2024
Item Number	4
Prepared By	Trey Willis-Croft – Financial Support Accountant
File Reference	902343

REPORT SUMMARY

Financial Monitoring:

- Management Accounts for the period 1 July 2023 to 30 May 2024 are reflected below.
- Commentary has been added for major variances.

RECOMMENDATIONS

- 1. That the Risk & Assurance Committee receives the Financial Monitoring report.**

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE						
For the Period ended 31st May 2024						
		2024	2024	2024	2023	
		\$000	\$000	\$000	\$000	Full Year
		YTD	YTD		Full Year	
		Actual	Budget	Variance	Actual	Budget
REVENUE						
Rates		31,250	31,146	104	29,439	31,146
Grants, Subsidies and Donations	A	13,214	12,562	652	11,889	13,704
Fees & User Charges	B	923	1,584	(661)	1,255	1,691
Permits & Licences		742	925	(183)	1,133	1,009
Other Fees	C	1,582	2,769	(1,187)	2,089	3,021
Rental Revenue		1,269	1,167	102	1,292	1,273
Interest Revenue	D	4,365	918	3,447	1,133	1,001
Other Revenue		744	829	(85)	714	904
Other Gains		0	0	0	1,967	1,627
Sales of corporate and development property	E	1,418	0	1,418	74	0
Total Revenue		55,507	51,900	3,607	50,985	55,376
EXPENDITURE						
Grants, Contributions & Sponsorship	F	2,487	650	1,837	3,863	709
Other Operating Expenditure	G	21,962	17,064	4,899	20,627	18,615
Roading Repairs & Maintenance		9,468	7,717	1,750	8,255	8,419
Employee Benefits	H	12,104	9,087	3,017	8,847	9,844
Depreciation & Amortisation		15,159	13,854	1,306	16,019	15,113
Finance Costs	I	5,133	1,747	3,386	2,509	1,906
Operating lease payments		35	0	35	19	0
Cost of sales of corporate and development property		0	0	0	71	0
Total Expenditure		66,349	50,119	16,231	60,210	54,606
SURPLUS FOR THE YEAR		(10,842)	1,781	(12,623)	(9,225)	770
Other Comprehensive Revenue and Expenditure						
Items that may be reclassified to surplus or deficit:						
Fair value on unlisted shares		0	0	0	(3)	0
Items that will not be reclassified to surplus or deficit:						
Gain on property, plant and equipment revaluation		0	0	0	19,400	0
Total Other Comprehensive Revenue and Expenditure		0	0	0	19,397	0
Total Comprehensive Revenue and Expenditure for the year		(10,842)	1,781	(12,623)	10,172	770

STATEMENT OF FINANCIAL POSITION				
As at 31st May 2024				
		2024	2023	2024
		\$000	\$000	Full Year
		May	Full Year	Budget
Assets				
CURRENT ASSETS				
Cash and Cash Equivalents		4,957	7,069	614
Receivables and prepayments		5,542	6,515	6,276
Other financial assets	J	26,085	29,850	29,628
Derivative financial instruments		0	1,887	0
Non-current assets held for resale		0	0	0
Development property		2,477	2,477	550
Total Current assets		39,062	47,798	37,068
NON-CURRENT ASSETS				
Property, Plant and equipment		1,403,265	1,371,639	1,395,807
Intangible assets		143	143	50
Other financial assets		4,346	1,634	440
Total non-current assets		1,407,754	1,373,416	1,396,297
TOTAL ASSETS		1,446,815	1,421,214	1,433,365
Liabilities				
CURRENT LIABILITIES				
Payables and accruals		8,985	12,836	7,529
Employee entitlements		684	1,096	756
Derivative financial instruments		0	-	-
Borrowings		15,500	14,216	4,000
Total current liabilities		25,169	28,148	12,285
NON-CURRENT LIABILITIES				
Provisions		1,194	1,232	790
Other liabilities - Mercer Trust		13	13	18
Borrowings		95,916	58,300	107,252
Total non-current liabilities		97,122	59,545	108,060
TOTAL LIABILITIES		122,291	87,693	120,345
NET ASSETS		1,324,524	1,333,521	1,313,020
EQUITY				
Reserves		1,116,283	1,111,913	1,092,169
Accumulated Funds		208,241	221,608	220,851
TOTAL EQUITY		1,324,524	1,333,521	1,313,020

NOTES	
A	Mostly NZTA subsidy. The roading program has seasonal timing which means costs and budget are not always aligned. \$1,043k of 3 waters BOF (The Hub) budgeted in 2023 was received in September.
B	Contributions relating to the Milton to Waihola Pipeline have not yet been received. We have received \$87k against a year to date budget of \$547k, the full year budget is \$600k. Dog registration fees are \$11k behind the full year budget of \$409k.
C	Solid Waste sales are \$1,210k behind budget year to date, this was an error in budgeting for the Annual Plan 2023/24.
D	We received a gain of \$ 878k in March, a loss of \$578k in April and a gain of 116k in May
E	One property sold in March. However the sale was considered nul and void by mutual agreement so was reversed in May
F	Mostly payments to the Clutha Community Hub of \$1.3m from Better Off funding (budgeted last year and \$257k received last year) and \$544k from Balclutha Streetscape stage 2.
G	Costs for consultants are over for the year by \$2,170k, this is mainly in the 3 waters \$1,637k and strategy and planning \$367k areas . IT costs are over by \$93k mainly due to additional support costs and licenses being paid at the start of the year. 3 Waters operational costs are over \$2,472k year to date and Parks and reserves \$289k.
H	Three Waters employee costs of \$2.3M for the eleven months are unbudgeted, we are also filling more positions and have implemented a restructure.
I	LGFA Interest over budget due to increasing interest rates
J	6,776k was withdrawn from the Nikko Portfolio in April

Risk & Assurance Committee

Item for INFORMATION

Report	Non-Financial Monitoring Report
Meeting Date	18 July 2024
Item Number	5
Prepared By	Trey Willis-Croft – Financial Support Accountant
File Reference	902345

REPORT SUMMARY

Non-Financial Monitoring:

- To provide more timely reporting of Key Performance Indicators (KPIs) within Council activities by month instead of just in the Annual Report we have included below a summary by month of Council's main KPIs.
- Please note the numbers are not audited but the trends do provide information on how the different activities are doing from a performance perspective.
- Some of the KPI data is only relevant once a year.
- Median times have not been calculated for May and June due to a lack of accuracy in the method. This is being actively worked on by IT through the integration of our Datascape system and Isaacs data collection system.
- There were no major anomalies for May.
- In June the Kilogrammes of waste per resident to Mt Cooe landfill was 61.89. this was due to 282 tonnes of BioFiltro waste that was received at Mt Cooe landfill from Councils wastewater department. While this material has gone to landfill, it has primarily been used as a cover material.

