
Finance, Audit & Risk Subcommittee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Subcommittee held in the Council Chambers, Horowhenua District Council, Levin on Wednesday 29 June 2016 at 3.30 pm.

PRESENT

Chairperson Cr W E R Bishop
Members Mayor B J Duffy
Mr B J Jackson
Cr C B Mitchell
Cr A D Rush

IN ATTENDANCE

Mr D Law	(Group Manager – Finance)
Mrs N Brady	(Senior Manager – Business Services)
Mrs T Whitehouse	(Management Accountant)
Mr A Chamberlain	(Financial Accountant)
Mr G Saidy	(Group Manager –Infrastructure Services)
Mr D McCorkindale	(Senior Manager – Planning Services)
Mrs M Davidson	(Group Manager – Customer & Community Services)
Mr D M Clapperton	(Chief Executive) (from 3.40 pm)
Mrs K J Corkill	(Meeting Secretary)

PUBLIC IN ATTENDANCE

There were no members of the public in attendance.

1 Apologies

An apology was recorded for Cr Tukapua.

MOVED by Cr Rush, seconded Mayor Duffy:

THAT the apology from Councillor Tukapua be accepted.

CARRIED

2 Public Speaking Rights

None requested.

3 Declaration of Interest

There were no declarations of interest.

4 Confirmation of Minutes – 25 May 2016

MOVED by Mr Jackson, seconded Cr Rush:

THAT the minutes of the meeting of the Finance, Audit & Risk Subcommittee held on Wednesday, 25 May 2016, be confirmed as a true and correct record.

CARRIED

5 Matters Arising

There were no matters arising.

6 Announcements

There were no announcements.

7 Reports

7.1 Financial Report for the eleven months to 31 May 2016

Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the eight months to 31 May 2016.

MOVED by Cr Rush, seconded Cr Mitchell:

THAT Report 16/247 Financial Report for the eleven months to 31 May 2016 be received.

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

CARRIED

Mr Law spoke to this report and responded to Members' questions. He commented that Finance was focusing on year end at the moment and there was not much change from last month in terms of reporting. Of interest was the refinancing of a \$6m loan at 2.405% for six months, with the short term rate being very good. Council had \$65m of loans outstanding currently which was \$11m less than the budgeted \$76m in the LTP.

The Swap Valuation loss of (\$888k) was raised and discussed. Some explanation in layman's terms of what a Swap Valuation was and why there was the potential for a loss was requested. It was noted that this was a book transaction and as it was over a 10 year period what the final figure might be was hard to predict.

On page 11 under Available financial accommodation to external indebtedness (LGFA Cov) Mr Law noted that the figure should now be 115% so Council was meeting its target.

Mr Saidy responded to queries with regard to capital expenditure noting that Infrastructure Services had done very well with some projects such as Levin Water Treatment Plant and Shannon coming in under budget; however there were some projects over which they had no control such as Foxton when it came to meeting budget timeframes. Renewals were 100% done.

Mrs Brady also noted that following a comment at the last Finance, Audit & Risk Subcommittee meeting about tracking project expenditure over multiple years, there had been a change to the Capital Expenditure reporting and carry overs that had been approved would now be reflected in future reports.

9.2 Proposed Local Government Risk Agency

Purpose

To update the Finance, Audit & Risk Subcommittee on progress of the Local Government Risk Agency.

MOVED by Cr Rush, seconded Mayor Duffy:

THAT Report 16/335 on Proposed Local Government Risk Agency be received.

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

CARRIED

With the report being taken as read, Mrs Brady reported that, following an exceptional amount of work, the business case had been completed by the target date. She was confident that the Agency would go forward. This whole process, which she believed the Crown supported, was a huge amount of work, which was why it was being undertaken in three phases.

9.3 Monitoring Reports to 29 June 2016

Purpose

To present to the Finance, Audit & Risk Subcommittee Monitoring Reports covering:

- Requested actions from previous meetings of the Subcommittee;
- Issues identified during the 30 June 2015 Audit.

MOVED by Cr Rush, seconded Cr Mitchell:

THAT Report 16/248 Monitoring Reports to 29 June 2016 be received.

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

CARRIED

Mr Law advised that the Audit Manager would be in attendance at the next Finance, Audit & Risk Subcommittee meeting, with the Auditors having done an interim evaluation and they would also be on site at various times during the coming month.

Mr Clapperton noted that normally Council did not produce a 12 month set of accounts at this stage. However, draft year end accounts would be brought through to the next Subcommittee meeting for Members' consideration, together with the financials for the Pre-Election Report. The Pre-Election report set out Council's past, current and future position and needed to be completed by 1 August.

3.58 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
SUBCOMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....