
Finance, Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Committee held via Audio Visual Link on Wednesday 29 April 2020 at 1.00 pm.

PRESENT

Chairperson	Mr P Jones
Deputy Chairperson	Mrs C B Mitchell
Members	Mr D A Allan
	Mr W E R Bishop
	Mr R J Brannigan
	Mr T N Isaacs
	Mr B J Jackson
	Mr S J R Jennings
	Mrs V M Kaye-Simmons
	Mr R R Ketu
	Mrs J F G Mason
	Ms P Tukapua
	HWTM B P Wanden

IN ATTENDANCE

Reporting Officer	Mr D Law	(Chief Financial Officer)
	Mr D M Clapperton	(Chief Executive)
	Mrs N Brady	(Deputy Chief Executive)
	Mr D McCorkindale	(Group Manager – Customer & Strategy)
	Mr K Peel	(Group Manager – Infrastructure Operations)
	Mr B Maguire	(Group Manager – Infrastructure Development)
	Mrs L Slade	(Group Manager – People & Culture)
	Mr S Magi	(Information Services Manager)
	Mr B Harvey	(Community Facilities & Events Manager)
	Mrs T Glavas	(Health & Safety Advisor)
	Mr A Howard	(Emergency Management Officer)
	Ms S Hori Te Pa	(Governance & Executive Support Team Leader)
	Mrs K J Corkill	(Meeting Secretary)

1 Apologies

There were no apologies.

2 Public Participation

None requested.

3 Late Items

An opportunity has been identified under Alert Level 3 for the consideration of maintenance work at the Levin and Foxton Aquatic Centres to be considered that would otherwise be difficult to proceed with without interruption to the community enjoyment of the facilities. As this involved a four-week window, commencing 30 April 2020, this was being brought to the FAR Committee for consideration to be given to recommending it to the Emergency Committee of Council for the formalisation of a resolution to enable the works to proceed.

MOVED by Cr Tukapua, seconded Mayor Wanden:

THAT the late Item: Aquatic Brief – Planned Maintenance Window be considered by the Finance, Audit & Risk Committee.

CARRIED

With the agreement of the meeting, the Chair proposed a change in the order Agenda items would be addressed, as follows:

- 7.5 Chief Executive's Report
- 7.6 Draft Rates Postponement Policy
- 7.7 Horowhenua District Council COVID-19 Risk Management Update
The late report – Aquatic Brief – Planned Maintenance Window
- 7.1 Health & Safety Report
- 7.2 Projects Update
- 7.3 Nine Month Report 1 July 2019 – 31 March 2020
- 7.4 Treasury Report

4 Declarations of Interest

There were no declarations of interest.

5 Confirmation of Minutes

MOVED by Mr Jackson, seconded Cr Allan:

THAT the minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 26 February 2020, be confirmed as a true and correct record.

CARRIED

6 Announcements

There were no announcements.

7 Reports

7.5 Chief Executive's Report

Purpose

To update the Finance, Audit & Risk Committee with regard to Council's initial response to the COVID-19 pandemic.

Requesting the report be taken as read, Mr Clapperton provided more detail in relation to the different initiatives that Council had already established, or was in the process of implementing, as well as various initiatives that Council Officers were currently investigating.

One key area was in relation to rates and what could be done in that space to provide targeted relief to ratepayers and small businesses affected by the COVID-19 pandemic, whether using what was already in place, or putting in place other mechanisms such as a Rates Postponement Policy.

Mr Law, Mr Clapperton and Mrs Brady responded to queries and provided comment in relation to rates and the current Rates Remission Policy and its operation, particularly in terms of penalties and Council's success in collecting rates through the current system.

Mr Law did note that Council could include in its rates resolution (which was normally adopted by Council in July) that there would be no penalties or lower penalties for the ensuing year. The penalties that were in place were to try and ensure that Council had cash flow by incentivising people to pay rates on time. Council also had to abide by what was in its Policy which did mean requests for remissions were dealt with on a case by case basis with Officers working with ratepayers to work out arrangements that suited their situations, and any change to the Policy would need to be further considered at a Council level.

MOVED by Mr Jackson, seconded Cr Isaacs:

THAT Report 20/135 Chief Executive's Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.6 Draft Rates Postponement Policy

Purpose

To present to the Finance, Audit & Risk Committee a draft Rates Postponement Policy for consideration prior to it going out for public consultation as required by the Local Government Act 2002 (LGA), subsequent to its adoption by the Horowhenua District Council.

Mr Jones drew attention to the use of the word "must" in the Rates legislation, noting that in the Remission Policy the word "may" was used. He also noted that the Policy had to go out for public consultation and then come to full Council for adoption.

Some queries and concerns about the proposed conditions and criteria were raised and discussed, with the importance of ensuring the criteria was tight and targeted to those people who really needed it being stressed. Also noted was the potential to create cash flow issues which could impact on debt, with that depending on how many people did apply, which was unknown at this stage. Council did need to have a policy if it wanted to have the ability to postpone rates.