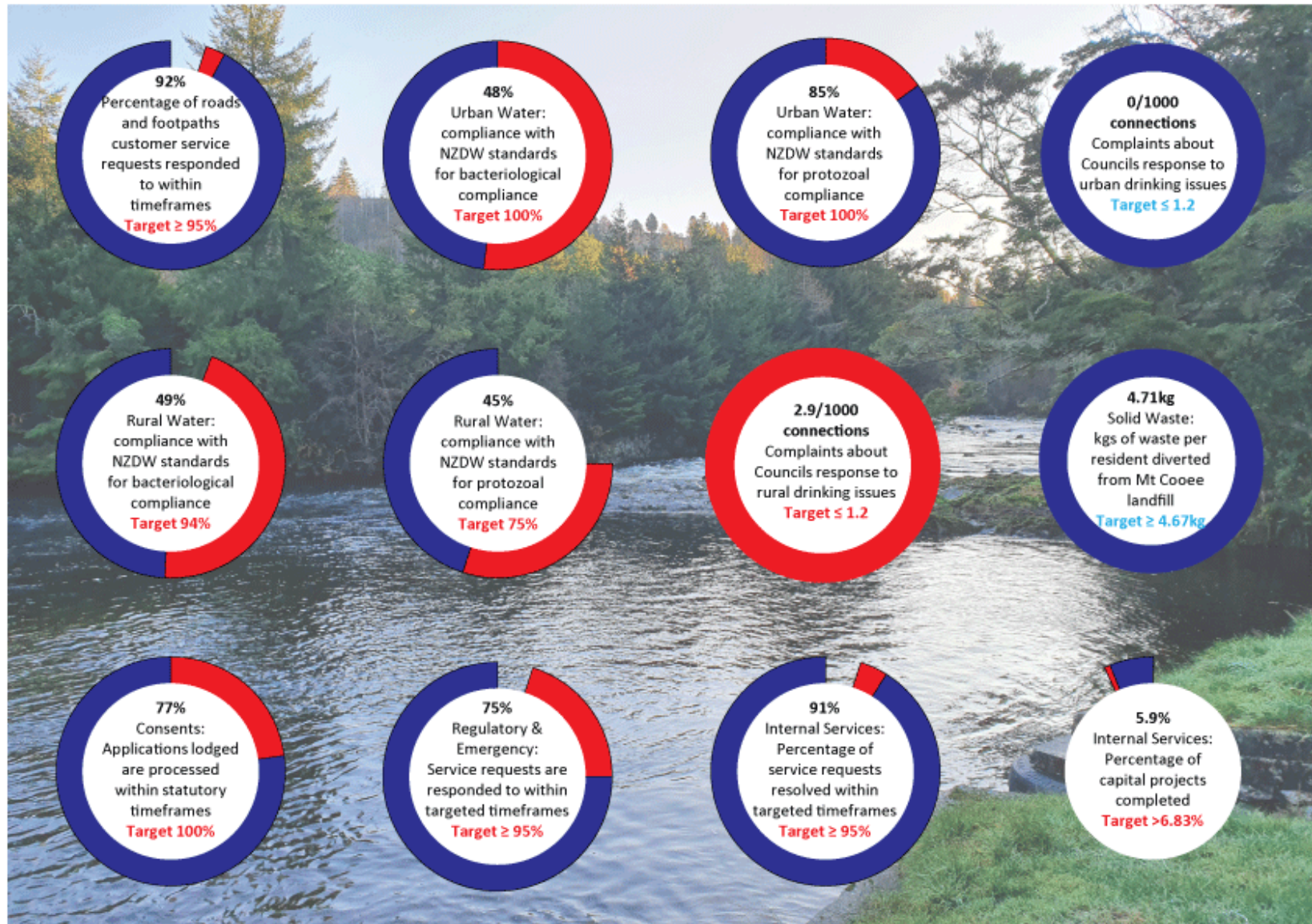
RECOMMENDATIONS

1. That the Risk & Assurance Committee receives the Non-Financial Monitoring report.

YTD July-June

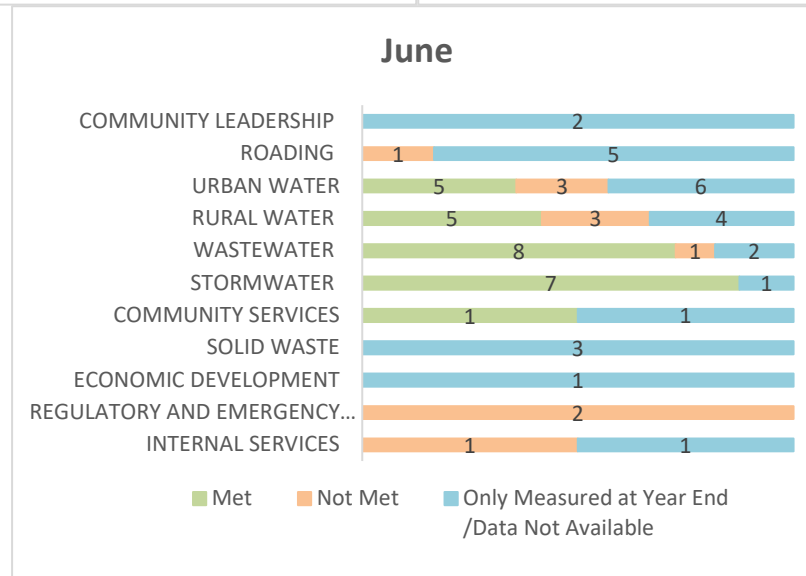
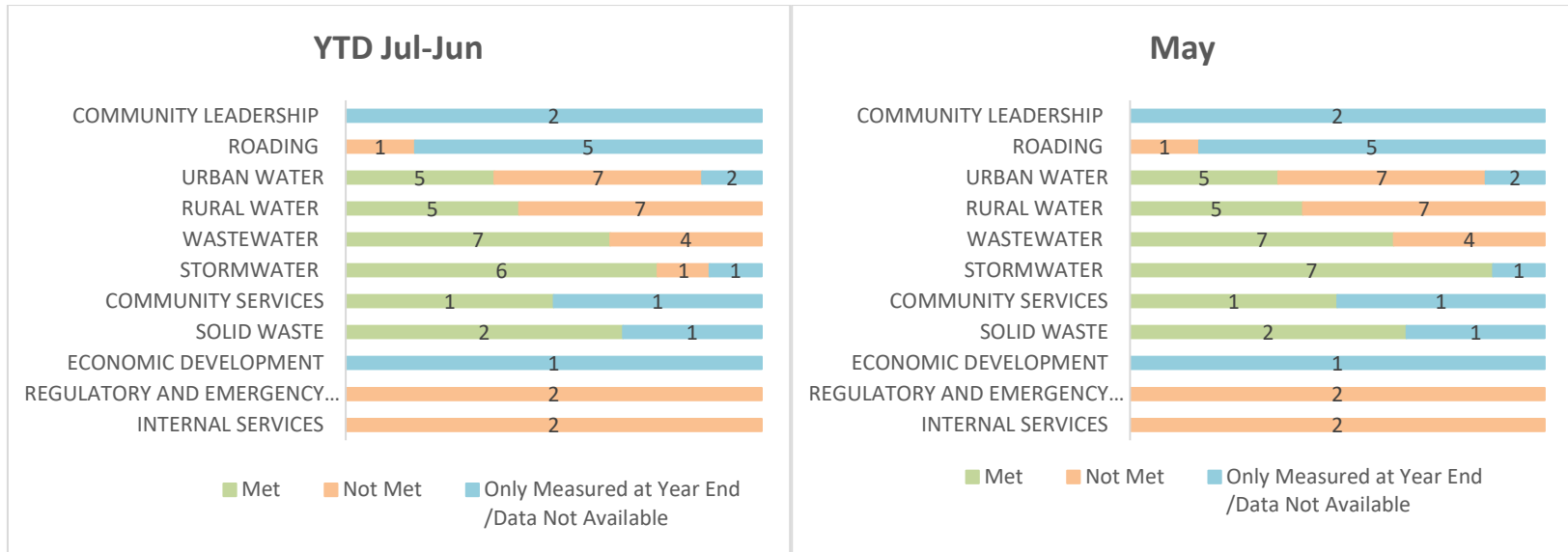


May



June





Summary of Non Financial Performance Measures for the Year Ending 30 June 2024								
Summary of KPI Targets Met	Actual 2022	Actual 2023	Actual 2024 YTD	Possibly Monthly KPI's	Apr	May	June	Spark Trendline
Community Leadership	1	1	0	0	0	0	0	
Roading	2	2	0	1	0	0	0	
Urban Water	7	9	5	12	6	5	5	
Rural Water	4	6	5	12	5	5	5	
Waste Water	8	7	7	11	8	7	8	
Storm Water	8	7	6	7	6	7	7	
Community Services	2	1	1	1	1	1	1	
Solid Waste	3	3	2	2	2	2	0	
Economic Development	0	1	0	0	0	0	0	
Regulatory and Emergency Services	1	0	0	2	1	0	0	
Internal Services	0	0	0	2	0	0	0	
Total Met	36	37	26		29	27	26	
Total KPIs	63	63	63		63	63	63	
Total Monthly KPI's			36		40	40	37	
Total Percentage	57%	59%	41%		46%	43%	41%	
Total Monthly Percentage			72%		73%	68%	70%	












Key

- Target Achieved
- Target Not Achieved
- Target
- KPI Not Measured

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
COMMUNITY LEADERSHIP										
Level of Service 1: Provide a effective leadership, representation and service to residents and ratepayers.										
Satisfaction with decision-making, leadership and planning of elected members (Council)	Greater than or equal to	69%	62%	N/A	80%	80%	N/A	N/A	N/A	
Level of Service 2: Monitor rates affordability and provide prudent, effective and efficient financial management										
To stay within rates limits - per Annual Plan	Less than or equal to	27.9	29.2	N/A	30.5	30.5	N/A	N/A	N/A	
ROADING										
ROADS										
Level of Service 1: Provide an effective and sustainable local roading network										
Average quality of ride on the sealed road network (as per smooth travel exposure)*	Greater than or equal to	97%	96%	N/A	97%	97%	N/A	N/A	N/A	
Percentage of the sealed local network that is resurfaced	Greater than or equal to	4.6%	3%	N/A	6.4%	6.4%	N/A	N/A	N/A	
% of customer service for roads and footpaths responded to within timeframes*	Greater than or equal to	92%	89%	72.6%	95%	95%	69.6%	91.5%	80.2%	
Level of Service 2: Monitor safety and invest in improving the roading network										
Number of fatalities and serious injury crashes	Less than or equal to	14	17	N/A	10	0.83	N/A	N/A	N/A	
FOOTPATHS										
Level of Service 3: Provide an effective and sustainable network of footpaths throughout the district										
% of footpaths that are in good, very good or new / near new condition	Greater than or equal to	92%	92%	N/A	100.0%	100.0%	N/A	N/A	N/A	
BRIDGES										
Level of Service 4: Provide a safe and economic network of bridges throughout the district										
Percentage of bridges on key routes that meet heavy vehicle (50 Max) safety requirements.	Greater than or equal to	92.3%	92.3%	N/A	92.8%	92.8%	N/A	N/A	N/A	





Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
URBAN WATER										
Level of Service 1: Water from Council urban supplies is safe to drink.										
Compliance with the NZDW Standards for bacteriological compliance*	Greater than or equal to	81%	0%	15%	100%	100%	78%	48%	56%	
Compliance with the NZDW Standards for protozoal compliance*	Greater than or equal to	49%	0%	0%	100%	100%	35%	85%	85%	
Level of Service 2: Urban supplies provide a continuous and reliable source of water to consumers										
Number of drinking water complaints (Requests for Service) per 1000 connections about:										
Clarity	Less than or equal to	15.2	8.7	7.9	17	1.4	1.3	0.2	1.3	
Taste	Less than or equal to	0.95	0.4	0.8	3	0.3	0.0	0.0	0.0	
Odour	Less than or equal to	0.76	0.0	0.4	2	0.2	0.0	0.0	0.4	
Pressure	Less than or equal to	9.86	4.5	6.2	5	0.4	0.2	0.9	0.4	
Continuity	Less than or equal to	24.08	28.0	15.2	30	2.5	1.3	0.9	0.9	
Council's response to any of these issues	Less than or equal to	0.38	0.0	0.6	14	1.2	0.2	0.0	0.0	
Average consumption of drinking water per resident per day (litres per day)*	Less than or equal to	540	530	N/A	650	54.2	N/A	N/A	N/A	
Level of Service 3: Urban water schemes are managed effectively and efficiently										
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:										
Urgent	Less than or equal to	2.15	4.2	7.3	2.0	2.0	N/A	N/A	N/A	
Non-urgent	Less than or equal to	5.47	18.8	25.7	24.0	24.0	N/A	N/A	N/A	
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:										
Urgent	Less than or equal to	20	24.8	24.7	12.0	12.0	N/A	N/A	N/A	
Non-urgent	Less than or equal to	76	76.6	117.7	48.0	48.0	N/A	N/A	N/A	
Percentage of real water loss from Council's reticulation system*	Less than or equal to	31%	28.3%	N/A	28%	28%	N/A	N/A	N/A	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
RURAL WATER										
Level of Service 1: Water from council rural schemes is safe to drink										
Compliance with the NZDW Standards for bacteriological compliance	Greater than or equal to	39%	0%	0%	94%	94%	45%	49%	36%	
Compliance with the NZDW Standards for protozoal compliance	Greater than or equal to	0%	0%	0%	75%	75%	37%	45%	35%	
Level of Service 2: Rural schemes provide a continuous and reliable source of water to consumers										
Number of drinking water complaints (requests for service) per 1000 connections about:										
Clarity	Less than or equal to	21.6	6.5	12.9	12	1.0	0.0	0.6	0.6	
Taste	Less than or equal to	1.8	1.8	0.0	5	0.4	0.0	0.0	0.0	
Odour	Less than or equal to	0.6	0.6	0.0	3	0.3	0.0	0.0	0.0	
Pressure	Less than or equal to	291.9	144.6	148.7	200	16.7	8.8	5.3	7.1	
Continuity	Less than or equal to	555	237.6	224.6	200	16.7	17.0	12.3	18.2	
Council's response to any of these issues	Less than or equal to	3.0	0.0	5.9	14	1.2	1.2	2.9	0.0	
Level of Service 3: Rural water schemes are managed effectively and efficiently										
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:										
Urgent	Less than	4.3	9.2	17.1	4	4	N/A	N/A	N/A	
Non-urgent	Less than	17.0	23.1	25.7	24	24	N/A	N/A	N/A	
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:										
Urgent	Less than	54.0	45.3	27.0	12	12	N/A	N/A	N/A	
Non-urgent	Less than	55.0	55.3	48.0	48	48	N/A	N/A	N/A	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
Wastewater										
Level of Service 1: Provide Wastewater services that effectively collect and dispose of sewage										
Number of dry weather wastewater overflows expressed per 1,000 sewerage connections to that sewerage system	Less than or equal to	5.2	4.2	3.2	6	0.5	0.0	0.6	0.2	
Level of Service 2: Wastewater schemes are managed efficiently and effectively										
Median response time (in hours) from notification of fault to when personnel:										
Reach the site (response)	Less than	1.7	1.6	22.9	2	2	N/A	N/A	N/A	
Confirm resolution of blockage or other fault	Less than	20.5	12.8	27.5	8	8	N/A	N/A	N/A	
Number of complaints per 1,000 connections about any of the following:										
Wastewater odour	Less than	1.0	2.5	1.1	3	0.3	0.0	0.2	0.0	
Wastewater system faults	Less than	1.7	2.1	1.5	10	0.8	0.2	0.2	0.0	
Wastewater system blockages	Less than	8.3	7.8	6.3	5	0.4	0.8	0.6	0.6	
Council's response to any of these issues	Less than	1.15	0.0	0.2	5	0.4	0.0	0.0	0.2	
Compliance with Council's resource consents for wastewater discharge, measured as number of:										
Abatement notices	Equal to	2	7	0	0	0	0	0	0	
Infringement notices	Equal to	0	5	4	0	0	0	0	0	
Enforcement orders	Equal to	0	0	0	0	0	0	0	0	
Convictions	Equal to	0	0	0	0	0	0	0	0	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
STORMWATER										
Level of Service 1: To provide stormwater drainage that protects against the effects of flooding										
Flooding events to habitable floors due to overflows from a council stormwater system	Equal to	1	0	2	0	0	1	0	0	
Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	Less than	8	6	10	23	2	0	0	1	
Number of complaints about performance of stormwater systems (per 1,000 connected properties)	Less than or equal to	1.5	0.0	0.2	10	0.8	0.0	0.0	0.0	
Median response time from notification of fault to when personnel reach the site	Less than	3.9	21.7	175.9	4	4.00	N/A	N/A	N/A	
Compliance with Council's resource consents for discharge from stormwater systems measured by the number of:										
Abatement notices	Equal to	0	0	0	0	0	0	0	0	
Infringement notices	Equal to	0	0	0	0	0	0	0	0	
Enforcement orders	Equal to	0	0	0	0	0	0	0	0	
Successful prosecutions received	Equal to	0	0	0	0	0	0	0	0	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
COMMUNITY SERVICES										
LIBRARIES, SERVICE CENTRES AND INFORMATION CENTRES										
Level of Service 1: Operate a network of community facilities throughout the district including library / service / information centres, pools, halls, playgrounds, sportsgrounds, parks and reserves.										
Resident satisfaction with community facilities	Greater than	90%	87%	N/A	90%	90%	N/A	N/A	N/A	
COMMUNITY HOUSING										
Level of Service: Provide and maintain community housing units throughout the district.										
Portion of community housing units that meet healthy homes standards	Greater than	64%	100%	100%	20%	20%	100%	100%	100%	
SOLID WASTE										
Level of Service 1: Provide a facility in the district for the disposal of solid waste										
Resident satisfaction with refuse/recycling service	Greater than or equal to	91%	90%	N/A	80%	80%	N/A	N/A	N/A	
Kilogrammes of waste per resident to Mt Cooe landfill (kg) (Population data as at 30 June 2021)	Less than or equal to	545	513.93	422.75	548	45.67	43.91	60.93	N/A	
Level of Service 2: Provide waste minimisation services and education										
Kilogrammes of waste per resident diverted from Mt Cooe landfill (kg) (Population data as at 30 June 2021)	Greater than or equal to	71	64.22	52.20	56	4.67	5.33	4.71	N/A	
ECONOMIC AND COMMUNITY DEVELOPMENT										
Level of Service 1: Support the District's communities and economy through community planning, facilitation and support.										
Percentage of programmed Our Place community plans completed.	Equal to	50%	100%	N/A	100%	100%	N/A	N/A	N/A	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2024		Actual 2022	Actual 2023	Actual 2024 YTD	Target per LTP	Monthly Target per LTP	Apr	May	Jun	Spark Trendline
REGULATORY AND EMERGENCY SERVICES										
Level of Service 1: To provide an application processing service where consents are processed within statutory timeframes in an efficient manner										
Application lodged and processed within statutory timeframes	Equal to	80%	74%	93.0%	100%	100%	100%	77%	93%	
Level of Service 2: Complaints are prioritised and responded to in an efficient manner										
Customer service requests are called back within targeted time frames.	Greater than or equal to	97%	86%	84.2%	95%	95%	83%	75%	89%	
INTERNAL SERVICES										
Level of Service 1: We handle customer requests for service efficiently and effectively										
Percentage of service requests called back within targeted timeframes	Greater than or equal to	81%	90%	77.0%	95%	95%	89%	91%	91%	
Level of Service 2: We deliver on our work programmes										
Percentage of capital projects completed.	Greater than	68%	74.34%	63.66%	82%	6.83%	6.11%	5.90%	N/A	

Risk & Assurance Committee

Item for INFORMATION

Report	Protozoal and Bacterial Compliance Report
Meeting Date	18 July 2024
Item Number	6
Prepared By	Keiran Medel – Senior Compliance Engineer Daniel Pickup – Team Leader Compliance and Reporting Linda Till – Head of Three Waters
File Reference	902347

REPORT SUMMARY

This report provides an update for each Water Treatment Plant (WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment. The report aims to identify the cause of non-compliance and the improvement works required to achieve compliance with the DWQARs. The supply is considered compliant if it meets the requirements of the relevant Bacterial and Protozoal rules for more than 95% of the reporting period at the treatment plant and in 85% of the samples collected from the distribution network.

RECOMMENDATIONS

- 1. That the Risk & Assurance Committee receives the Protozoal and Bacterial Compliance Report.**

BACKGROUND

The reporting period for May to June 2024 saw a reduction in Urban Water Bacterial compliance compared with the April 2024 reporting period as the Balclutha, Milton, Stirling, and Tapanui supplies did not achieve consistent compliance. The Urban Water Protozoal compliance saw a significant improvement in compliance during May and June 2024 compared with the April 2024 reporting period as the Balclutha supply achieved consistent compliance.

The reporting period for May to June 2024 saw similar results for both Rural Water Bacterial and Protozoal compliance compared with the April 2024 reporting period. Rural WTPs supply several distribution networks subject to a Boil Water Notice (BWN), i.e., Moa Flat, North Bruce, Waitahuna, and Tuapeka West.

Waitahuna, Tuapeka West, and Lawrence supplies will not achieve full compliance without significant upgrades and will be replaced by the Greenfield Rural scheme by the end of 2024.

URBAN WATER COMPLIANCE WITH DWQARs FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 May to 30 June 2024 an assessment has been completed against the DWQARs. Clutha has used the rules relating to bacterial and protozoal compliance that replaced those in the DWSNZ. The modules in the DWQARs used to assess bacterial and protozoal compliance depend on the population size supplied by the treatment plant. The results of this testing are as below.

1 - Bacteriological Compliance 1 May to 30 June 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 May - 31 May 2024	Bacto Compliant? 1 June - 30 June 2024	Improvement Work/Comments
Balclutha	Balclutha	4002	No Compliant 29 out of 31 days (94%). Refer to comment a)	Yes Compliant 30 out of 30 days.	NA
Clinton Township	Clydevale-Pomahaka	300	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Kaitangata Township	Kaitangata	780	Yes Compliant 30 out of 31 days (97%).	Yes Compliant 30 out of 30 days.	NA
Kaka Point Township	Puerua	235	No Compliant 29 out of 31 days (94%). Refer to comment a).	Yes Compliant 29 out of 30 days (97%).	NA
Lawrence	Lawrence	430	No Compliant 26 out of 31 days (84%). Refer to comments a), b), d), and f).	No Compliant 30 out of 30 days. Refer to comments b), d), e) and f).	The UV Unit to be installed during July 2024. Retic FAC Result <0.1 mg/L.
Milton	Milton	1929	Yes Compliant 31 out of 31 days.	No Compliant 29 out of 30 days (97%). Refer to comment e).	Retic FAC Result <0.1 mg/L.
OCF	Milton	600	Yes Compliant 31 out of 31 days.	Yes Compliant 29 out of 30 days (97%).	NA
Owaka	Owaka	315	Yes Compliant 31 out of 31 days.	Yes Compliant 29 out of 30 days (97%).	NA
Stirling Township	Stirling	309	Yes Compliant 31 out of 31 days.	No Compliant 28 out of 30 days (93%). Refer to comment a).	Minor UV non-compliances.
Tapanui	Tapanui	760	Yes Compliant 30 out of 31 days (97%).	No Compliant 24 out of 30 days (80%). Refer to comment b).	Tapanui is on a BWN while the treatment plant issues are investigated.

Waihola Township	North Bruce	430	Yes Compliant 30 out of 31 days (97%).	No Compliant 19 out of 30 days (63%). Refer to comments a), b), c), e), and f).	Secondary chlorination to be considered at the Waihola Reservoir. Waihola is to be supplied by Milton WTP.
Total		10090	45%	56%	

- a. UV Non-compliance: The UV dose was not maintained for the required period to achieve compliance.
- b. FAC Non-compliance: The chlorine dose rate and/or contact time was not maintained for the required period to achieve compliance.
- c. Turbidity Non-compliance: The turbidity in the treated water exceeded the maximum allowable NTU.
- d. pH Non-compliance: The pH level in the final water was outside the required range to achieve compliance.
- e. Chlorine residual in the distribution zone must be above 0.2 mg/l in 85% of all samples collected. Results cannot be less than 0.1 mg/l.
- f. Waihola and Lawrence are on a long-term BWN due to the inadequate barriers at the treatment plants.

2 - Protozoal Compliance 1 May to 30 June 2024

Name	Serviced Zones	Population	Proto Compliant? 1 May - 31 May 2024	Proto Compliant? 1 June - 30 June 2024	Improvement Work
Balclutha	Balclutha	4002	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days	NA
Lawrence	Lawrence	430	No Compliant 21 out of 31 days (68%). Refer to comments b), d), and e).	No Compliant 25 out of 30 days (83%). Refer to comments b), and e).	The UV Unit to be installed during July 2024.
Milton	Milton + OCF	2529	Yes Compliant 31 out of 31 days.	Yes Compliant 29 out of 30 days (97%).	NA
Owaka	Owaka	315	Yes Compliant 31 out of 31 days.	Yes Compliant 29 out of 30 days (97%).	Improvements must be made to the Owaka bore head to ensure it complies with the DWQAR Sanitary Requirements.
Tapanui	Tapanui	760	No Compliant 26 out of 31 days (84%). Refer to comments a), and c).	No Compliant 7 out of 30 days (23%). Refer to comments a), and c).	Installation of UV treatment at this site would provide a multi-barrier approach for Protozoal treatment.
Total		8036	85%	85%	

- a. 4-log Protozoal Compliance must be met by all treatment plants that source water from rivers.
- b. Balclutha and Lawrence use a multibarrier approach (Filter + UV) to achieve Protozoal compliance. If either treatment process is compromised, Protozoal compliance is difficult to achieve.
- c. Tapanui uses Coagulation, Flocculation, Sedimentation, and Filtration to achieve 4 log protozoal compliance. The turbidity in the treated water exceeded the maximum allowable NTU.
- d. UV Non-compliance: The UV dose or UVT was not sufficient to achieve compliance.
- e. Lawrence is on a long-term BWN due to the inadequate barriers at the treatment plants.

RURAL WATER COMPLIANCE WITH DWQARs STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 May to 30 June 2024 an assessment has been completed against the DWQARs. Clutha has used the rules relating to bacterial and protozoal compliance that replaced those in the DWSNZ. The modules in the DWQARs used to assess bacterial and protozoal compliance depend on the population size supplied by the treatment plant. The results of this testing are as below.

1 - Bacteriological Compliance 1 May to 30 June 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 May - 31 May 2024	Bacto Compliant? 1 June - 30 June 2024	Improvement Work
Balmoral 1	Waitahuna	247	No Compliant 0 out of 31 days. Refer to comments b), c), f), and h).	No Compliant 0 out of 30 days. Refer to comments b), c), e), f), and h).	The Waitahuna WTP will be replaced by the Greenfield Rural Scheme at the end of 2024. Significant upgrades are required to achieve compliance.
Balmoral 2	Waitahuna	399	No Compliant 0 out of 31 days. Refer to comments b), c), f), and h).	No Compliant 0 out of 30 days. Refer to comments b), c), e), f), and h).	As Above
Clydevale-Pomahaka	Clydevale-Pomahaka	550	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Glenkenich	Glenkenich	705	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Moa Flat	Moa Flat	534	No Compliant 23 out of 31 days (74%). Refer to comments a), b), f), and g).	No Compliant 18 out of 30 days (60%). Refer to comments a), b), f), and g).	The UVT now controls the plant which will improve the UV treatment. New reservoir work is underway which will help improve compliance.
North Bruce	North Bruce	658	Yes Compliant 30 out of 31 days (97%).	No Compliant 19 out of 30 days (63%). Refer to comments a), b), f), and g).	The UVT now controls the plant which will improve the UV treatment. New reservoir work is underway which will help improve compliance
Richardson North	Whitelea Road	312	No Compliant 7 out of 31 days (23%). Refer to comment b).	No Compliant 6 out of 30 days (20%). Refer to comment b).	Work to increase the Contact Tank capacity at the Whitelea Rd WTP is underway.

Richardson South	Puerua	469	No Compliant 29 out of 31 days (94%). Refer to comments a), and b).	Yes Compliant 29 out of 30 days (97%).	NA
South Bruce	Stirling	434	Yes Compliant 31 out of 31 days.	No Compliant 28 out of 30 days (93%). Refer to comment a).	Minor UV non-compliances.
Tuapeka East	Waitahuna	276	No Compliant 0 out of 31 days. Refer to comments b), c), f), and h).	No Compliant 0 out of 30 days. Refer to comments b), c), e), f), and h).	As for Balmoral 1 and 2.
Tuapeka West	Evans Flat	283	No Compliant 18 out of 31 samples (58%). Refer to comments b), d), e), f), and h).	No Compliant 28 out of 30 samples (93%). Refer to comments b), d), e), f), and h).	The Tuapeka West WTP will be replaced by the Greenfield Rural Scheme at the end of 2024. Significant upgrades are required to maintain compliance.
Wangaloa	Kaitangata	50	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
	Total	4917	49%	36%	

- a. UV Non-compliance: The UV dose was not sufficient to achieve compliance.
- b. FACE Non-compliance: The chlorine dose rate and contact time was not maintained for the required period to achieve compliance.
- c. Turbidity Non-compliance: The turbidity in the treated water exceeded the maximum allowable NTU.
- d. pH Non-compliance: The pH level in the final water was outside the required range to achieve compliance.
- e. Chlorine residual in the distribution zone must be above 0.2 mg/l in 85% of all samples collected. Results cannot be less than 0.1 mg/l.
- f. A BWN is considered if there is significant non-compliance at the treatment plant or if *E. coli* is detected in the distribution zone.
- g. Moa Flat and North Bruce have been on a long-term BWN due to the inadequate barriers at the treatment plant.
- h. Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West are on a permanent BWN due to the inadequate barriers at the treatment plant. These plants will be replaced by the Greenfield Rural Scheme.