Responding to a query with regard to timing, Mr Law said taking into account the process which involved 30 days for public consultation, he did hope to have this completed in time for the adoption of the rates resolution which normally occurred at a Council meeting in July.

MOVED by Mr Jones, seconded Cr Allan:

THAT Report 20/131 Draft Rates Postponement Policy be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Finance, Audit and Risk Committee recommends to the Horowhenua District Council that it considers the adoption of a Draft Rates Postponement Policy for public consultation, subject to further feedback from Elected Members.

CARRIED

Because of the possible adverse economic impact of the current situation, it was queried if a report could be sought from the Horowhenua New Zealand Trust on its views with regard to the impact on the Horowhenua.

Mr Clapperton said he had had a first cut of that information come through from the Trust, which gave an indication of what the impact might be sector by sector. In terms of job numbers, it might be possible to extrapolate that out and make an assessment on the number of people who might apply under a postponement policy. The early indications were that the impact could vary in different parts of the country, but it may not be as quite as severe in the Horowhenua as in other areas. He would give a verbal report at the Council meeting next week with some high level assumptions.

He also confirmed that there was a sector wide approach being made to government, with Council having forwarded information to the Local Government Response Unit, particularly around the rates rebate. Mrs Brady also had a Zoom meeting tomorrow with CEs from other Councils and would have the opportunity to raise questions there.

7.7 Horowhenua District Council Covid-19 Risk Management Update

Purpose

To update the Finance, Audit & Risk Committee on the controls being implemented by staff and the Incident Management Team (IMT) to manage the risks associated with Horowhenua District Council's (HDC) response to Covid-19.

Requesting the report be taken as read, Mr Magi noted that this was the risk matrix for the Incident Management Team in response to the current crisis and was separate from Council's Risk Register.

MOVED by Cr Kaye-Simmons, seconded Cr Allan:

THAT Report Horowhenua District Council Covid-19 Risk Management Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Horowhenua District Council Covid-19 Risk Matrix be noted.

CARRIED

Aquatic Brief - Planned Maintenance Window

Purpose

To provide the Finance, Audit and Risk Committee with an outline of a proposed Aquatic maintenance programme to be carried out within a four-week window commencing from 30 April 2020.

Noting that Elected Members had already received prior correspondence in relation to this report and requesting that it be taken as read, Mrs Brady spoke in considerable detail outlining the rationale for doing this work at the current time which took into account a window of opportunity in terms of business interruption, particularly for the Levin Aquatic Centre which had very few days of the year available to undertake major maintenance without disruption to users, and also in terms of contractor availability and materials.

Funding and how this work meshed with the scheduling of other Aquatic future maintenance works was also raised and discussed. It was then:

MOVED by Cr Allan, seconded Cr Brannigan:

THAT Report 20/152 Aquatic Brief - Planned Maintenance Window be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002

THAT the Finance, Audit and Risk Committee recommends that the Emergency Committee meets on Wednesday 29 April 2020 to formalise a resolution to enable the planned Aquatic maintenance programme outlined to proceed.

CARRIED

7.1 Health & Safety - Quarterly Report

Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the six-month period January to March 2020.

Requesting that the report be taken as read, Mrs Glavas responded to queries, with Committee Members also commending her for the quality of the report which provided very good information.

MOVED by Cr Jennings, seconded Cr Isaacs:

THAT Report 20/129 Health & Safety - Quarterly Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The meeting adjourned briefly (2.38-2.48 pm)

7.2 Projects Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Group.

Mr Clapperton worked his way through the report, responding to queries raised in relation to the different projects.

MOVED by Mr Jackson, seconded Cr Allan:

THAT Report 20/67 Projects Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.3 Nine Month Report 1 July 2019 - 31 March 2020

Purpose

To present to the Finance, Audit & Risk (FAR) Committee the financial report for the nine months ended 31 March 2020.

Speaking to the report, Mr Law said it was probably the first month that the year-to-date deficit was higher than the budgeted YTD deficit and he was not sure if that trend would continue to the end of year. The Finance team were endeavouring to track the financial implications of COVID-19 on the organisation, which was not easy as in terms of such things as capital expenditure, that could flatten out because not much work had been done during April.

With Committee Members having a number of questions, Mr Clapperton suggested they be noted and a response circulated to Members.

MOVED by Cr Mitchell, seconded Cr Mason:

THAT Report 20/83 Nine Month Report 1 July 2019 - 31 March 2020 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.4 Treasury Report

Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the March 2020 quarter.

Saying these were difficult times with the whole market acting quite differently than normal, Mr Law reiterated the main points in the report.

Mr Jones added that he was nervous that all the economists were endeavoring to predict what was going to happen when the problem was that no-one could know.

MOVED by Mr Jones, seconded Cr Jennings:

THAT Report 20/130 Treasury Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

3.30 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE, AUDIT & RISK
COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....