2 - Protozoal Compliance 1 May to 30 June 2024

Name	Serviced Zones	Population	Proto Compliant? 1 May - 31 May 2024	Proto Compliant? 1 June - 30 June 2024	Improvement Work
Clydevale-Pomahaka	Clydevale-Pomahaka + Clinton	850	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Evans Flat	Tuapeka West	283	No Compliant 0 out of 31 days. Refer to comments c), d), and f).	No Compliant 0 out of 31 days. Refer to comments c), d), and f).	There is no Protozoal barrier at this site. The Tuapeka West WTP will be replaced by the Greenfield Rural Scheme at the end of 2024.
Glenkenich	Glenkenich	705	Yes Compliant 30 out of 31 days (97%).	No Compliant 28 out of 30 days (93%). Refer to comments a), and b).	Minor non-compliances with NTU levels leaving the membrane units. Issue with turbidity meter to be investigated.
Kaitangata	Kaitangata + Wangaloa	830	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Moa Flat	Moa Flat	534	No Compliant 13 out of 31 days (42%). Refer to comments a), d), e), and g).	No Compliant 5 out of 30 days (17%). Refer to comments a), d), e), and g).	The UVT now controls the plant which will improve the UV treatment.
North Bruce	North Bruce + Waihola	1088	No Compliant 28 out of 31 days (90%). Refer to comments a), d), e), and g).	No Compliant 14 out of 30 days (47%). Refer to comments a), d), e), and g).	The UVT now controls the plant which will improve the UV treatment.
Puerua	Richardson South + Kaka Point	704	No Compliant 29 out of 31 days (94%). Refer to comments a), and g).	No Compliant 28 out of 30 days (93%). Refer to comments a), and g).	Minor UV non-compliances.
Stirling	Stirling + South Bruce + Benhar	743	Yes Compliant 31 out of 31 days.	Yes Compliant 30 out of 30 days.	NA
Waitahuna	Balmoral 1 + Balmoral 2 + Tuapeka East	922	No Compliant 0 out of 31 days. Refer to comments a), c), d), and f).	No Compliant 0 out of 30 days. Refer to comments a), c), d), and f).	The Waitahuna WTP will be replaced by the Greenfield Rural Scheme at the end of 2024.
Whitlea Road	Richardson North	312	No Compliant 22 out of 31 days (71%). Refer to comments a), and b).	No Compliant 22 out of 30 days (73%). Refer to comments a), and b).	NA
	Total	6971	45%	35%	

- a. 4-log Protozoal Compliance must be met by all treatment plants that supply a population greater than 500 and all that source water from rivers.
- b. Glenkenich and Whitelea Rd WTPs rely on Membrane Filtration to achieve Protozoal Compliance. To maintain compliance, the membrane system must complete one Integrity Test every 24 hours. The integrity test provides assurance that the membrane unit is fit for purpose.
- c. Waitahuna and Evans Flat WTPs do not have sufficient processes in place to achieve Protozoal Compliance.
- d. A BWN is considered if there is significant non-compliance at the treatment plant or if E. Coli is detected in the distribution zone.
- e. Moa Flat and North Bruce WTPs have been on a long-term BWN due to the inadequate protozoal barriers at the treatment plant.
- f. Waitahuna and Tuapeka West WTPs are on a permanent BWN due to the inadequate protozoal barriers at the treatment plant. The Greenfield Rural Scheme will replace these plants.
- g. Puerua, Clydevale-Pomahaka, North Bruce and Moa Flat WTPs rely on UV Disinfection to achieve Protozoal Compliance.

3 - Aluminium Compliance 1 May to 30 June 2024

Aluminium testing is a requirement of the DWQARs which came into effect in November 2022.

Aluminium levels that exceed the Maximum Allowable Value (MAV) of 1 mg/l continue to be detected at the North Bruce WTP and in the distribution networks. The PACI is now creating good floc formation and potential issues with the clarifier are under investigation. The latest non-compliant result was collected from North Bruce East Boundary Road on 21 June 2024.

A new Aluminium Advisory notice was issued for the Moa Flat consumers on 27 March 2024. Aluminium levels that exceed the MAV continue to be detected in the distribution network. The most recent exceedance was collected from Edievale Road on 21 June 2024. While the new coagulant is trialled at this site, the AI advisory notice will remain in place.

Aluminium levels that exceed the MAV of 1 mg/l continue to be detected at the Waitahuna WTP and in the three distribution networks. A new Aluminium Advisory notice was issued for all Waitahuna consumers on 25 March 2024. Due to the lack of dose control at this site, the AI advisory notice will remain in place. The latest non-compliant result was collected from the Waitahuna WTP on 18 June 2024.

An Aluminium Advisory notice issued for the Lawrence consumers was lifted on 23 May 2024.

Risk & Assurance Committee

Item for INFORMATION

Report	3 Waters Operations 11 Month Report
Meeting Date	18 July 2024
Item Number	7
Prepared By	Linda Till – Head of Three Waters Greg Bowie – Financial Accounting Team Leader

File Reference

REPORT SUMMARY

This report displays the financial results for the 3 Waters activity for the first eleven months of the 2023/24 financial year.

This report combines high level financial results for the Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the 3 Waters Operations 11 Month Report.**

REPORT

A summary of the first 11 months is provided below with further detail included in Appendix A.

	Actual	11 Month Budget	Variance		Full Yr Budget	Variance
Income	-15,756,641	-15,540,014	216,628		-16,952,742	-1,196,101
Expenditure	20,910,186	14,374,357	-6,535,829		15,681,117	-5,229,069
Capital Funding	0	-37,105,874	-37,105,874		-40,479,135	-40,479,135
Capital Expenditure	29,114,028	40,160,693	11,046,665		41,819,665	12,705,637
Net	34,267,573	1,889,163	-32,378,410		68,905	-34,198,668

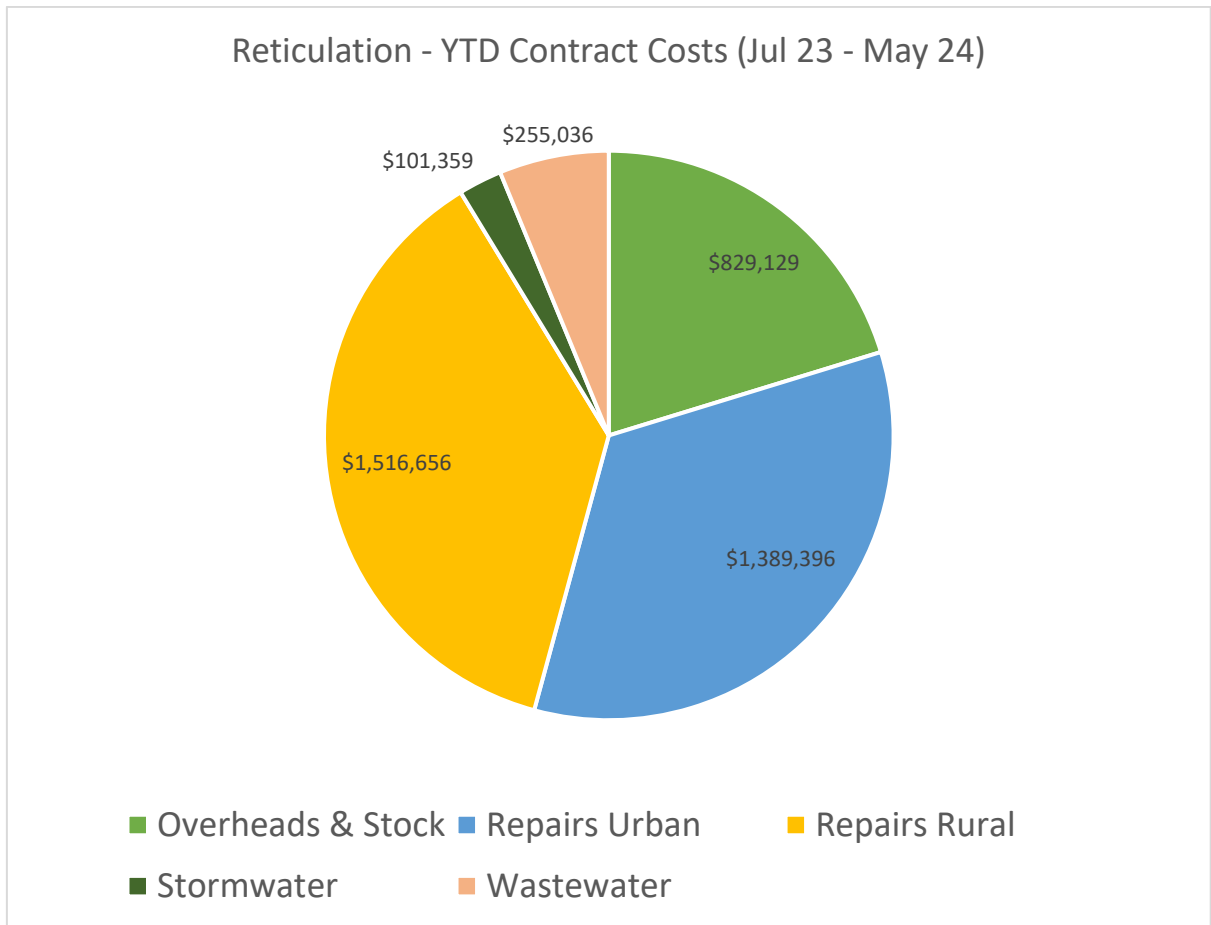
July 2023 to May 2024 for Three Waters

- Total 3 Waters opex expenditure for the first 11 months of 2023/24 is \$20.9m, compared to a YTD budget of \$14.4m, meaning an overspend of \$6.5m.
- Consultancy charges total \$1,636k to date. The bulk is made up of payments to Beca Infrastructure Limited (\$663k), Morrison Low & Associates Limited (\$111k), and Octa Associates Limited (\$95k). Much of this relates to support and assistance with 3 Waters work, which we would expect to reduce going forward.
- Andrew Haulage 2011 Limited (\$167k), Isaac Construction Limited (\$339k) was for overheads for the retic contract, therefore these costs will not reduce.
- Salaries are \$2.4m over YTD budget, however this includes an unbudgeted \$2.32m of salaries for Water Operations staff.
- Education costs of \$41k include \$31k for Drinking Water Treatment training, \$7k for CDC operator training, and \$2k for environmental training.
- Emergency repairs of \$304k relate specifically to end-of-contract Citycare costs, which have been kept separate from other non-routine costs.
- Non-routine sampling is over budget by \$231k. This is a product of our advisory notices. Non-routine expenditure also over budget by \$2.7m and includes costs for the reticulation contractors.
- Chemical costs are under budget by \$653k, however this will regularise once the end of year stocktake and allocation to plants is completed. A contra will be made against 7930 Contract Payments.
- Projected deficit to 30 June if expenditure stays at a similar level is \$6.89m.
- Please note – Capital work is not yet funded, no loans have been raised or reserves transferred, this is done at the end of the year as part of our annual report process.

The next month....

- Consultancy for the next two months is expected to continue; this is primarily for Beca who are focusing on our wastewater plants, particularly Biofiltro and Milton, & Iain Rabbitts for providing technical advice on our non-compliant water treatment plants. This work is to continue improvements at our wastewater plants, and lift boil water notices and advisories on our water schemes. A reduced programme of work has been agreed with consultants from Beca.
- Isaac Group, Andrew Haulage & Contract Excavation are our three main reticulation contractors. From July to May, we have paid them \$4,091M (see graph on next page showing breakdown). We are expecting this to stay at a largely similar level for the

last two of the year, with a downward adjustment in job volumes, and therefore costs, reflected now we are in the winter months.



APPENDIX A

	Actual	11 Month Budget	Variance		Full Yr Budget	Variance
Income						
1115 Rates - Water	-7,610,708	-7,309,653	301,055		-7,974,167	-363,459
1116 Rates - Water - Projects	0	-33,174	-33,174		-36,190	-36,190
1118 Rates - Stormwater	-898,195	-822,228	75,967		-896,976	1,219
1121 Rates - Wastewater	-2,804,745	-2,572,838	231,907		-2,806,732	-1,987
1123 Rates - Loan Rates	-36,627	-42,582	-5,955		-46,453	-9,826
1138 Out of District Water	-395,837	0	395,837		0	395,837
1148 Lease - Other	193	0	-193		0	-193
1176 Stimulus Support	0	-120,804	-120,804		-131,786	-131,786
1211 Sales - Sundry	0	-34,560	-34,560		-37,702	-37,702
1215 Water Meter Income	-29,628	-106,423	-76,795		-116,098	-86,470
1216 Operational Income from OCF	-287,790	-355,042	-67,252		-387,318	-99,528
1219 Fees - Water Application Admin	-23,806	0	23,806		0	23,806
1233 Income - Miscellaneous	-70,022	-63,221	6,802		-68,968	1,054
1269 Fees - Sewerage Connect	0	-3,729	-3,729		-4,068	-4,068
1273 Fees - Water Connection	-9,237	-42,910	-33,673		-46,811	-37,574
1280 Fees - Contributions	-87,049	-547,115	-460,067		-596,853	-509,804
1285 Fees - Trade Waste	-32,700	0	32,700		0	32,700
1286 I & I Reinspection Fee	0	-15,564	-15,564		-16,979	-16,979
1810 Internal - Recoveries	-1,797,382	-1,797,382	-0		-1,960,780	-163,398
1811 Internal Telemetry	-11,312	-10,993	319		-11,992	-680
1815 Internal Transfer	-1,145,098	-1,145,098	-0		-1,249,198	-104,100
1830 Internal - Sewer	-516,698	-516,698	-0		-563,671	-46,973
	-15,756,641	-15,540,014	216,628		-16,952,742	-1,196,101

Expenditure	Actual	11 Month Budget	Variance	Full Yr Budget	Variance
3111 Salaries	3,223,019	816,941	-2,406,078	891,208	-2,331,811
3162 Kiwisaver	69,387	20,995	-48,392	22,904	-46,483
3193 Staff Training	48,767	10,539	-38,228	11,497	-37,270
3194 Education	41,053	2,297	-38,756	2,506	-38,547
3229 Staff Uniform	9,650	0	-9,650	0	-9,650
3239 Cafeteria Expenses	5,376	0	-5,376	0	-5,376
3243 Protective Clothing	6,570	0	-6,570	0	-6,570
3245 Employee Membership Fee	1,765	4,675	2,910	5,100	3,335
3451 Consultancy	1,636,587	22,966	-1,613,621	25,054	-1,611,533
3457 General Expenses	4,451	0	-4,451	0	-4,451
3459 Rates	32,304	104,883	72,579	114,418	82,114
3461/3462 Insurance Expenses	118,032	103,225	-14,807	112,609	-5,423
3465 Legal Expenses	11,594	0	-11,594	0	-11,594
3471 Council Membership & Su	2,607	0	-2,607	0	-2,607
3473 Fringe Benefit Tax	5,762	5,297	-464	5,779	17
3491 Interest Charge	1,246,102	1,138,834	-107,268	1,242,364	-3,738
3495 Stimulus Repayment	0	120,805	120,805	131,787	131,787
3571 Advertising - Newspaper	703	0	-703	0	-703
3591 Postage	447	0	-447	0	-447
3593 Freight & Courier	1,048	0	-1,048	0	-1,048
3611 Printing & Stationery	12,989	0	-12,989	0	-12,989
3613 Office Consumables	1,475	0	-1,475	0	-1,475
3615 Photocopying	2,210	0	-2,210	0	-2,210
3619 Newspaper, Periodical	250	0	-250	0	-250
3851 Electricity	15,829	17,262	1,433	18,831	3,002
4023 Consent Mgmt Syst software mtc	11,250	0	-11,250	0	-11,250
4061/4062 Chemicals	65,587	718,966	653,378	784,326	718,739
4121 Minor - Plant & Equipme	59,000	0	-59,000	0	-59,000
4127 Cleaning & Security	42,730	0	-42,730	0	-42,730
4161 Fuel	124,469	0	-124,469	0	-124,469
4165 Vehicle Expenses	72,002	0	-72,002	0	-72,002
4167 Motor Vehicle Insurance	29,203	0	-29,203	0	-29,203
4170 Vehicle Internal Lease	39,234	39,234	0	42,801	3,567
4175 Vehicle Reimbursement	3,760	0	-3,760	0	-3,760
4215/4218 Routine Maintenance	50,459	0	-50,459	0	-50,459
4219/4220 Non Routine Maintenance	91,499	0	-91,499	0	-91,499
4835 Telemetry Internal Purch	11,328	11,312	-17	12,340	1,012
4836 Telemetry Ops Costs	64,579	5,310	-59,269	5,793	-58,786
4837 Repairs and Servicing	16,185	0	-16,185	0	-16,185
4838 Rural Retic Materials	13,155	0	-13,155	0	-13,155
4839 Planned Maintenance	11,209	0	-11,209	0	-11,209
4840/4842 Operation & Maintenance	582,620	1,432,830	850,210	1,563,087	980,467
4841 Opex Projects	0	393,399	393,399	429,162	429,162
4843 O&M Routine Sampling	743,017	461,663	-281,355	503,632	-239,385
4845 Monitoring Expenses	89,225	5,759	-83,466	6,283	-82,942
4847 Grounds Maintenance	25,820	0	-25,820	0	-25,820
4848 Consumables	38,338	0	-38,338	0	-38,338
4855 Resource Management	40,991	66,816	25,824	72,890	31,899
4860 Sundry Expenditure	1,974	38,511	36,537	42,012	40,038
4863 Non Routine Sampling	285,815	54,341	-231,474	59,281	-226,534
4865/4866 Non Routine Expenditure	4,536,827	1,789,696	-2,747,131	1,952,396	-2,584,431
4867 Emergency Repairs	304,191	0	-304,191	0	-304,191
4870/4871 Electricity Water Services	1,096,881	1,060,872	-36,009	1,157,315	60,434
4880 Booster - Electricity	227,267	193,314	-33,953	210,888	-16,379
4885 Professional Services	0	6,602	6,602	7,202	7,202
5520 Internal - Others	4,071,797	4,071,798	0	4,441,961	370,164
5525 Internal Water Purchase	1,145,098	1,138,518	-6,580	1,242,020	96,922
5530 Internal Sewer	516,698	516,698	0	563,671	46,973
	20,910,186	14,374,357	-6,535,829	15,681,117	-5,229,069

Capital Funding	Actual	11 Month Budget	Variance		Full Yr Budget	Variance
6910 Transfer from Special Funds	0	-205,662	-205,662		-224,359	-224,359
6914 Transfer from Depreciation	0	-1,020,972	-1,020,972		-1,113,788	-1,113,788
6915 Transfer from Depr - projects	0	-3,141,730	-3,141,730		-3,427,342	-3,427,342
9715 Loan Principal - Receive	0	-32,737,509	-32,737,509		-35,713,646	-35,713,646
	0	-37,105,874	-37,105,874		-40,479,135	-40,479,135
Capital Expenditure						
6965 Transfer to Depreciation	833,036	833,036	-0		908,767	75,731
7810 Professional Services	1,371,261	298,579	-1,072,681		325,723	-1,045,538
7820/7821 Minor Purchases	1,098,030	692,841	-405,190		755,826	-342,204
7830 Physical Works	23,447,225	38,281,974	14,834,749		39,770,153	16,322,928
7831 Sewer Upgrade Physical Works	-1,590	0	1,590		0	1,590
7930 Contract Payments (Ass	1,758,791	0	-1,758,791		0	-1,758,791
8204 Motor Vehicles Additons	553,012	0	-553,012		0	-553,012
9717 Loan Principal - Paid	54,263	54,263	0		59,196	4,933
	29,114,028	40,160,693	11,046,665		41,819,665	12,705,637

Risk & Assurance Committee

Item for INFORMATION

Report	Audit Recommendation Monitoring Report
Meeting Date	18 July 2024
Item Number	8
Prepared By	Sharon Jenkinson – Chief Financial Officer
File Reference	902350

REPORT SUMMARY

This report provides an update on actions taken on recommendations from the Deloitte Final Report to Risk and Assurance Committee on the 30 June 2023 Annual Report Audit.

Items will be removed once they have been actioned.

There have been no changes since the last meeting.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the Audit Recommendation Monitoring Report.**

Audit Monitoring Report.

Deloitte Recommendations to Clutha District Council from the Final Report to Risk and Assurance on the 30th June 2023 Annual Report Audit.

Matter	Observation	Recommendation	Response	23/24 status
Valuation recommendations – 3 Waters	<p>Plant Assets: Replacement Costs and Standard Lives Review</p> <p>The previous valuation recommended unit rates and useful lives of large / high value plant assets be reviewed at the next valuation. This was not done for the 2023 valuation as CDC were completing and capitalising major upgrades to several treatment plants. It is recommended that during the next valuation, the contract schedules from these upgrades are used for updating replacement costs of similar plant assets at other sites. Any assets that are not able to be reviewed and updated in this manner can then be assessed using specialist advice.</p> <p>Review rates for open drains and overland flow paths</p> <p>These assets continue to have a unit rate of \$0. In the event of a natural disaster event (e.g. earthquake) these assets may need to be repaired, so for insurance purposes assessment of the replacement value of these assets is recommended.</p> <p>Taumata Arowai – the new Water Services Regulator</p> <p>This valuation has not considered any impact of Taumata Arowai, the new water services regulator for New Zealand, on future compliance and the ability of CDC's assets to meet new or enhanced standards beyond those changes already implemented via the Act. Future valuations should factor any proposed regulatory changes into decisions regarding asset lives and impairment.</p>	<p>These recommendations will help improve the quality of asset data in Asset Finda which is critical in both valuing the Council's assets as well as driving the Council's asset maintenance decisions which forms the base of the Council's Long-Term Plan.</p>	<p>Recommendations noted, we will work through these over the coming year.</p>	<p>This is ongoing, we have had a full revaluation done for 3 waters for the 30 June 2023 year. We are working with the water team on improvements in data capture and reporting. We are also now providing a Work in Progress listing to the water team on a more regular basis for review.</p>

Matter	Observation	Recommendation	Response	23/24 status
<p>Progress reporting on major projects and review of WIP accounts</p>	<p>We note that the major projects report only reports the budget vs actual spend to date and when the expected completion date is.</p> <p>It does not include an analysis of costs to complete an assessment of percentage of completion for each project to enable an appropriate assessment of the expected under/over achievement relative to budget and an early warning signal if projects are expected to be over budget.</p> <p>Further we note that costs relating to projects are only reviewed (for allocation purposes) once the project is completed. This means that the costs that are not capital in nature often sit in the WIP account (overstating the balance sheet) and are not expensed until the end of the project.</p>	<p>We recommend the Council implement a process to include a project by project progress assessment based on the expected costs to complete and an assessment of % completion as part of its major projects reporting. This should also include a more in depth assessment of budgeted costs versus actual spend.</p> <p>We also continue to recommend WIP accounts (including project costs) be reviewed periodically (at least annually as part of the annual report process) to ensure costs are correctly capitalised and/or expensed to ensure appropriate recognition in the relevant period. i.e. to avoid prior period adjustments subsequently being required.</p>	<p>Management is currently working with Capital Delivery on monitoring project spend vs budget, % of completion with remaining budget being sufficient.</p>	<p>We now provide a regular update on percentage of capital projects completed, as part of our KPI reporting to the Risk & Assurance Committee. We also review the WIP account more thoroughly, to ensure that any costs that are not capital in nature are expensed appropriately prior to year-end.</p>

Matter	Observation	Recommendation	Response at time	23/24 status
Statement of Service Performance – lack of review of calculation measures	We note there is no formal review of the calculation of performance measures being reported to Council.	Performance measures are an important part of Council's reporting to its ratepayers. We recommend a review process over the calculation and reporting of performance measures be implemented on a regular basis to provide greater confidence in performance reporting to Council.	Currently working on implementing a regular review process going forward.	When the data to complete median calculations are available, these will begin to be reviewed. We are working on implementing a process of regular review for the other measures.

Matter	Observation	Recommendation	Response	23/24 status
Segregation of duties	There is presently a lack of segregation of duties as certain personnel who can raise a payment can also approve the same payments they have raised. Per review of payroll control, audit note the Payroll Manager generated and approved the payroll payment.	We recommended that management review its segregation levels and ensure that there is sufficient separation such that those raising payments are not also able to authorise them and make the payment.	Currently staff who process a file for payment can upload it and be the first authoriser. This payment then requires a second authoriser. Staff are to contact the bank and investigate other options.	Staff spoken with the bank around options. In order to segregate duties further Council will require more online signatories. This is in conflict with the below audit recommendation.

Matter	Observation	Recommendation	Response	23/24 Implementation status
Quantum of online banking signatories	A total of 7 (10 in 2022) staff members have access to the online banking system as primary authorising signatories including all finance staff, two rates' officers and the HR Manager. This presents a risk to Council due to a high number of staff having the ability to submit and authorise online banking transactions. Additionally Council's processes allow for the creators of batch payments to approve them with a secondary approval from one other team member.	We recommend that Council review their listing of online signatories to determine whether it is appropriate for all aforementioned staff to maintain the same level of access within the Online Banking System. Best practice would see two individuals approving payments who are different to those who create the batches for payment. Council should also consider implementing a primary and secondary tier based approval process which would require only certain employees with higher delegations, as appropriate for their position, to be the secondary approvers for payments.	Currently 7 staff have access to our online banking. They all have different authorities and security levels. No one is able to create and complete final authorisation.	As above.

Risk & Assurance Committee

Item for INFORMATION

Report	Treasury Management Report
Meeting Date	18 July 2024
Item Number	9
Prepared By	Greg Bowie – Financial Accounting Team Leader
File Reference	902351

REPORT SUMMARY

This report covers Councils Investment and Borrowing portfolios, the monitoring of these and compliance with Council Policy.

The report also includes information regarding Council's loans with LGFA, their maturity dates and interest rates.

Please note that the reporting year starts from 1 April 2024.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the Treasury Management Report.**

REPORT

1. Dashboard

TREASURY DASHBOARD																																						
Period to 30/06/2024																																						
Investment Balance		\$000																																				
Nikko Current Balance	25,982	↓																																				
Nikko Year-End Budgeted Balance	29,628																																					
Movements		\$000																																				
Opening Balance (01/07/2023)	29,833																																					
Growth (Interest + Gains/Losses)	3,082																																					
Additions	-																																					
Withdrawals (Rates Subsidy + Inv Surplus)	- 6,776																																					
Management Fees	- 157																																					
Closing Balance (30/06/2024)	<u>\$ 25,982</u>																																					
Debt Balance		\$000																																				
LGFA Borrowing Current Balance	118,800	↓																																				
LGFA Year-End Budgeted Balance	111,252																																					
Movements		\$000																																				
Opening Balance (01/07/2023)	70,516																																					
New Debt	49,000																																					
Rollover Debt	48,000																																					
Repaid Debt	- 48,000																																					
Reversal of Accrued Interest - 2022/23	- 716																																					
Closing Balance (30/06/2024)	<u>\$ 118,800</u>																																					
Westpac Borrowing - Multi Option Credit Line		\$ 3,000																																				
Link Management Fees (paid from bank a/c)		33																																				
YTD Return on Investment (June)																																						
Debt Maturity Profile																																						
Benchmarks - Performance (NZD Gross Returns)																																						
<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">3 months</th> </tr> <tr> <th>Fund</th> <th>B'mark</th> </tr> </thead> <tbody> <tr> <td>New Zealand cash</td> <td>1.54%</td> <td>1.41%</td> </tr> <tr> <td>New Zealand bonds</td> <td>0.26%</td> <td>0.25%</td> </tr> <tr> <td>Global bonds</td> <td>0.20%</td> <td>-0.02%</td> </tr> <tr> <td>Core Equity</td> <td>3.87%</td> <td>3.13%</td> </tr> <tr> <td>Property</td> <td>0.04%</td> <td>-0.07%</td> </tr> <tr> <td>Global equities UnH</td> <td>20.04%</td> <td>14.53%</td> </tr> <tr> <td>Global equities H</td> <td>14.41%</td> <td>9.76%</td> </tr> <tr> <td>Multi-strategy</td> <td>4.32%</td> <td>2.16%</td> </tr> <tr> <td>Multi-strategy SPV</td> <td>1.08%</td> <td>2.16%</td> </tr> <tr> <td>Total gross return</td> <td>6.23%</td> <td>3.83%</td> </tr> </tbody> </table>					3 months		Fund	B'mark	New Zealand cash	1.54%	1.41%	New Zealand bonds	0.26%	0.25%	Global bonds	0.20%	-0.02%	Core Equity	3.87%	3.13%	Property	0.04%	-0.07%	Global equities UnH	20.04%	14.53%	Global equities H	14.41%	9.76%	Multi-strategy	4.32%	2.16%	Multi-strategy SPV	1.08%	2.16%	Total gross return	6.23%	3.83%
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Benchmarks - Liability Management Policy																																						
Policy Compliance		✓																																				
Policy Compliance		✓																																				
Emerging Issues																																						
Nothing to note at present.			Cash flow and monitoring debt limits is an emerging issue.																																			

2. Nikko Investment Portfolio

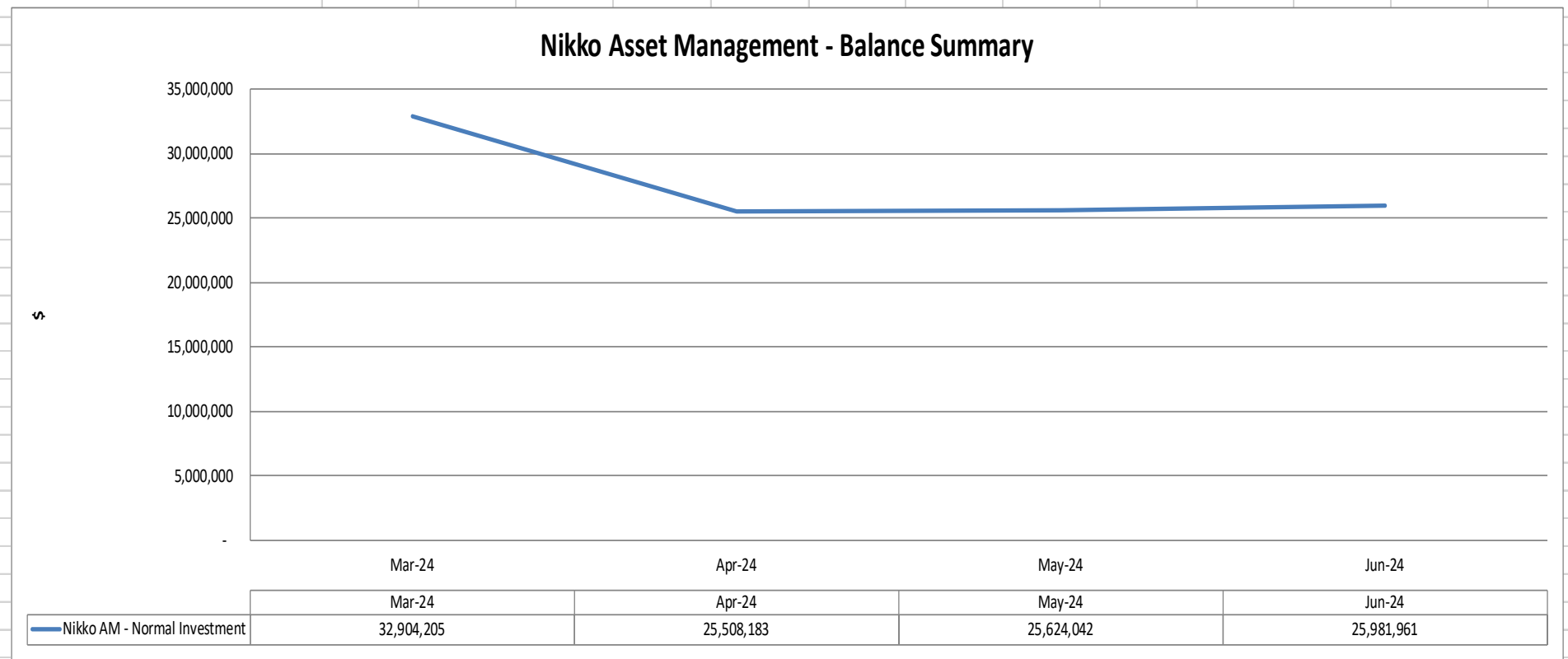
The Nikko Investment Portfolio report shows the monthly returns and compliance with agreed portfolio allocations for the months of April to June 2024.

We had \$116k and \$194k unrealised gains in May and June respectively, as well as \$164k of distributions reinvested in June, resulting in a year-to-date cumulative return on investment of -0.44% including the loss from April.

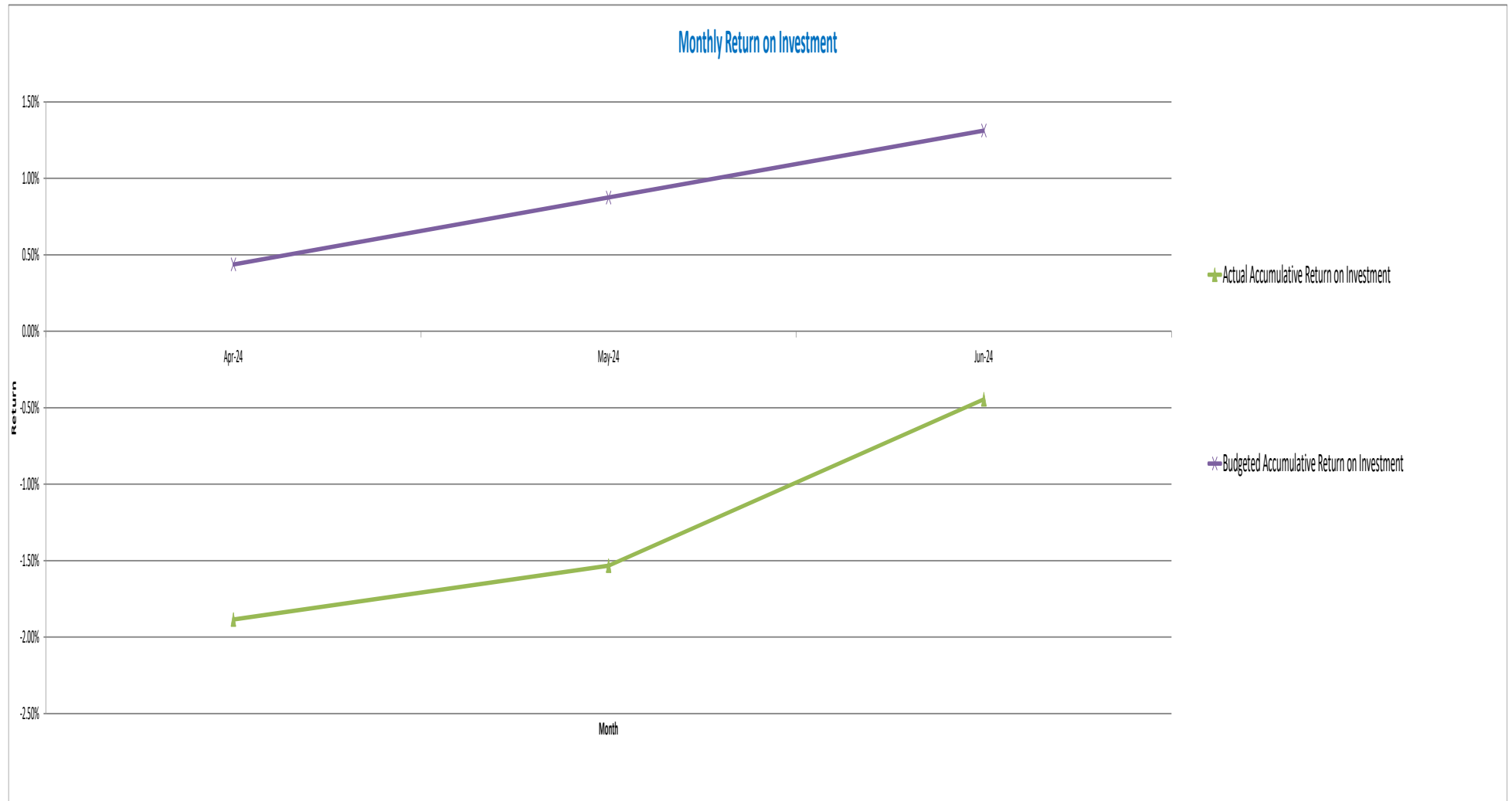
NIKKO INVESTMENT PORTFOLIO REPORT

Combined Nikko Investment Portfolio

	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Nikko AM - Normal Investment	32,904,205	25,508,183	25,624,042	25,981,961									
Total	32,904,205	25,508,183	25,624,042	25,981,961	-	-	-	-	-	-	-	-	-
Change each month	842,736	- 7,396,021	115,859	357,918									
Year to date change	4,131,924	- 7,396,021	- 7,280,162	- 6,922,244									



Normal Nikko Investment Portfolio Return on Investment



Monitoring of Nikko Asset Management's Investment Portfolio

Clutha District Council - Monitoring of Nikko Asset Management's Investment Portfolio									
Actual Balances									
	Apr-24		May-24		Jun-24				
		%		%		%			
TW0605 - Nikko AM Wholesale NZ Bond Fund	3,322,909	13.03%	3,360,870	13.12%	3,404,452	13.10%			
TW0606 - Nikko AM Wholesale NZ Cash Fund	1,159,149	4.54%	1,165,478	4.55%	1,170,761	4.51%			
TW0607 - Nikko AM Wholesale Core Equity Fund	2,597,452	10.18%	2,574,445	10.05%	2,548,958	9.81%			
TW0610 - Nikko AM Wholesale Global Bond Fund	8,212,164	32.19%	8,260,318	32.24%	8,380,060	32.25%			
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,982,435	7.77%	1,981,543	7.73%	1,973,178	7.59%			
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	6,395	0.03%	6,404	0.02%	6,422	0.02%			
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	3,437,397	13.48%	3,438,844	13.42%	3,572,688	13.75%			
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	3,506,825	13.75%	3,585,079	13.99%	3,712,080	14.29%			
TW0622 - Nikko AM Wholesale Property Fund	1,283,457	5.03%	1,251,062	4.88%	1,213,362	4.67%			
Total	25,508,183	100%	25,624,042	100%	25,981,961	100%			
Standard Investment Allocation									
	Apr-24		May-24		Jun-24		Range Limit		
	\$	%	\$	%	\$	%	+/-		
TW0605 - Nikko AM Wholesale NZ Bond Fund	3,316,064	13.00%	3,331,126	13.00%	3,377,655	13.00%	5.00%	-5.00%	
TW0606 - Nikko AM Wholesale NZ Cash Fund	1,275,409	5.00%	1,281,202	5.00%	1,299,098	5.00%	5.00%	-5.00%	
TW0607 - Nikko AM Wholesale Core Equity Fund	2,550,818	10.00%	2,562,404	10.00%	2,598,196	10.00%	5.00%	-5.00%	
TW0610 - Nikko AM Wholesale Global Bond Fund	8,162,619	32.00%	8,199,694	32.00%	8,314,227	32.00%	6.00%	-6.00%	
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,913,114	7.50%	1,921,803	7.50%	1,948,647	7.50%	5.00%	-5.00%	
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	-	0.00%	-	0.00%	-	0.00%	5.00%	-5.00%	
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	3,507,375	13.75%	3,523,306	13.75%	3,572,520	13.75%	6.00%	-6.00%	
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	3,507,375	13.75%	3,523,306	13.75%	3,572,520	13.75%	5.00%	-5.00%	
TW0622 - Nikko AM Wholesale Property Fund	1,275,409	5.00%	1,281,202	5.00%	1,299,098	5.00%	4.00%	-4.00%	
Total	25,508,183	100%	25,624,042	100%	25,981,961	100%			
Variance									
	Apr-24		May-24		Jun-24				
	\$	%	\$	%	\$	%			
TW0605 - Nikko AM Wholesale NZ Bond Fund	6,845	0.03%	29,744	0.12%	26,797	0.10%	Nothing out of range.		
TW0606 - Nikko AM Wholesale NZ Cash Fund	- 116,260	-0.46%	- 115,724	-0.45%	- 128,337	-0.49%			
TW0607 - Nikko AM Wholesale Core Equity Fund	46,634	0.18%	12,040	0.05%	49,238	-0.19%			
TW0610 - Nikko AM Wholesale Global Bond Fund	49,545	0.19%	60,624	0.24%	65,833	0.25%			
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	69,321	0.27%	59,739	0.23%	24,531	0.09%			
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	6,395	0.03%	6,404	0.02%	6,422	0.02%			
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	- 69,978	-0.27%	- 84,462	-0.33%	169	0.00%			
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	- 550	0.00%	61,774	0.24%	139,560	0.54%			
TW0622 - Nikko AM Wholesale Property Fund	8,048	0.03%	30,140	-0.12%	85,736	-0.33%			

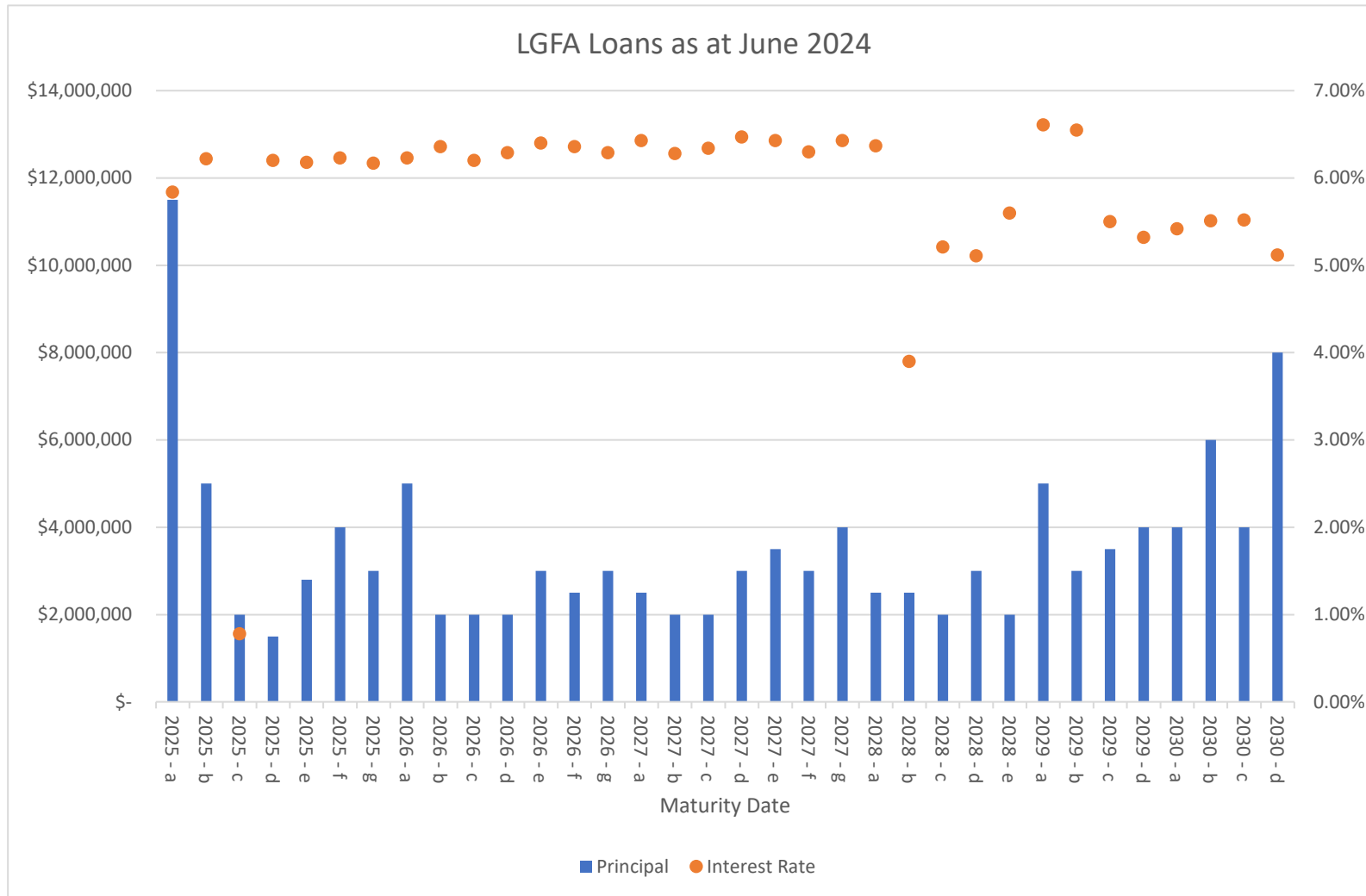
Nikko Investments – Combined Summary of Transactions since Inception to June 2024

<u>Nikko Investments - Combined</u>	No. of months									
<u>Summary of transactions since inception</u>	3	12	12	12	12	12	12	12	12	87
	Year 1 - 2016/17	Year 2 - 2017/18	Year 3 - 2018/19	Year 4 - 2019/20	Year 5 - 2020/21	Year 6 - 2021/22	Year 7 - 2022/23	Year 8 - 2023/24	Inception to date	
Opening Balance	17,467,879	22,971,320	25,519,659	27,210,811	28,984,496	31,702,036	27,750,397	29,850,316	17,467,879	
Plus Capital Injections - Forestry Sales	5,355,020	0	0	0	0	0	0	0	5,355,020	
Plus Capital Contributions	0	789,000	1,015,263	0	0	0	0	0	1,804,263	
Plus Returns	148,421	2,669,443	2,124,598	1,885,278	3,898,341	-2,888,395	2,246,511	3,079,808	13,164,004	
Less Management Fees	0	-119,056	-140,446	-111,593	-156,337	-163,944	-146,591	-157,099	-995,066	
Less Capital Withdrawals - Rates Subsidy	0	-791,048	-1,308,263	0	-1,024,464	-899,300	0	-6,776,077	-10,799,152	
Consolidation of Investments	0	0	0	0	0	0	0	0	0	
Closing Balance - per audited financial statements (fair price)	22,971,320	25,519,659	27,210,811	28,984,496	31,702,036	27,750,397	29,850,316	25,996,948	25,996,948	
Budgeted Long Term Plan forecast balance	14,320,000	13,009,000	25,281,000	25,718,000	26,163,000	30,507,000	30,044,000	29,855,000	29,855,000	
Overall Annual % Change in Fund Value - including Capital Withdrawals/Contributions	31.51%	11.09%	6.63%	6.52%	9.38%	-12.46%	7.57%	-12.91%	48.83%	
Overall Annual % Change in Fund Value - excluding Capital Withdrawals/Contributions	0.85%	11.10%	7.77%	6.52%	12.91%	-9.63%	7.57%	9.79%	69.66%	

3. LGFA Borrowing Portfolio

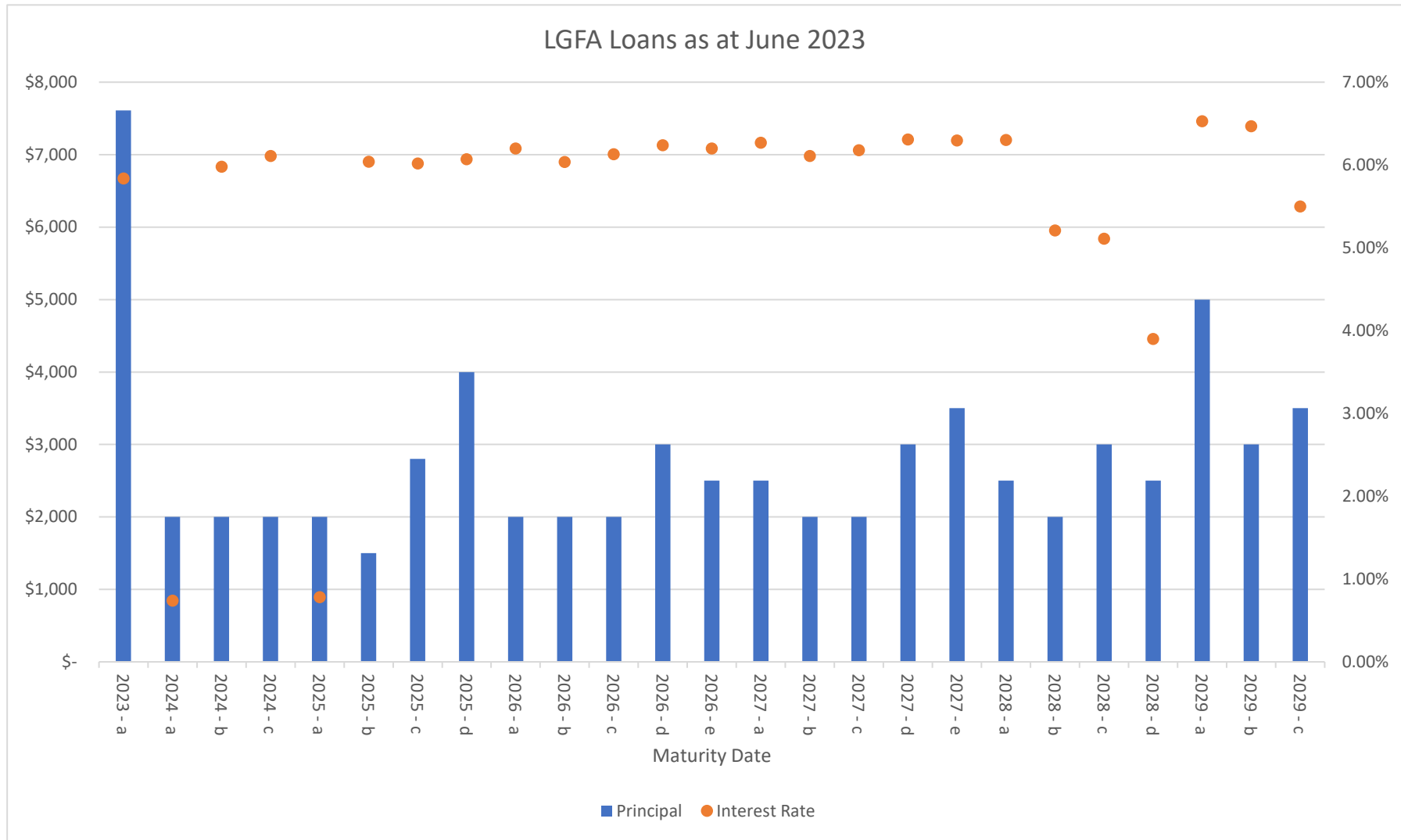
The following table shows Council's LGFA borrowing at the end of June 2024. It shows each tranche of borrowing, the relative interest rate and the maturity date. We have also shown this graphically. For comparative purposes we have shown the same information as at the end of the two financial years.

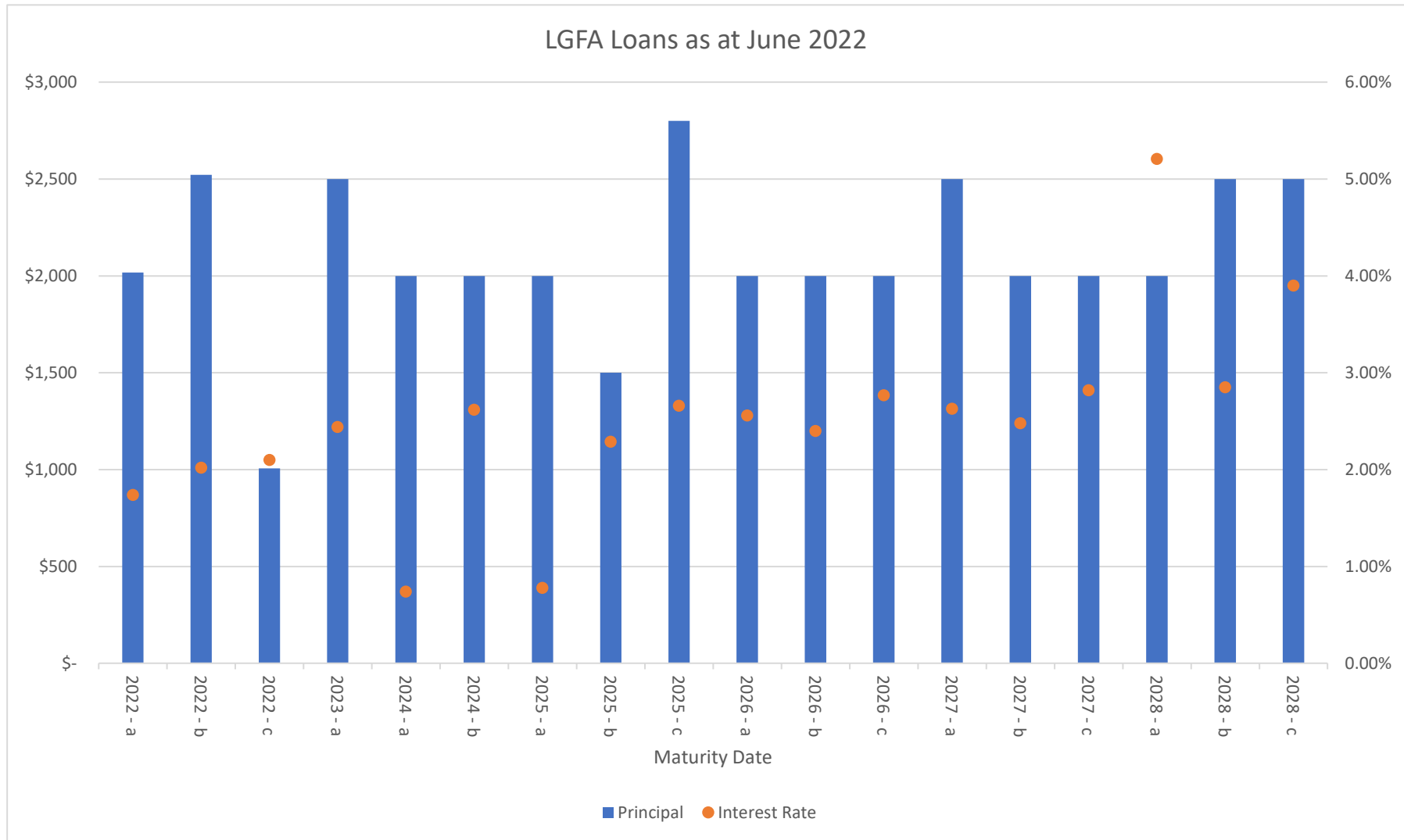
LGFA Borrowing June 2024			
Loan Type	Maturity Date	Interest Rate	Principal
LGFA CP	16-May-24	5.84%	\$11,500,000
LGFA FRN	15-Apr-25	6.22%	\$5,000,000
LGFA FRB	17-Apr-25	0.78%	\$2,000,000
LGFA FRN	17-Apr-25	6.20%	\$1,500,000
LGFA FRN	17-Apr-25	6.18%	\$2,800,000
LGFA FRN	17-Apr-25	6.23%	\$4,000,000
LGFA FRN	17-Apr-25	6.17%	\$3,000,000
LGFA FRN	17-Apr-25	6.23%	\$5,000,000
LGFA FRN	17-Apr-26	6.36%	\$2,000,000
LGFA FRN	17-Apr-26	6.20%	\$2,000,000
LGFA FRN	17-Apr-26	6.29%	\$2,000,000
LGFA FRN	17-Apr-26	6.40%	\$3,000,000
LGFA FRN	17-Apr-26	6.36%	\$2,500,000
LGFA FRN	17-Apr-26	6.29%	\$3,000,000
LGFA FRN	15-Apr-27	6.43%	\$2,500,000
LGFA FRN	15-Apr-27	6.28%	\$2,000,000
LGFA FRN	15-Apr-27	6.34%	\$2,000,000
LGFA FRN	15-Apr-27	6.47%	\$3,000,000
LGFA FRN	15-Apr-27	6.43%	\$3,500,000
LGFA FRB	15-Apr-27	6.30%	\$3,000,000
LGFA FRN	15-Apr-27	6.43%	\$4,000,000
LGFA FRN	15-May-28	6.37%	\$2,500,000
LGFA FRB	15-May-28	3.90%	\$2,500,000
LGFA FRB	15-May-28	5.21%	\$2,000,000
LGFA FRB	15-May-28	5.11%	\$3,000,000
LGFA FRB	15-May-28	5.60%	\$2,000,000
LGFA FRN	20-Apr-29	6.61%	\$5,000,000
LGFA FRN	20-Apr-29	6.55%	\$3,000,000
LGFA FRB	20-Apr-29	5.50%	\$3,500,000
LGFA FRB	20-Apr-29	5.32%	\$4,000,000
LGFA FRB	15-May-30	5.42%	\$4,000,000
LGFA FRB	15-May-30	5.51%	\$6,000,000
LGFA FRB	15-May-30	5.52%	\$4,000,000
LGFA FRB	15-May-30	5.12%	\$8,000,000
		5.84%	\$118,800,000



LGFA Borrowing June 2023		
Maturity Date	Principal	Interest Rate
August 2023	\$7,610	5.84%
April 2024	\$2,000	0.74%
April 2024	\$2,000	5.98%
April 2024	\$2,000	6.11%
April 2025	\$2,000	0.78%
April 2025	\$1,500	6.04%
April 2025	\$2,800	6.02%
April 2025	\$4,000	6.07%
April 2026	\$2,000	6.20%
April 2026	\$2,000	6.04%
April 2026	\$2,000	6.13%
April 2026	\$3,000	6.24%
April 2026	\$2,500	6.20%
April 2027	\$2,500	6.27%
April 2027	\$2,000	6.11%
April 2027	\$2,000	6.18%
April 2027	\$3,000	6.31%
April 2027	\$3,500	6.30%
April 2028	\$2,500	6.31%
April 2028	\$2,000	5.21%
April 2028	\$3,000	5.11%
May 2028	\$2,500	3.90%
April 2029	\$5,000	6.53%
April 2029	\$3,000	6.47%
April 2029	\$3,500	5.50%
Total & average interest rate	\$69,910	5.68%

LGFA Borrowing June 2022		
Date Maturing	Amount (\$'000)	Interest Rate
August 2022	\$2,017	0.0174%
August 2022	\$2,522	2.02%
August 2022	\$1,007	2.10%
April 2023	\$2,500	2.44%
April 2024	\$2,000	0.74%
April 2024	\$2,000	2.62%
April 2025	\$2,000	0.78%
April 2025	\$1,500	2.29%
April 2025	\$2,800	2.66%
April 2026	\$2,000	2.56%
April 2026	\$2,000	2.40%
April 2026	\$2,000	2.77%
April 2027	\$2,500	2.63%
April 2027	\$2,000	2.48%
April 2027	\$2,000	2.82%
April 2028	\$2,000	5.21%
May 2028	\$2,500	2.85%
May 2028	\$2,500	3.90%
Total & average interest rate	\$37,846	2.53%





Risk & Assurance Committee

Item for DECISION

Report	Reasons to Move to Public Excluded Session
Meeting Date	18 July 2024
Item Number	10
Prepared By	Sonia Farquharson – Finance and Policy Administrator
File Reference	904302

REPORT SUMMARY

The Risk & Assurance Committee may by resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Grounds to exclude the public under the Local Government Official Information and Meetings Act 1987 are contained in Appendix 1 of the Clutha District Council's Standing Orders as attached.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the 'Reasons to Move to Public Excluded Session' report.**
- 2. That the Risk & Assurance Committee approves moving Public Excluded Risk & Assurance Committee Minutes held on 06 June 2024 into public, and**
- 3. That the minutes of the public excluded section of the meeting of the Risk & Assurance Committee held on 06 June 2024 be approved as a true and correct record.**
- 4. That if required, the Risk & Assurance Committee excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:**

REPORT

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Public Excluded Risk & Assurance Minutes	<p>Section A2(h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section A2(i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</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>

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 after each item.

Appendix 1: Grounds to exclude the public

A local authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the following grounds:

- A1** That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information would be likely:
- (a) To prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
 - (b) To endanger the safety of any person.
- A2** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
- (a) Protect the privacy of natural persons, including that of deceased natural persons; or
 - (b) Protect information where the making available of the information would:

- i. Disclose a trade secret; or
 - ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
- (ba) In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu; or
- (c) 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:
- i. 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; or
 - ii. Be likely otherwise to damage the public interest.
- (d) Avoid prejudice to measures protecting the health or safety of members of the public; or
- (e) Avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
- (f) Maintain the effective conduct of public affairs through –the protection of such members, officers, employees, and persons from improper pressure or harassment; or
- (g) Maintain legal professional privilege; or
- (h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities; or
- (i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- (j) Prevent the disclosure or use of official information for improper gain or improper advantage.

See s.7 LGOIMA 1987.

Where A2 of this Appendix applies the public may be excluded unless, in the circumstances of a particular case, the exclusion of the public is outweighed by other considerations which render it desirable and in the public interest, that the public is not excluded.

- A3** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information, the public disclosure of which would:
- (a) Be contrary to the provisions of a specified enactment; or
 - (b) Constitute contempt of Court or of the House of Representatives.
- A4** That the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that Council by an Ombudsman under section 30(1) or section 38(3) of this Act (in the case of a Council named or specified in Schedule 1 to this Act).

A5 That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation in:

- (a) Any proceedings before a Council where:
- i. A right of appeal lies to any Court or tribunal against the final decision of the Council in those proceedings.
 - ii. The Council is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and
 - iii. Proceedings of a local authority exist in relation to any application or objection under the Marine Farming Act 1971.

See s. 48 LGOIMA.